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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning Jul 1 , 2009, **and ending** Jun 30 , 2010

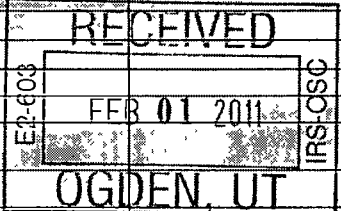
G Check all that apply Initial return Initial Return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions.	Name of foundation Smith and Davis Foundation, Inc.	A Employer identification number 26-2873407
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 602 Singleton Rd.	B Telephone number (see the instructions) (336) 998-8233
	City or town State ZIP code Mocksville NC 27028	C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
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	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i>	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,405,642.		

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))</i>	(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 (att sch)				
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	73,484.	63,599.		
5a Gross rents				
b Net rental income or (loss)		L-6a Stmt		
6a Net gain/(loss) from sale of assets not on line 10	11,324.			
b Gross sales price for all assets on line 6a 653,234.				
7 Capital gain net income (from Part IV, line 2)		11,324.		
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/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	84,808.	74,923.		
13 Compensation of officers, directors, trustees, etc	6,600.	3,300.		3,300.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) L-16a Stmt	4,143.	2,072.		2,071.
b Accounting fees (attach sch) L-16b Stmt	1,500.	1,500.		
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instr)				
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	100.	50.		50.
22 Printing and publications				
23 Other expenses (attach schedule) Investment expenses	564.	564.		
24 Total operating and administrative expenses. Add lines 13 through 23	12,907.	7,486.		5,421.
25 Contributions, gifts, grants paid	28,500.			
26 Total expenses and disbursements. Add lines 24 and 25	41,407.	7,486.		5,421.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	43,401.			
b Net investment income (if negative, enter -0-)		67,437.		
c Adjusted net income (if negative, enter -0-)				

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ADMINISTRATIVE EXPENSES



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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)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing		64,827.	40,483.	40,483.
	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 the instructions)				
	7	Other notes and loans receivable (attach sch)				
		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) L-10a Stmt		10,388.		
	b	Investments – corporate stock (attach schedule) L-10b Stmt		17,498.	31,495.	31,495.
	c	Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments – mortgage loans					
13	Investments – other (attach schedule) L-13 Stmt		1,214,572.	1,333,664.	1,333,664.	
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 instructions Also, see page 1, item I)		1,307,285.	1,405,642.	1,405,642.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & 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	Foundations 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				
	Foundations 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		1,307,285.	1,405,642.	
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see the instructions)		1,307,285.	1,405,642.	
31	Total liabilities and net assets/fund balances (see the instructions)		1,307,285.	1,405,642.		

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	1,307,285.
2	Enter amount from Part I, line 27a	2	43,401.
3	Other increases not included in line 2 (itemize) <input type="checkbox"/> See Other Increases Stmt	3	54,956.
4	Add lines 1, 2, and 3	4	1,405,642.
5	Decreases not included in line 2 (itemize) <input type="checkbox"/>	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,405,642.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a 2223.21 sh SELIGMAN COMMUNICATIONS	P	03/31/09	09/09/09
b 4932.711 sh FRANKLIN FED TAX FREE INCOME FUND CL A	D	07/10/08	09/02/09
c 14925.373 sh FRANKLIN INCOME FUND CLASS A	D	07/10/08	11/30/09
d 300 sh GENERAL ELECTRIC COMPANY	D	07/08/08	09/11/09
e See Columns (a) thru (d)			

(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 63,672.		50,008.	13,664.
b 57,284.		58,009.	-725.
c 29,966.		34,776.	-4,810.
d 4,377.		8,130.	-3,753.
e See Columns (e) thru (h)		490,987.	6,948.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			13,664.
b			-725.
c			-4,810.
d			-3,753.
e See Columns (i) thru (l)			6,948.

