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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
SALLIE B PHILLIPS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
PO BOX 390

City or town, state, and ZIP code
HIGH POINT, NC 27261

A Employer identification number
26-2208894

B Telephone number (see page 10 of the instructions)
(336) 885-5100

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

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

H Check type of organization

☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust

☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16)
\$ 1,876,771

J Accounting method

☒ Cash

☐ Accrual

☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

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 11 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)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	134	134		
	4 Dividends and interest from securities.	54,575	54,575		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-115,349			
	b Gross sales price for all assets on line 6a _____ 1,649,335				
	7 Capital gain net income (from Part IV , line 2)				
	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	-60,640	54,709		
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).	1,100	1,100		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	818	818		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	1,252	1,252		
	24 Total operating and administrative expenses. Add lines 13 through 23	3,170	3,170		0
	25 Contributions, gifts, grants paid	92,000			92,000
	26 Total expenses and disbursements. Add lines 24 and 25	95,170	3,170		92,000
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-155,810			
	b Net investment income (if negative, enter -0-)		51,539		
	c Adjusted net income (if negative, enter -0-)				

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	67,812	186,959	186,959
	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)	1,812,178	1,537,221	1,689,812
	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)			
	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 the instructions Also, see page 1, item I)	1,879,990	1,724,180	1,876,771	
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)		0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> 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	1,879,990	1,724,180	
	30	Total net assets or fund balances (see page 17 of the instructions)	1,879,990	1,724,180	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,879,990	1,724,180	

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)	11879990
2	Enter amount from Part I, line 27a	-155810
3	Other increases not included in line 2 (itemize) ▶ _____	
4	Add lines 1, 2, and 3	1724180
5	Decreases not included in line 2 (itemize) ▶ _____	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	1724180

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)
1 a	SEE ATTACHED	P		
b	SEE ATTACHED	P		
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 1,479,023		1,632,790	-153,767
b 170,312		131,894	38,418
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			-153,767
b			38,418
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	-115,349
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	

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 page 18 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))
2009			
2008			
2007			
2006			
2005			

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 2010 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 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)		
1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		11,031
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2
3 Add lines 1 and 2.		31,031
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-		51,031
6 Credits/Payments		
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
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
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached		819
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		91,050
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10
11 Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 0 Refunded <input type="checkbox"/>		11

Part VII-A Statements Regarding Activities			
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		1a	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		1b	No
c Did the foundation file Form 1120-POL for this year?.		1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		2	No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?.		4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?.		4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		5	No
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	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> _____			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .		8b	Yes
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		9	No
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		10	No

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of FLOYD T CRAVEN CPA Telephone no (336) 885-5100 Located at 211 W LEXINGTON AVE SUITE 106 HIGH POINT NC ZIP+4 27262			
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		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country.				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). Yes No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	1b		
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 2010?	1c		
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years 20 , 20 , 20 , 20 Yes No			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No			
b	If "Yes," did it have excess business holdings in 2010 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 2010.).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2010?	4b		No

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 page 22 of the 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 page 22 of the instructions)?

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

b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

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

7a

At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☐ No

b

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



☐ Yes ☒ No

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 22 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
SARAH B PHILLIPS  PO BOX 390 HIGH POINT, NC 27261	DIR/PRES/TRE 0 00	0	0	0
FLOYD T CRAVEN  509 W PARKWAY DR HIGH POINT, NC 27262	SEC 0 00	0	0	0

2

Compensation of five highest-paid employees (other than those included on line 1—see page 23 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. ☐

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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 page 23 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	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see page 24 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 N/A	
2	
All other program-related investments. See page 24 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 24 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	1,655,332
b	Average of monthly cash balances.	1b	163,158
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,818,490
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	1,818,490
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	27,277
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,791,213
6	Minimum investment return. Enter 5% of line 5.	6	89,561

Part XI

Distributable Amount (see page 25 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	89,561
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	1,031
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,031
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	88,530
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	88,530
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	88,530

Part XII

Qualifying Distributions (see page 25 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	92,000
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	92,000
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 page 26 of the instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	92,000
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 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				88,530
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005.				
b From 2006.				
c From 2007.				
d From 2008.				
e From 2009.				8,889
f Total of lines 3a through e.	8,889			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 92,000				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .				
d Applied to 2010 distributable amount.				88,530
e Remaining amount distributed out of corpus	3,470			
5 Excess distributions carryover applied to 2010 (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	12,359			
b Prior years' undistributed income Subtract line 4b from line 2b.				
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 page 27 of the instructions . . .				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	12,359			
10 Analysis of line 9				
a Excess from 2006.				
b Excess from 2007.				
c Excess from 2008.				
d Excess from 2009.				8,889
e Excess from 2010.				3,470

