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

2010

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

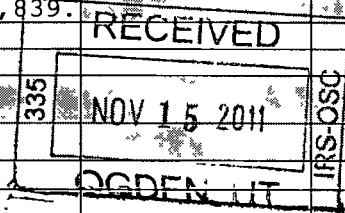
For calendar year 2010, or tax year beginning Jul 1 , 2010, **and ending** Jun 30 , 2011

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 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) 602 Singleton Rd.		B Telephone number (see the instructions) (336) 998-8233
City or town Mocksville		C If exemption application is pending, check here <input type="checkbox"/>
State ZIP code NC 27028		D 1 Foreign organizations, check here <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		D 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,506,562.		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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 the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
R E V E N U E	1 Contributions, gifts, grants, etc. received (att sch)				
	2 <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	77,337.	76,353.		
	5a Gross rents				
	b Net rental income or (loss)		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	44,839.			
	b Gross sales price for all assets on line 6a	435,647.			
	7 Capital gain net income (from Part IV, line 2)		44,839.		
	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	122,176.	121,192.			
13 Compensation of officers, directors, trustees, etc	12,500.	6,250.		6,250.	
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach sch) L-16b Stmt	1,250.	1,250.			
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	265.	135.		130.	
22 Printing and publications	300.			300.	
23 Other expenses (attach schedule)					
Investment expenses	1,314.	1,314.			
24 Total operating and administrative expenses. Add lines 13 through 23	15,629.	8,949.		6,680.	
25 Contributions, gifts, grants paid	68,058.				
26 Total expenses and disbursements. Add lines 24 and 25	83,687.	8,949.		6,680.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	38,489.				
b Net investment income (if negative, enter -0-)		112,243.			
c Adjusted net income (if negative, enter -0-)					

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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	40,483.	49,333.	49,333.
	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)			
	b Investments – corporate stock (attach schedule) L-10b Stmt	31,495.	18,613.	18,613.
	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	1,333,664.	1,438,616.	1,438,616.	
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 l)	1,405,642.	1,506,562.	1,506,562.	
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)			
FUNDS ASSETS OR	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	1,405,642.	1,506,562.	
	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)	1,405,642.	1,506,562.		
31 Total liabilities and net assets/fund balances (see the instructions)	1,405,642.	1,506,562.		

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	1,405,642.
2 Enter amount from Part I, line 27a	2	38,489.
3 Other increases not included in line 2 (itemize) See Other Increases Stmt	3	62,431.
4 Add lines 1, 2, and 3	4	1,506,562.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,506,562.

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 500 sh VERIZON COMMUNICATIONS	P	03/18/10	03/11/11
b 2.96 sh FT CAPITAL STR SER 3 R	P	08/25/10	04/27/11
c 0.006 sh FT CAPITAL STR SER 3 R	P	09/27/10	04/27/11
d 0.078 sh FT INTL CAP STRNGTH2 R	P	04/26/10	02/22/11
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 17,754.		14,344.	3,410.
b 44.		36.	8.
c 0.		0.	0.
d 1.		1.	0.
e See Columns (e) thru (h)		376,427.	41,421.

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			3,410.
b			8.
c			0.
d			0.
e See Columns (i) thru (l)			41,421.

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	44,839.
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))
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

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	2,245.
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	2,245.
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	2,245.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6 a	1,360.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d	7	1,360.	
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	12.	
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	897.	
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 2011 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) NC – North Carolina		
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? <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 2010 or the taxable year beginning in 2010 (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)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	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 Mocksville 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			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country ▶	16	Yes	No X

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

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

		Yes	No
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <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 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.)	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 2010?	4 b	X

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)? Yes No

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 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	4,900.	0.	0.
Doris Wilson 1668 Quillmark Road Winston Salem NC 27127	VP/Dir 1.00	500.	0.	0.
James H. Evans, M.D. 228 Holly Lane Mocksville NC 27028	VP/Dir 1.00	2,500.	0.	0.
See Information about Officers, Directors, Trustees, Etc		4,600.	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 2010 from Part VI, line 5	2 a	2,245.
b Income tax for 2010 (This does not include the tax from Part VI)	2 b	
c Add lines 2a and 2b	2 c	2,245.
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	6,680.
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	6,680.
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	6,680.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2010				
a From 2005	0.			
b From 2006	0.			
c From 2007	0.			
d From 2008	2,940.			
e From 2009	5,421.			
f Total of lines 3a through e	8,361.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 6,680.				
a Applied to 2009, 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 2010 distributable amount				
e Remaining amount distributed out of corpus	6,680.			
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	15,041.			
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 2009 Subtract line 4a from line 2a Taxable amount - see instructions			0.	
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 instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	15,041.			
10 Analysis of line 9				
a Excess from 2006	0.			
b Excess from 2007	0.			
c Excess from 2008	2,940.			
d Excess from 2009	5,421.			
e Excess from 2010	6,680.			