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	11,324.
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 the instructions) If (loss), enter -0- in Part I, line 8]	3	

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

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If 'Yes,' the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008			
2007			
2006			
2005			
2004			
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 2009 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.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	1,349.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,349.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,349.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	480.	
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	480.	
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	5.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	874.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax			
	Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>NC - North Carolina</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X		
14	The books are in care of ▶ <u>John A Singleton</u> Telephone no ▶ <u>(336) 998-8233</u> Located at ▶ <u>602 Singleton Rd</u> <u>Mocksville</u> <u>NC</u> ZIP + 4 ▶ <u>27028</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			

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
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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 foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1 b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see the instructions)	2 b	X
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__ , 20__		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4 b	X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? 5b

Organizations relying on a current notice regarding disaster assistance check here ▶

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No 6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No 7b

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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 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
John A. Singleton 602 Singleton Road Mocksville NC 27028	Pres/Dir 1.00	1,650.	0.	0.
Doris Wilson 1668 Quillmark Road Winston Salem NC 27127	VP/Dir 1.00	1,650.	0.	0.
James H. Evans, M.D. 228 Holly Lane Mocksville NC 27028	VP/Dir 1.00	1,650.	0.	0.
Donna Lawrence 197 Twin Cedars Golf Rd. Mocksville NC 27028	Sec/Tres/Dir 1.00	1,650.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000 ▶ None

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

3 Five highest-paid independent contractors for professional services – (see 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 ▶ None

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 -----	
2 -----	
3 -----	
4 -----	

Part IX-B Summary of Program-Related Investments (see 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 instructions 3 -----	

Total. Add lines 1 through 3 ▶

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1 a	
b	Average of monthly cash balances	1 b	
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	0.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	0.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	0.
6	Minimum investment return. Enter 5% of line 5	6	0.

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	0.
2a	Tax on investment income for 2009 from Part VI, line 5	2 a	1,349.
b	Income tax for 2009 (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	1,349.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	0.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	0.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	0.

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	1 a	5,421.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	5,421.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,421.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2009				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	2,940.			
f Total of lines 3a through e	2,940.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 5,421.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus	5,421.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	8,361.			
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				
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	8,361.			
10 Analysis of line 9:				
a Excess from 2005	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	2,940.			
e Excess from 2009	5,421.			

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 2009, enter the date of the ruling ▶

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

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

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
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 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))

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

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

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

a The name, address, and telephone number 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	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)				
<p>a Paid during the year</p> <p>S/A</p>				28,500.
Total				▶ 3a 28,500.
<p>b Approved for future payment</p>				
Total				▶ 3b

Name Smith and Davis Foundation, Inc. Employer Identification Number 26-2873407

Asset Information:

Description of Property: Securities
Date Acquired various How Acquired _____
Date Sold various Name of Buyer _____
Sales Price 653,234. Cost or other basis (do not reduce by depreciation) 641,910.
Sales Expense _____ Valuation Method _____
Total Gain (Loss) 11,324. Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property: _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Form 990-PF, Page 2, Part III, Line 3