Part XIV

Private Operating Foundations (see page 27 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 2010, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	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			(e) Total
		(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test—enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	"Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c	"Support" alternative test—enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
	(3) Largest amount of support from an exempt organization					
	(4) Gross investment income					

Part XV

Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 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))

SARAH B PHILLIPS

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 page 28 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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			▶ 3a	92,000
b Approved for future payment				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions on page 28 to verify calculations)

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 28 of the instructions)

Form **990-PF** (2010)

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?

a

Transfers from the reporting foundation to a noncharitable exempt organization of

1

Cash.

2

Other assets.

b

Other transactions

1

Sales of assets to a noncharitable exempt organization.

2

Purchases of assets from a noncharitable exempt organization.

3

Rental of facilities, equipment, or other assets.

4

Reimbursement arrangements.

5

Loans or loan guarantees.

6

Performance of services or membership or fundraising solicitations.

c

Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

d

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

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

2a

Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐

Yes

☒

No

b

If "Yes," complete the following schedule

(a)	(b)	(c)
Name of organization	Type of organization	Description of relationship
<div><div><div>Sign Here</div><div><div>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.</div><div><div><div>*****</div><div>2011-05-11</div><div>*****</div></div><div><div>Signature of officer or trustee</div><div>Date</div><div>Title</div></div></div><div><div><div>Paid Preparer's Use Only</div><div><div>Preparer's Signature</div><div>FLOYD T CRAVEN</div><div>Date</div><div>2011-05-11</div><div>Check if self-employed <input checked="" type="checkbox"/></div><div>PTIN</div></div><div><div>Firm's name</div><div>CRAVEN BLUE & CO PA</div><div>Firm's EIN</div></div><div><div>Firm's address</div><div>PO BOX 390</div><div>Phone no</div><div>(336) 885-5100</div></div><div><div>HIGH POINT, NC 272610390</div></div></div></div></div></div></div>		

TY 2010 Accounting Fees Schedule

Name: SALLIE B PHILLIPS FOUNDATION

EIN: 26-2208894

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INDIRECT ACCOUNTING FEES	1,100	1,100		

TY 2010 Compensation Explanation

Name: SALLIE B PHILLIPS FOUNDATION

EIN: 26-2208894

Person Name	Explanation
SARAH B PHILLIPS	
FLOYD T CRAVEN	

**TY 2010 Investments Corporate
Stock Schedule**

Name: SALLIE B PHILLIPS FOUNDATION

EIN: 26-2208894

Name of Stock	End of Year Book Value	End of Year Fair Market Value
	1,537,221	1,689,812

TY 2010 Other Expenses Schedule

Name: SALLIE B PHILLIPS FOUNDATION

EIN: 26-2208894

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
FEES PAID TO INVESTMENT ADVIS	1,252	1,252		

TY 2010 Taxes Schedule

Name: SALLIE B PHILLIPS FOUNDATION

EIN: 26-2208894

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
2009 TAX DUE ON FORM 990-PF	818	818		



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SALLIE B. PHILLIPS FOUNDATION

2010 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and the preparation of your tax return. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize the premium paid on the purchase of taxable bonds. The gain (loss) information may not include return of capital, sales load deferral or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The Cost Basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount (OID) obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed that the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income when received.

Data from Forms 1099 (reportable Dividend and Interest) is also repeated in this summary for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax returns preparer nor tax advisor. Please see your tax advisor for more information.

2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
* CALL T JAN 0028	8.0000	01/05/10	08/10/09(S)			591.98	352.00	239.98
* CALL PGN APR 00040.00	5.0000	04/19/10	11/04/09(S)			274.99	0.00	274.99
* CALL BP APR 00065.00	5.0000	04/19/10	11/04/09(S)			624.98	0.00	624.98
* CALL KO FEB 00055.00	5.0000	02/18/10	11/04/09(S)			734.98	385.00	349.98
* CALL JNJ JAN 00065.00	3.0000	01/14/10	08/11/09(S)			359.99	72.00	287.99
	1.0000	01/14/10	08/11/09(S)			174.99	24.00	90.99
			Security Subtotal			474.98	96.00	378.98
* CALL CVX JAN 0080	3.0000	01/13/10	08/10/09(S)			314.99	0.00	314.99
* CALL DXT JAN 0035	8.0000	01/19/10	08/11/09(S)			1,239.97	0.00	1,239.97
* CALL BBT JAN 0030	11.0000	01/19/10	08/10/09(S)			1,209.97	0.00	1,209.97
PIMCO COMM RR STR CL P	.6530	06/18/10	06/18/10			0.41	0.40	0.01
ALGER HEALTH SCIEN A	.7710	06/18/10	06/22/10			13.04	13.04	0.00
PIM COM REAL RET STRAT C	54.0000	06/18/09	06/02/10			386.10	383.94	2.16