Other Increases Stmt

Excess of asset's value at end of year over its beginning of year value	54,956.
Total	<u>54,956.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
4154.739 sh MFS NORTH CAROLINA MUN BOND FD CL B	D	07/10/08	10/22/09
10000 sh UNIVERSITY NC GREENSBORO REV REF GEN SER B	D	07/08/08	10/07/09
1519.757 sh FIDELITY ADV NEW INSGT T	P	10/07/09	05/25/10
6.483 sh FIDELITY ADV NEW INSGT T	P	02/08/10	05/25/10
15.727 sh FT DEF EQ SR 3 REIN	P	06/25/09	06/15/10
3.703 sh FT DEF EQ SR 3 REIN	P	07/27/09	06/15/10
6.377 sh FT DEF EQ SR 3 REIN	P	09/25/09	06/15/10
4.758 sh FT DEF EQ SR 3 REIN	P	10/26/09	06/15/10
72.261 sh FT DEF EQ SR 3 REIN	P	12/29/09	06/15/10
9.361 sh FT DEF EQ SR 3 REIN	P	12/29/09	06/15/10
4.248 sh FT DEF EQ SR 3 REIN	P	01/25/10	06/15/10
8.294 sh FT DEF EQ SR 3 REIN	P	03/25/10	06/15/10
11.38 sh FT DEF EQ SR 3 REIN	P	04/26/10	06/15/10
8.796 sh FT DEF EQ SR 3 REIN	P	05/25/10	06/15/10
451.607 sh CAPITAL INCOME BLDR CL A	D	07/08/08	02/26/10
1884.089 sh E/V HIYLD MUNI INCM A	D	07/10/08	01/08/10
200 sh EXXON MOBIL CORP	D	07/08/08	03/18/10
1513.317 sh FID ADV I SM CAP FD CL T	P	01/26/09	05/25/10
1959.248 sh FIDELITY ADV NEW INSGT T	P	01/26/09	05/25/10
10471.204 sh RIVERSOURCE INFLA SECS C	P	02/17/09	03/01/10
800 sh JP MORGAN CHASE 8.625%	P	08/14/08	03/17/10
100 sh JP MORGAN CHASE 8.625%	P	08/14/08	03/17/10
100 sh JP MORGAN CHASE 8.625%	D	08/14/08	03/17/10
33 sh INSD MUNI INCM TR 401 M	D	07/08/08	02/23/10
25 sh VKM INSD MUNI INCM 379 M	D	07/08/08	02/25/10
25 sh VKM INSD MUNI INCM 390 M	D	07/08/08	02/25/10
69 sh VK INS INC TR 101 MONTH	P	08/14/08	03/17/10
3375 sh FT DEF EQ SR 3 REIN	P	08/18/08	06/15/10
7.94 sh FT DEF EQ SR 3 REIN	P	09/25/08	06/15/10
4.506 sh FT DEF EQ SR 3 REIN	P	10/27/08	06/15/10
10.649 sh FT DEF EQ SR 3 REIN	P	12/26/08	06/15/10
5.615 sh FT DEF EQ SR 3 REIN	P	02/25/09	06/15/10
6.005 sh FT DEF EQ SR 3 REIN	P	03/25/09	06/15/10
12.058 sh FT DEF EQ SR 3 REIN	P	04/27/09	06/15/10
1.219 sh FT DEF EQ SR 3 REIN	P	05/26/09	06/15/10
199.811 sh FT DEF EQ SR 3 REIN	P	05/27/09	06/15/10
5251 sh CLAY DIVER DIV&INV 8 C	P	12/29/08	06/10/10

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

(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)
48,186.		47,946.	240.
10,230.		10,232.	-2.
24,939.		25,007.	-68.
106.		104.	2.
128.		113.	15.
30.		28.	2.
52.		52.	0.
39.		39.	0.
588.		623.	-35.
76.		81.	-5.
35.		37.	-2.
67.		74.	-7.
93.		100.	-7.
72.		71.	1.
21,058.		25,100.	-4,042.
14,868.		17,258.	-2,390.
13,314.		17,390.	-4,076.
31,371.		25,007.	6,364.
32,151.		25,008.	7,143.
105,201.		100,007.	5,194.
22,492.		20,000.	2,492.
2,806.		2,500.	306.
2,812.		2,500.	312.
10,898.		10,981.	-83.
6,862.		6,671.	191.
4,294.		4,316.	-22.
59,027.		66,364.	-7,337.
27,457.		32,636.	-5,179.
65.		68.	-3.
37.		32.	5.
86.		76.	10.
46.		38.	8.
49.		39.	10.
98.		79.	19.
10.		9.	1.
1,626.		1,425.	201.
56,666.		48,976.	7,690.
Total		<u>490,987.</u>	<u>6,948.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (i) thru (l)

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			240.
			-2.
			-68.
			2.