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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LOOM SAY INV GR BD C	96.0000	06/04/09	06/02/10		1,133.76	998.40	135.36
	103.0000	07/07/09	06/02/10		1,216.43	1,093.96	122.57
	1.0000	07/08/09	06/02/10		11.81	10.72	1.09
	107.0000	08/06/09	06/02/10		1,263.67	1,184.49	79.18
	1.0000	08/07/09	06/02/10		11.81	11.00	0.81
	101.0000	09/04/09	06/02/10		1,192.81	1,133.22	59.59
	88.0000	10/06/09	06/02/10		1,039.28	1,015.52	23.76
	97.0000	11/06/09	06/02/10		1,145.57	1,120.35	25.22
	86.0000	12/04/09	06/02/10		1,015.66	1,008.78	6.88
	1.0000	12/07/09	06/02/10		11.81	11.67	0.14
	61.0000	01/06/10	06/02/10		720.41	707.60	12.81
	101.0000	01/06/10	06/02/10		1,192.81	1,171.60	21.21
	1.0000	01/07/10	06/02/10		11.81	11.74	0.07
	97.0000	02/04/10	06/02/10		1,145.58	1,136.84	8.74
	93.0000	03/04/10	06/02/10		1,098.34	1,096.47	1.87
	.9120	06/18/10	06/22/10		10.86	10.85	0.01
Security Subtotal					12,222.42	11,723.12	499.30
BLACKROCK HL SC OPP INST	.2540	06/18/10	06/18/10		7.26	7.26	0.00
OPPENHEIMER STR INC Y	.4340	06/18/10	06/22/10		1.76	1.76	0.00
	.0220	07/23/10	08/24/10		0.09	0.09	0.00
Security Subtotal					1.85	1.85	0.00
BLK ALLOP EGY&RES PT INS	.3900	06/18/10	06/18/10		5.27	5.27	0.00
INVS ASIA PCFC GRW FD Y	.3030	06/18/10	06/22/10		7.53	7.53	0.00
BLACKROCK GLOBAL ALLOC C	14.0000	07/24/09	06/02/10		226.38	214.76	11.62
	1.0000	07/27/09	06/02/10		16.17	15.42	0.75
Security Subtotal					242.55	232.18	12.37
OPP STRATEGIC INC FD C	142.0000	08/25/09	06/02/10		588.00	536.76	51.24
	147.0000	09/25/09	06/02/10		588.00	571.83	16.17
	1.0000	09/28/09	06/02/10		4.00	3.89	0.11
	127.0000	10/23/09	06/02/10		508.00	502.92	5.08
	148.0000	06/25/09	06/02/10		592.00	526.88	65.12
	1.0000	06/26/09	06/02/10		4.00	3.57	0.43
	143.0000	07/24/09	06/02/10		572.00	523.38	48.62
	1.0000	07/27/09	06/02/10		4.00	3.67	0.33
	145.0000	11/25/09	06/02/10		580.00	577.10	2.90
	1.0000	11/27/09	06/02/10		4.00	3.96	0.04
	141.0000	12/24/09	06/02/10		564.00	555.54	8.46
	23.0000	12/30/09	06/02/10		92.00	90.62	1.38



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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
OPP STRATEGIC INC FD C	113.0000	01/25/10	06/02/10		452.00	449.74	2.26
	1.0000	01/26/10	06/02/10		4.00	3.98	0.02
	147.0000	02/25/10	06/02/10		588.00	582.12	5.88
	1.0000	02/26/10	06/02/10		4.00	3.97	0.03
	154.0000	05/25/10	06/02/10		616.03	612.92	3.11
					<u>5,744.03</u>	<u>5,522.85</u>	<u>191.18</u>
FID ADV ENERGY FD I	.7050	06/18/10	06/22/10		20.88	20.88	0.00
L SYLS INV GR BD FD CL Y	.2870	06/18/10	06/18/10		3.44	3.44	0.00
L SAYLES STRT INC CL Y	.1260	06/18/10	06/18/10		1.77	1.77	0.00
L SAYLES STRAT INCM C	37.0000	06/23/09	06/02/10		518.37	443.63	74.74
	38.0000	07/28/09	06/02/10		532.38	474.62	57.76
	1.0000	07/29/09	06/02/10		14.01	12.54	1.47
	41.0000	08/25/09	06/02/10		574.41	528.08	46.33
	1.0000	08/26/09	06/02/10		14.01	12.89	1.12
	34.0000	09/22/09	06/02/10		478.34	453.90	22.44
	37.0000	10/27/09	06/02/10		518.37	501.35	17.02
	37.0000	11/24/09	06/02/10		14.01	13.48	0.53
	40.0000	12/22/09	06/02/10		518.37	507.64	10.73
	39.0000	01/26/10	06/02/10		560.40	551.60	8.80
	37.0000	02/23/10	06/02/10		14.01	13.83	0.18
	1.0000	02/24/10	06/02/10		546.39	544.44	1.95
	35.0000	05/26/10	06/02/10		518.37	515.78	2.59
					<u>490.38</u>	<u>495.15</u>	<u>4.77</u>
					<u>5,323.83</u>	<u>5,073.89</u>	<u>249.94</u>
BLACKROCK GLOBAL ALLOC I	.2670	06/18/10	06/18/10		4.74	4.74	0.00
					<u>23,451.96</u>	<u>23,863.16</u>	<u>5,588.80</u>
SHORT TERM CAPITAL LOSSES							
PIM COM REAL RET STRAT C	70.0000	09/17/09	06/02/10		500.50	527.10	(26.60)
	66.0000	12/09/09	06/02/10		471.90	516.12	(44.22)
	1.0000	12/10/09	06/02/10		7.15	7.85	(0.70)
	114.0000	12/30/09	06/02/10		815.10	921.12	(106.02)
	123.0000	03/18/10	06/02/10		879.47	945.87	(66.40)
					<u>2,674.12</u>	<u>2,918.06</u>	<u>(243.94)</u>



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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LOOM SAY INV GR BD C	93.0000	04/07/10	06/02/10			1,098.34	1,109.49	(11.15)
	1.0000	04/08/10	06/02/10			11.94	11.94	(0.13)
	91.0000	05/10/10	06/02/10			1,074.72	1,087.46	(22.74)
		Security Subtotal				2,184.87	2,218.89	(34.02)
BLACKROCK GLOBAL ALLOC C	89.0000	12/21/09	06/02/10			1,439.14	1,477.40	(38.26)
OPP STRATEGIC INC FD C	136.0000	03/25/10	06/02/10			544.01	545.36	(1.35)
	1.0000	03/26/10	06/02/10			4.00	4.02	(0.02)
	149.0000	04/23/10	06/02/10			596.01	612.39	(16.38)
	1.0000	04/26/10	06/02/10			4.00	4.12	(0.12)
		Security Subtotal				1,148.02	1,165.89	(17.87)
L SAYLES STRAT INCM C	33.0000	03/23/10	06/02/10			462.33	474.21	(11.88)
	34.0000	04/27/10	06/02/10			476.35	493.24	(16.89)
	1.0000	04/28/10	06/02/10			14.01	14.50	(0.49)
		Security Subtotal				952.69	982.05	(29.36)
		Short Term Capital Losses Subtotal				8,398.84	8,762.29	(363.45)
NET SHORT TERM CAPITAL GAIN (LOSS)								5,225.35
								*
LONG TERM CAPITAL GAINS								
BLACKROCK HL SC OPP C	4438.0000	04/28/06	06/02/10			114,056.60	104,514.89	9,541.71
PIM COM REAL RET STRAT C	1143.0000	12/10/08	06/02/10			8,172.46	6,537.96	1,634.50
	127.0000	12/10/08	06/02/10			1,351.35	1,367.08	270.27
	1.0000	12/11/08	06/02/10			7.15	5.92	1.23
	56.0000	12/30/08	06/02/10			400.40	338.80	61.60
	1.0000	12/31/08	06/02/10			7.15	6.23	0.92
	49.0000	03/25/09	06/02/10			350.35	303.31	47.04
		Security Subtotal				10,288.86	8,273.30	2,015.56
LOOM SAY INV GR BD C	24193.0000	01/18/08	06/02/10			285,719.33	284,993.54	725.79
	1.0000	02/07/08	06/02/10			11.81	11.72	0.09
	74.0000	03/06/08	06/02/10			873.94	869.50	4.44
	74.0000	04/04/08	06/02/10			873.94	856.18	17.76
	1.0000	04/07/08	06/02/10			11.81	11.72	0.09
	83.0000	05/08/08	06/02/10			980.23	975.25	4.98
	1.0000	06/06/08	06/02/10			11.80	11.63	0.17
	101.0000	07/07/08	06/02/10			1,192.81	1,180.39	12.42
	105.0000	08/06/08	06/02/10			1,240.05	1,183.35	56.70