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income
Columns (i) thru (l)

Continued

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

(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			15.
			2.
			0.
			0.
			-35.
			-5.
			-2.
			-7.
			-7.
			1.
			-4,042.
			-2,390.
			-4,076.
			6,364.
			7,143.
			5,194.
			2,492.
			306.
			312.
			-83.
			191.
			-22.
			-7,337.
			-5,179.
			-3.
			5.
			10.
			8.
			10.
			19.
			1.
			201.
			7,690.
Total			<u>6,948.</u>

Form 990-PF, Page 1, Part I
Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Blanco, Tackaberry	Gen. Corp Counseling	4,143.			
Total		<u>4,143.</u>			

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Barry Michael, CPA,	Tax Consulting	200.			
Barry Michael, CPA,	Preparation of Form 99	1,300.			
Total		<u>1,500.</u>			

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
S/A	31,495.	31,495.
Total	<u>31,495.</u>	<u>31,495.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
Mutual Funds - S/A	666,174.	666,174.
Preferreds/fixed rate cap secs - S/A	128,568.	128,568.
Unit Investment Trust - S/A	538,922.	538,922.
Total	<u>1,333,664.</u>	<u>1,333,664.</u>

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2010

Portfolio detail
PART II, 1.

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held in one or more FDIC-insured depository account(s) established with Wells Fargo Bank, N.A. Additional funds over \$250,000 are deposited at one or more additional banks affiliated with Wells Fargo Advisors. These assets are not covered by SIPC, but are instead covered by FDIC insurance in accordance with FDIC rules. For additional information on the Bank Deposit Sweep for your account please contact Your Financial Advisor

DESCRIPTION	% OF ACCOUNT	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
BANK DEPOSIT SWEEP Interest Period 06/01/10 - 06/30/10	2.88	0.02	40,483.15	8.09
Total Cash and Sweep Balances	2.88		\$40,483.15	\$8.09

* APY measures the total amount of the interest paid on an account based on the interest rate and the frequency of the compounding during the interest period. The annual percentage yield is expressed as an annualized rate, based on a 365- or 366-day year (as applicable)

Stocks and Options
PART II, 10 b.

Stocks

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD(%)
MERCK & CO INC NEW MRK Acquired 04/20/10 S	1.24	500	36.06	18,240.65	34.9700	17,485.00	- 755.65	760.00	4.34
VERIZON COMMUNICATIONS COM VZ Acquired 03/18/10 S	1.00 2.24	500	30.30	15,310.75 \$33,551.40	28.0200	14,010.00 \$31,495.00	- 1,300.75 - \$2,056.40	950.00 \$1,710.00	6.78 5.43
Total Stocks	2.24			\$33,551.40		\$31,495.00	- \$2,056.40	\$1,710.00	5.43
Total Stocks and Options	2.24			\$33,551.40		\$31,495.00	- \$2,056.40	\$1,710.00	5.43



SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2010

PART II, 13.

Mutual Funds

Mutual fund shares are priced at net asset value. Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return if a portion of your fund position was converted, the 'Client Investment' value may include reinvestments from previously held positions