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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LOOM SAY INV GR BD C							
	105.0000	09/05/08	06/02/10		1,240.05	1,178.10	61.95
	1.0000	09/11/08	06/02/10		11.81	11.18	0.63
	104.0000	10/06/08	06/02/10		1,228.24	1,082.64	145.60
	132.0000	11/06/08	06/02/10		1,358.92	1,219.68	339.24
	1.0000	11/07/08	06/02/10		11.81	9.33	2.48
	135.0000	12/04/08	06/02/10		1,594.35	1,258.20	336.15
	1.0000	12/05/08	06/02/10		11.80	9.30	2.50
	294.0000	01/06/09	06/02/10		3,472.14	2,834.16	637.98
	51.0000	01/06/09	06/02/10		602.31	451.54	150.77
	118.0000	01/06/09	06/02/10		1,393.58	1,137.52	256.06
	1.0000	01/07/09	06/02/10		11.80	9.79	2.01
	105.0000	02/05/09	06/02/10		1,240.05	1,019.55	220.50
	107.0000	03/05/09	06/02/10		1,263.67	1,011.15	252.52
	1.0000	03/06/09	06/02/10		11.81	9.41	2.40
	110.0000	04/06/09	06/02/10		1,299.10	1,052.70	246.40
	1.0000	04/07/09	06/02/10		11.81	9.56	2.25
	98.0000	05/11/09	06/02/10		1,157.38	980.00	177.38
	88.0000	06/05/08	06/02/10		1,039.28	1,024.32	14.96
		Security Subtotal			368,075.53	304,411.51	3,664.12
BLACKROCK GLOBAL ALLOC C							
	334.0000	12/16/08	06/02/10		5,400.78	4,502.32	898.46
	1.0000	12/17/08	06/02/10		16.17	13.99	2.18
		Security Subtotal			5,416.95	4,516.31	900.64
OPP STRATEGIC INC FD C							
	1.0000	09/30/08	06/02/10		4.00	3.96	0.04
	134.0000	10/24/08	06/02/10		536.00	474.36	61.64
	140.0000	11/25/08	06/02/10		560.00	462.00	98.00
	1.0000	11/26/08	06/02/10		4.00	3.31	0.69
	116.0000	12/24/08	06/02/10		464.00	396.72	67.28
	1.0000	12/26/08	06/02/10		1.99	3.43	0.56
	25.0000	12/30/08	06/02/10		100.00	86.25	13.75
	82.0000	01/23/09	06/02/10		328.00	277.98	50.02
	1.0000	01/26/09	06/02/10		3.99	3.39	0.60
	122.0000	02/25/09	06/02/10		488.00	395.28	92.72
	142.0000	03/25/09	06/02/10		568.00	462.92	105.08
	161.0000	04/24/09	06/02/10		644.00	540.96	103.04
	138.0000	05/22/09	06/02/10		552.00	483.00	69.00
	1.0000	05/26/09	06/02/10		4.00	3.50	0.50
		Security Subtotal			4,259.98	3,597.06	662.92
FID ADV HEALTH CARE FD A							
	100.0000	08/15/08	06/02/10		1,986.00	1,936.00	50.00