Open End Mutual Funds

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
EIDELITY ADVISOR SER II SHORT FXD INCM CL T PORT CL T FASFX	6.33	9,679.55400	9.15	57,196.86	9.1900	\$88,955.10	\$387.18	\$2,013.34	2.26
On Reinvestment Acquired 05/25/10 S		6,251.02300	9.15	57,196.86		57,446.84	249.98		
On Reinvestment Acquired 05/25/10 S		3,428.53100	9.15	31,371.06		31,508.26	137.20		
Total	6.33	9,679.55400		\$88,567.92	9.1900	\$88,955.10	\$387.18	\$2,013.34	2.26
EIDELITY ADVISOR STRATEGIC REAL RETURN FD CLASS T FSRTX	2.20	3,618.19800	7.00	25,007.50	8.5300	\$30,863.22	\$5,456.75	\$546.34	1.77
On Reinvestment Acquired 01/26/09 L		3,571.42900	7.00	25,007.50		30,464.25	5,456.75		
On Reinvestment Acquired 01/26/09 L		46.76900	8.40	392.86		398.97	6.11		
Total	2.20	3,618.19800		\$25,400.36	8.5300	\$30,863.22	\$5,462.86	\$546.34	1.77
Client Investment (Excluding Reinvestments)						\$25,007.50			
Gain/Loss on Client Investment (Including Reinvestments)						\$5,855.72			
EIDELITY SELECT PORTS CONSUMER STAPLES FUND CL T	2.06	509.06100	49.11	25,007.50	56.8800	28,955.38	3,947.88	311.54	1.07
On Reinvestment Acquired 01/26/09 L		509.06100	49.11	25,007.50		28,955.38	3,947.88		
ERANKLIN INCOME FUND CLASS A	0.48	3,366.92500	2.33	7,844.93	1.9900	6,700.18	-1,144.75	494.93	7.38
On Reinvestment Acquired 07/10/08 L		3,366.92500	2.33	7,844.93		6,700.18	-1,144.75		
EIUNDAMENTAL INVS INC CLASS A ANCFX		864	34.73	30,014.22		25,920.00	-4,094.22		
On Reinvestment Acquired 05/13/10 S		864	34.73	30,014.22		25,920.00	-4,094.22		

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2010

26-2873407

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
Reinvestments S	1.85	867.40800	30.42	103.68	30.0000	26,022.24	-1.44	\$416.35	1.60
Total		867.40800				\$26,022.24	-\$4,095.66	\$416.35	1.60
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
RIVERSOURCE MUT FUNDS									
INCOME OPPORTUNITIES									
FUND CLASS C									
RIOCX									
On Reinvestment	3.99	5,952.38100	8.40	50,007.50	9.4300	56,130.95	6,123.45	4,023.80	7.16
Acquired 05/11/09 L									
LORD ABBETT INV TR									
FLOATING RATE FD									
CLASS C									
LARCX									
On Reinvestment		4,711.42500	8.49	40,007.50		42,873.92	2,866.42		
Acquired 05/27/09 L		35.01200	9.11	318.96		318.65	-0.31		
Reinvestments S	3.07	4,746.43700		\$40,326.46	9.1000	\$43,192.57	\$2,866.11	\$2,230.82	5.16
Total		4,746.43700		\$40,326.46		\$43,192.57	\$2,866.11	\$2,230.82	5.16
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
LORD ABBETT INV TR US									
INCOME FD									
CLASS A									
LAGVX									
On Reinvestment	4.25	21,582.73400	2.78	60,007.50	2.7700	59,784.17	-223.33	3,323.74	5.55
Acquired 06/10/10 S									
NEW PERSPECTIVE FEA									
ANWPX									
Acquired 02/26/10 S	1.41	850.15900	24.77	21,058.43	23.2600	19,774.69	-1,283.74	424.22	2.14
RIMCO ALL ASSET ALL									
AUTHORITY FUND CLASS C									
PAUCX									
On Reinvestment	3.61	4,780.11500	10.46	50,007.50	10.6200	50,764.82	757.32	3,379.54	6.65
Acquired 05/25/10 S									



**SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR**

JUNE 30, 2010

26 - 2873407

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
BIMCO TOTAL RETURNED									
CL C									
PTTCX									
On Reinvestment		9,689.92200	10.32	100,007.50	109,108.42	9,100.92			
Acquired 01/14/09 L		98.82200	10.88	1,076.17	1,112.83	36.66			
Reinvestments S									
Total	7.84	9,788.74400		\$101,083.67	11.2600	\$110,221.25	\$9,137.58	\$3,259.65	2.96

Client Investment (Excluding Reinvestments)
Gain/Loss on Client Investment (Including Reinvestments)