SALLIE B. PHILLIPS FOUNDATION

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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
FID ADV TECH FD CL A	5266.0000	04/28/06	06/02/10			103,582.22	100,001.33	3,580.89
INVS ASIA PCFC GRW FD C	3247.8000	04/28/06	06/02/10			73,187.38	67,797.36	5,390.02
L SAYLES STRAT INCM C	59.0000	11/23/08	06/02/10			826.59	580.56	246.03
	1.0000	11/26/08	06/02/10			14.01	9.90	4.11
	42.0000	07/29/08	06/02/10			588.42	587.16	1.26
	1.0000	07/30/08	06/02/10			14.00	13.98	0.02
	41.0000	08/26/08	06/02/10			574.41	564.57	9.84
	46.0000	09/23/08	06/02/10			644.46	587.42	57.04
	1.0000	09/24/08	06/02/10			14.01	12.74	1.27
	58.0000	10/29/08	06/02/10			812.58	584.64	227.94
	11.0000	12/29/08	06/02/10			154.11	114.40	39.71
	52.0000	12/29/08	06/02/10			728.52	540.80	187.72
	103.0000	12/29/08	06/02/10			1,443.03	1,071.20	371.83
	45.0000	01/27/09	06/02/10			630.45	484.20	146.25
	1.0000	01/28/09	06/02/10			14.01	10.76	3.25
	42.0000	02/24/09	06/02/10			588.42	441.42	147.00
	45.0000	03/24/09	06/02/10			530.45	466.55	63.90
	39.0000	04/28/09	06/02/10			546.39	422.37	124.02
	1.0000	04/29/09	06/02/10			14.01	10.92	3.09
	38.0000	05/27/09	06/02/10			532.38	437.00	95.38
	1.0000	05/28/09	06/02/10			14.01	11.58	2.43
Security Subtotal						8,784.26	6,952.27	1,831.99
Long Term Capital Gains Subtotal						829,537.88	602,000.03	227,537.85
LONG TERM CAPITAL LOSSES								
ALGER HEALTH SCIENCES C	7131.0000	04/28/06	06/02/10			112,170.63	114,238.61	(2,067.98)
PIM COM REAL RET STRAT C	3518.0000	01/23/08	06/02/10			25,153.70	56,991.60	(31,837.90)
	37.0000	03/29/08	06/02/10			264.54	654.16	(389.62)
	1.0000	03/24/08	06/02/10			7.14	17.57	(10.43)
	40.0000	06/19/08	06/02/10			286.00	782.00	(496.00)
	1.0000	06/20/08	06/02/10			7.14	19.83	(12.69)
	51.0000	09/18/08	06/02/10			364.65	720.12	(355.47)
Security Subtotal						26,083.17	59,185.28	(33,102.11)
LOOM SAY INV GR BD C	83.0000	02/06/08	06/02/10			980.22	982.72	(2.50)
BLK ALLCP ENGY&RES PT C	11378.0000	04/28/06	06/02/10			138,697.82	177,951.92	(39,254.10)



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2010 ANNUAL STATEMENT SUMMARY 2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
BLACKROCK GLOBAL ALLOC C	2021.0000	01/24/08	06/02/10			32,679.57	36,438.63	(3,759.06)
	5934.0000	01/24/08	06/02/10			95,952.77	106,990.02	(11,037.25)
	1.0000	01/29/08	06/02/10			16.17	18.18	(2.01)
	23.0000	07/18/08	06/02/10			371.91	405.41	(34.50)
Security Subtotal						129,020.42	143,853.24	(14,832.82)
OPP STRATEGIC INC FD C	25909.3370	01/23/08	06/02/10			103,637.33	114,001.07	(10,363.74)
	92.0000	02/25/08	06/02/10			368.00	400.20	(32.20)
	85.0000	03/25/08	06/02/10			380.00	416.10	(36.10)
	109.0000	04/25/08	06/02/10			432.00	474.12	(42.12)
	99.0000	05/23/08	06/02/10			396.00	438.57	(42.57)
	1.0000	05/27/08	06/02/10			4.00	4.41	(0.41)
	101.0000	06/25/08	06/02/10			404.00	438.34	(34.34)
	109.0000	07/25/08	06/02/10			436.00	465.52	(30.52)
	1.0000	07/28/08	06/02/10			4.00	4.30	(0.30)
	103.0000	08/25/08	06/02/10			412.00	434.66	(22.66)
	83.0000	09/25/08	06/02/10			332.00	334.49	(2.49)
	30.0000	09/25/08	06/02/10			120.00	120.99	(0.99)
	1.0000	09/26/08	06/02/10			3.99	4.02	(0.03)
Security Subtotal						106,929.32	117,537.70	(10,608.38)
FID ADV ENERGY FD CL A	2600.0000	04/28/06	06/02/10			69,965.99	125,683.99	(55,718.00)
	493.0000	09/15/08	06/02/10			13,266.63	17,935.34	(4,668.71)
	1.0000	09/15/08	06/02/10			26.92	33.94	(7.02)
Security Subtotal						83,259.54	143,653.27	(60,393.73)
FID ADV HEALTH CARE FD A	5235.0000	04/28/06	06/02/10			103,967.10	123,441.30	(19,474.20)
L SAYLES STRAT INCM C	7656.9020	01/18/08	06/02/10			107,273.18	114,011.27	(6,738.09)
	36.0000	01/29/08	06/02/10			504.36	539.64	(35.28)
	32.0000	02/26/08	06/02/10			448.32	474.88	(26.56)
	1.0000	02/27/08	06/02/10			14.01	14.88	(0.87)
	40.0000	03/25/08	06/02/10			560.40	581.60	(21.20)
	37.0000	04/29/08	06/02/10			518.37	546.12	(27.75)
	1.0000	04/30/08	06/02/10			14.00	14.88	(0.88)
	37.0000	05/27/08	06/02/10			518.37	546.86	(28.49)
	41.0000	06/24/08	06/02/10			574.41	590.81	(16.40)
Security Subtotal						110,425.42	117,320.94	(6,895.52)



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SALLIE B. PHILLIPS FOUNDATION

2010 ANNUAL STATEMENT SUMMARY

2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
L SAYLES STRAT INCM C							
Long Term Capital Losses Subtotal							
NET LONG TERM CAPITAL GAIN (LOSS)					811,533.64	998,164.98	(186,631.34)
OTHER TRANSACTIONS							
* CALL KO MAY 00057.50	5.0000	05/24/10	05/20/10(S)		0.00	N/A	N/A
PIMCO COMM RR STR CL P	.0010	06/17/10	06/18/10		0.00	N/A	N/A
Other Transactions Subtotal							
TOTAL CAPITAL GAINS AND LOSSES					1,479,022.32	1,632,790.46	(153,768.14)
TOTAL REPORTABLE GROSS PROCEEDS					1,479,022.32	*	*
DIFFERENCE					5,523.01**		*

Note: Capital gains and losses in this statement are not reported to the Internal Revenue Service.

** Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

* This transaction denotes the gain or loss on the sale of an option. While option sales are not subject to 1099-B reporting, the gain or loss information is relevant for tax return preparation.

(S) Short Sale

N/A Results which cannot be calculated because of insufficient data in the Capital Gain (or Loss) Column and are not included in the Realized Capital Gain and Loss summary.



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BANK OF AMERICA (MLTC)

2010 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transactions section is provided to facilitate your review and the preparation of your tax return. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize the premium paid on the purchase of taxable bonds. The gain (loss) information may not include return of capital sales held deferral or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The Cost Basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount (OID) obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed that the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income when received.

Data from Forms 1099 (reportable Dividend and Interest) is also repeated in this summary for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer nor tax advisor. Please see your tax advisor for more information.

2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS							
* CALL T JUL 00029.00	8.0000	07/19/10	01/05/10(S)		985.98	0.00	985.98
* CALL BP AUG 00040.00	5.0000	08/23/10	07/22/10(S)		494.99	0.00	494.99
* CALL HPQ NOV 00052.50	5.0000	11/22/10	05/02/10(S)		774.99	0.00	774.99
* CALL JNJ JUL 00070.00	4.0000	07/19/10	01/14/10(S)		227.99	0.00	227.99
* CALL MRK OCT 00037.00	7.0000	10/18/10	06/02/10(S)		657.99	0.00	657.99
* CALL PFE SEP 00017.00	14.0000	09/15/10	06/02/10(S)		349.99	210.00	139.99
* CALL CVX JUN 00080.00	3.0000	08/21/10	02/18/10(S)		347.99	0.00	347.99
* CALL CHK OCT 00026.00	10.0000	10/18/10	06/02/10(S)		1,129.98	0.00	1,129.98
* CALL BBT JUN 00030.00	11.0000	06/21/10	02/18/10(S)		934.99	0.00	934.99
* CALL MSFT OCT 00029.00	10.0000	10/18/10	06/02/10(S)		779.99	0.00	779.99
MARKET VECTOR BRZ SM CAP	400.0000	06/02/10	10/13/10		19,389.67 (P)	17,038.56	2,331.11
	100.0000	05/02/10	10/18/10		4,828.92 (P)	4,259.64	570.28
					<u>24,198.59</u>	<u>21,298.20</u>	<u>2,901.39</u>
MOSAIC CO	500.0000	06/02/10	09/20/10		26,309.56 (P)	22,916.50	3,393.06
Security Subtotal							



BANK OF AMERICA (MLIC)

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2010 ANNUAL STATEMENT SUMMARY