\$100,007.50
\$10,213.75

IRANSAMERICA									
FLEXIBLE INCOME CL A									
IDITX									
On Reinvestment	3.53	5,753.74000	8.69	50,007.50	8.6300	49,654.77	-352.73	3,095.51	6.23
Acquired 10/23/09 S									
IRANSAMERICA FUNDS									
SHORT-TERM BOND									
CLASS C									
ITACX									
On Reinvestment	3.55	4,816.95600	10.38	50,007.50	10.3500	49,855.49	-152.01	1,767.82	3.54
Acquired 03/01/10 S									
Total Open End Mutual Funds	44.17			\$599,444.67		\$620,874.83	\$21,430.16	\$25,287.60	4.07

Closed End Mutual Funds

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
SELIGMANPREMIUMTECH									
GROWTH FUND INC									
STK									
Acquired 11/24/09 S	3.22	2,500	20.00	50,000.00	18.1195	45,298.75	-4,701.25	4,625.00	10.20
Total Closed End Mutual Funds	3.22			\$50,000.00		\$45,298.75	-\$4,701.25	\$4,625.00	10.21
Total Mutual Funds	47.39			\$649,444.67		\$666,173.58	\$16,728.91	\$29,912.60	4.49

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2010

PART II 13.

Preferreds/Fixed Rate Cap Securities

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
BB&I CAP TR.V.I.9.6% PED MATURITY 01/01/2064 CALLABLE STARTING 08/1/14 BBT'B Acquired 07/22/09 S	1.94	1,000	25.00	25,000.00	27,220.00	27,220.00	2,220.00	2,400.00	8.81
BB&I CAP TRUST.V.8.95% MATURITY 9/15/2063 CALLABLE STARTING 09/15/13 BBT'A Acquired 05/14/09 L	1.14	600	25.00	15,207.50	26,780.00	16,068.00	860.50	1,342.50	8.35
DOMINION RES. INC. 8.375% SER A/CALLABLE 6/15/14 DRU Acquired 06/10/09 L	1.98	1,000	25.00	25,000.00	27,800.00	27,800.00	2,800.00	2,094.00	7.53
EPL GROUP CAP INC. 8.75% SER F MTY 3/01/2069 CALLABLE 03/01/2014 NEEF Acquired 03/13/09 L	4.09	2,000	25.00	50,000.00	28,740.00	57,480.00	7,480.00	4,376.00	7.61
Total Preferreds/Fixed Rate Cap Securities	9.15			\$115,207.50	\$128,568.00	\$13,360.50		\$10,212.50	7.94

Unit Investment Trusts

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
VAN KAMPEN INV. TR. INS. MONTHLY CASH Acquired 12/10/08 L	1.87	30	879.17 881.10	26,375.10 26,433.00	876.1500	26,284.50	- 90.60	1,594.50	6.06
VAN KAMPEN INSURED INCOME TR SER 126 MONTHLY Acquired 08/20/08 L	1.21	22	906.45 947.11	19,941.90 20,836.42	772.4700	16,994.34	- 2,947.56	1,053.36	6.19



SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

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Unit Investment Trusts
Equity Trusts continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
VAN KAMPEN INVESTMENTS INSURED INCOME TRUST SERIES 149 MONTHLY Acquired 12/16/08 L	1 91	31	902.12	27,965.72	868.2900	26,916.99	-1,048.73	1,577.28	5.85
CLAYMORE SECURITIES UTILITIES PORTFOLIO SERIES 9 CASH Acquired 12/17/08 L	3 37	6,674	7.49	49,998.27	7.0900	47,318.66	-2,679.61	2,836.45	5.99
FIRST TRUST PREFERRED TAX ADVANTAGE DIVIDEND SER 8 CASH Acquired 07/31/08 L	3.19	5,000	9.49 9.97	47,465.00 49,886.50	8.9600	44,800.00	-2,665.00	3,405.00	7.60
FIRST TRUST CAPITAL STRENGTH PORT SER 3 REIN Acquired 05/01/09 L Reinvestments L Reinvestments S		2,500 5 44	10.21 10.27 12.35 10.27	25,544.75 57.00 548.34 548.34		28,999.98 64.36 514.97	3,455.23 7.36 -33.37	\$3,429.22	1.84
Total	2.10	2,549	9.4100	\$26,150.09	11.6000	\$29,579.31	\$3,429.22	\$545.68	1.84
FIRST TRUST GLOBAL EQUITY INCOME C/E SER 5 CASH Acquired 09/02/09 S	3 97	5,345	11.22	59,989.61	10.4500	55,855.25	-4,134.36	5,729.84	10.25
CLAYMORE SECURITIES CLOSED-END EQUITY & INCOME SERIES 21 CASH Acquired 09/11/09 S	3 40	4,811	10.39	49,989.66	9.9400	47,821.34	-2,168.32	2,501.72	5.23
FIRST TRUST PORTFOLIO DIVERSIFIED INC & GROWTH SPRING 2010 CASH Acquired 03/01/10 S Acquired 03/01/10 S		4,768 1,067	10.48 10.51	49,992.96 11,216.94		45,152.96 10,104.49	-4,840.00 -1,112.45	\$1,452.91	2.63
Total	3.93	5,835	9.4700	\$61,209.90	9.4700	\$55,257.45	-\$5,952.45	\$1,452.91	2.63

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

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Unit Investment Trusts
Equity Trusts continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
FIRST TRUST									
INTERNATIONAL CAPITAL STRENGTH SER 2 REIN		2,600	9.35	24,323.53		23,737.97	- 585.56		
Acquired 02/09/10 S			9.35	24,325.08					
Reinvestments S		20	9.46	197.15		190.28	- 6.87		
		10	10.03	197.16					
Total	1.70	2,620	9.38	\$24,520.68	9.1300	\$23,928.25	-\$592.43	\$487.47	2.04
FIRST TRUST									
HIGH DIVIDEND EQUITY PORT SER 1 CASH		3,000	9.94	29,846.70	9.4600	28,380.00	- 1,466.70	1,578.00	5.56
Acquired 06/16/10 S	2.02								
VAN KAMPEN INSURED									
INCOME TRUST UNIT 124 MONTHLY CASH		10	925.32	9,253.20	834.8700	8,348.70	- 904.50	498.40	5.96
Acquired 08/20/08 L	0.59		928.16	9,281.60					
VAN KAMPEN INSURED									
INCOME TR UNIT SER 78 MONTHLY		5	986.14	4,930.70	966.9400	4,834.70	- 96.00	289.80	5.99
Acquired 08/20/08 L	0.34		1,002.56	5,012.80					
VAN KAMPEN INVESTMENTS									
INSURED INCOME TRUST SERIES 134 MONTHLY		29	837.13	24,276.77	861.0100	24,969.29	692.52	1,358.07	5.43
Acquired 12/10/08 L	1.78		838.65	24,320.85					
Total Equity Trusts	31.39			\$461,913.30		\$441,288.78	-\$20,624.52	\$24,908.48	5.64
				\$465,443.36					



**SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR**

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Unit Investment Trusts

Corporate Trusts

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
VAN KAMPEN FOCUS PORT									
INSURED INC TR SER 90		15	1,003.88	15,058.20		14,113.95	- 944.25		
MONTHLY TAXABLE			1,006.74	15,101.10					
Acquired 08/20/08 L		20	910.20	18,204.00		18,818.60	614.60		
Acquired 12/16/08 L			913.06	18,261.20					
Total	2.34	35		\$33,262.20	940.9300	\$32,932.55	-\$329.65	\$1,971.90	5.99
Total Corporate Trusts	2.34			\$33,262.20		\$32,932.55	-\$329.65	\$1,971.90	5.99