2010 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Year-to-Date Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
LOOM SAY INV GR BD C	91.0000	06/04/10	07/22/10		1,095.77	1,073.80	21.97
Short Term Capital Gains Subtotal					58,289.80	45,498.50	12,791.30
SHORT TERM CAPITAL LOSSES							
* CALL DD JUL 00035.00	8.0000	07/15/10	02/18/10(S)		1,239.98	1,616.00	(376.02)
* CALL INJ SEP 00060.00	4.0000	09/15/10	07/22/10(S)		135.99	492.00	(356.01)
* CALL CVX SEP 00075.00	3.0000	09/15/10	07/22/10(S)		551.39	1,140.00	(588.61)
Short Term Capital Losses Subtotal					1,927.96	3,248.00	(1,320.04)
NET SHORT TERM CAPITAL GAIN (LOSS)							11,471.26
LONG TERM CAPITAL GAINS							
ALTRIA GROUP INC	400.0000	01/26/09	07/22/10		8,691.85	6,784.00	1,907.85
	500.0000	01/26/09	07/22/10		10,864.82	8,479.05	2,385.77
	300.0000	01/26/09	07/22/10		6,519.58	5,087.43	1,432.15
Security Subtotal					26,076.25	20,350.48	5,725.77
CHEVRON CORP	300.0000	01/26/09	11/16/10		24,344.59 (P)	21,584.70	2,759.89
COCA COLA COM	500.0000	01/26/09	09/13/10		28,014.53 (P)	21,564.75	6,449.78
DU PONT E I DE NEMOURS	800.0000	01/26/09	10/18/10		31,655.47 (P)	19,743.60	11,911.87
Long Term Capital Gains Subtotal					110,056.84	63,243.55	46,813.29
NET LONG TERM CAPITAL GAIN (LOSS)							26,847.31
OTHER TRANSACTIONS							
LOOM SAY INV GR BD C	.3010	07/23/10	07/22/10		3.62	N/A	N/A
Other Transactions Subtotal					3.62		
Sub-Totals					170,312.87	131,894.03	38,418.84
How Received							
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SEE ATTACHED	Various	Various	1,479,023 \$	1,632,790 \$	\$	\$	-153,767
SEE ATTACHED	Various	Various	170,312	131,894			38,418
Total			1,649,335 \$	1,764,684 \$	0 \$	0 \$	-115,349

Additional Data

Software ID:
Software Version:
EIN: 26-2208894
Name: SALLIE B PHILLIPS FOUNDATION

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
THE BOYS CLUB OF NY N/A N/A N/A NEW YORK,NY 10009		CHARITY	ANNUAL FUND	5,000
UNIVERSITY OF NC N/A N/A N/A CHAPEL HILL,NC 27599		CHARITY	ANNUAL FUND	1,000
PRESERVATION FOUNDATION N/A OF PALM BEACH FL N/A PALM BEACH,FL 33480		CHARITY	ANNUAL FUND	10,000
HIGH POINT COMMUNITY N/A FOUNDATION N/A HIGH POINT,NC 27262		CHARITY	PUBLICLY-SUPPORTED COMMUNITY FUND	52,000
NC MUSEUM OF HISTORY ASSN N/A N/A N/A RALEIGH,NC 27611		CHARITY	ANNUAL FUND	1,500
BATH & TENNIS CLUB N/A HISTORIC BLDG N/A PALM BEACH,FL 33480		CHARITY	ANNUAL FUND	1,000
UNITED WAY OF GREATER N/A HIGH POINT N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	10,000
HIGH POINT REGIONAL N/A HOSPITAL FOUNDATION N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	1,000
NIDO QUBEIN ASSOC N/A SCHOLARSHIP FUND N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	1,000
WINSTON CHURCHILL N/A FOUNDATION OF THE US N/A NEW YORK,NY 10022		CHARITY	ANNUAL FUND	1,250
UNC LAW FOUNDATION N/A N/A N/A CHAPEL HILL,NC 27599		CHARITY	ANNUAL FUND	5,000
HIGH POINT UNIVERSITY N/A N/A N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	1,000
WESLEY MEMORIAL UNITED N/A METHODIST CHURCH N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	1,000
OPEN DOOR MINISTRIES N/A N/A N/A HIGH POINT,NC 27262		CHARITY	ANNUAL FUND	250
THE EPISCOPAL CHURCH OF N/A BETHESDA BY THE SEA N/A PALM BEACH,FL 33480		CHARITY	ANNUAL FUND	1,000
Total ▶ 3a				92,000