Municipal Trusts

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
VAN KAMPEN INSD INCOME TR UNIT SER 95 MONTHLY	1.65	25	965.83	24,145.75	925.2300	23,130.75	- 1,015.00	1,382.50	5.97
Acquired 08/14/08 L			980.16	24,504.00					
VAN KAMPEN INVESTMENTS INSURED INCOME TRUST SERIES 157 MONTHLY	1.27	20	901.70	18,034.00	890.3200	17,806.40	- 227.60	1,053.20	5.91
Acquired 12/10/08 L									
NIJVEEN TAX FREE UNIT TR INSD NATL SER 458 MONTHLY	0.38	70	75.10	5,257.00	76.3300	5,343.10	86.10	328.58	6.14
Acquired 07/09/08 L			98.24	6,876.80					
NIJVEEN TAX FREE UNIT TR INSD NATL SER 461 MONTHLY	0.62	100	86.38	8,638.23	86.8200	8,682.00	43.77	471.50	5.43
Acquired 07/08/08 L			98.14	9,814.00					

**SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR**

JUNE 30, 2010

PART II, 13.

Unit Investment Trusts

Municipal Trusts continued

DESCRIPTION	% OF ACCOUNT	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED	
								ANNUAL INCOME	ANNUAL YIELD (%)
NUNVEEN_462_TAX_FREE INSD NATL MONTHLY Acquired 07/08/08 L	0.29	50	82.07 98.11	4,103.71 4,905.50	82.2900	4,114.50	10.79	233.75	5.68
VAN KAMPEN INVNT GRADE									
MUN TR UNIT 30 MONTHLY Acquired 07/08/08 L	0.40	6	944.03 945.83	5,664.18 5,674.98	937.4100	5,624.46	-39.72	289.98	5.15
Total Municipal Trusts	4.60			\$65,842.87 \$69,909.28		\$64,701.21	-\$1,141.66	\$3,759.51	5.81
Total Unit Investment Trusts	38.34			\$561,018.37 \$568,614.94		\$538,922.54	-\$22,095.83	\$30,639.89	5.69

Bank Deposit Sweep Allocation

Monies on deposit at each bank, together with any other deposits held in the same insurable capacity at each bank, are eligible for FDIC insurance up to \$250,000 per depositor, per bank in accordance with FDIC rules for a total of up to \$750,000 in FDIC insurance when deposited at multiple banks. These assets are not held in your securities brokerage account and therefore not covered by SIPC. Settlement timing differences will cause balances displayed in this section to vary from those indicated in the Portfolio detail section due to activity that occurs after 2 PM ET on the last business day of the month. If you have questions about your sweep option, including rates, please contact Your Financial Advisor

DESCRIPTION	CURRENT VALUE	AS OF VALUE DATE
WELLS_FARGO_BANK_NA	40,482.46	06/30
Total Bank Deposits	\$40,482.46	



Smith and Davis Foundation, Inc.
 EIN 26-2873407

Part IV
 Line 3a

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
Davie County Health Department - Davie Medical	2, Services	\$ 2,000
Davie County Health Department	2, Services	2,000
Davie County Law Enforcement Association	2, Services	4,000
Davie County Storehouse of Jesus	3, Well being of County Residents	3,000
Agua Viva Ministries, Mebane, NC	3, Missions	4,000
Davie County American Red Cross	2, Services	3,000
Cedar Valley College	2, Veterinary Scholarship	1,500
Davie County Emergency Medical Service	2, Services	2,000
Mocks United Methodist Church	1, Cemetery Maint	500
No Creek Primitive Baptist Church	1, Cemetery Maint	500
Liberty United Methodist Church	1, Cemetery Maint	500
Jerusalem Baptist Church	1, Cemetery Maint	500
University of NC - K Harrold	2, Nursing Scholarship	3,000
Jerusalem, NC Fire Department	3, Services & Equip	1,000
Davie County Humane Society	2, Services	1,000
		<u>\$ 28,500</u>

Notes

- 1 Distributions directed by Trust of Decedent whose bequest funded this Foundation
2. Distributions suggested by Decedent's Trust
- 3 Wholly discretionary distributions by Board of Directors

All churches located in or near Davie County, NC