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 2010, 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)

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 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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year S/A				68,058.
Total				▶ 3a 68,058.
b Approved for future payment				
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: 435,647. Cost or other basis (do not reduce by depreciation): 390,808.
Sales Expense: _____ Valuation Method: _____
Total Gain (Loss): 44,839. 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	62,431.
Total	<u>62,431.</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)
6.891 sh FT INTL CAP STRNGTH2 R	P	05/17/10	02/22/11
7.422 sh FT INTL CAP STRNGTH2 R	P	05/25/10	02/22/11
6.366 sh FT INTL CAP STRNGTH2 R	P	06/25/10	02/22/11
0.081 sh FT INTL CAP STRNGTH2 R	P	06/28/10	02/22/11
4.526 sh FT INTL CAP STRNGTH2 R	P	07/26/10	02/22/11
4.234 sh FT INTL CAP STRNGTH2 R	P	08/25/10	02/22/11
7.387 sh FT INTL CAP STRNGTH2 R	P	10/25/10	02/22/11
0.215 sh FT INTL CAP STRNGTH2 R	P	10/25/10	02/22/11
5.308 sh FT INTL CAP STRNGTH2 R	P	11/26/10	02/22/11
9.492 sh FT INTL CAP STRNGTH2 R	P	01/25/11	02/22/11
0.878 sh FT INTL CAP STRNGTH2 R	P	01/25/11	02/22/11
1250 sh COLUMBIA SELIGMAN PREM	P	11/24/09	03/11/11
4811 sh CLYM CE EQ INC 21 CASH	P	09/11/09	05/03/11
2600 sh FT INTL CAP STRNGTH2 R	P	02/09/10	02/22/11
2629.598 sh FT INTL CAP STRNGTH2 R	P	02/09/10	10/25/10
3042 sh FT SMID CAP STRNGTH4 CASH	P	08/16/10	10/25/10
4404 sh FT BALANCED INC SELECT PORT 16 CASH	P	07/27/10	10/25/10
3495 sh FT LTD DURATION PLUS C/E SER 21 CASH	P	09/17/10	10/25/10
70 sh NUVEEN TAX FREE UNIT TR INSD NATL SER 458	P	07/08/08	12/15/10
7.14 sh FT CAP STRNGTH PORT 3 REIN	D	09/25/09	08/12/10
2.973 sh FT CAP STRNGTH PORT 3 REIN	P	10/26/09	08/12/10
2.735 sh FT CAP STRNGTH PORT 3 REIN	P	11/27/09	08/12/10
5.299 sh FT CAP STRNGTH PORT 3 REIN	P	12/29/09	08/12/10
4.127 sh FT CAP STRNGTH PORT 3 REIN	P	01/25/10	08/12/10
3.107 sh FT CAP STRNGTH PORT 3 REIN	P	02/26/10	08/12/10
4.546 sh FT CAP STRNGTH PORT 3 REIN	P	03/25/10	08/12/10
2.992 sh FT CAP STRNGTH PORT 3 REIN	P	04/26/10	08/12/10
2.953 sh FT CAP STRNGTH PORT 3 REIN	P	05/26/10	08/12/10
5.346 sh FT CAP STRNGTH PORT 3 REIN	P	06/25/10	08/12/10
2.059 sh FT CAP STRNGTH PORT 3 REIN	P	07/27/10	08/12/10
0.983 sh FT CAP STRNGTH PORT 3 REIN	P	07/27/10	08/12/10
0.02 sh FRONTIER COMMUNICATIONS CORP	P	03/18/10	07/01/10
77.315 sh PIMCO TOTAL RETURN FD CL C	P	12/11/09	10/01/10
21.507 sh PIMCO TOTAL RETURN FD CL C	P	12/11/09	10/01/10
6674 sh CLAYMORE SECURITITES UTIL PORT SER 9 CASH	P	12/17/08	08/02/10
5952.381 sh COLUMBIA INC OPP FD CL C	P	05/11/09	12/09/10
5000 sh FT PRE TAX ADV DIVD SER 8 CASH	P	07/31/08	07/22/10
2500 sh FT CAP STRNGTH PORT SER 3 REIN	P	05/01/10	08/12/10
5.548 sh FT CAP STRNGTH PORT SER 3 REIN	P	06/26/09	08/12/10
3.175 sh FT CAP STRNGTH PORT SER 3 REIN	P	07/27/09	08/12/10
9689.922 sh PIMCO TOTAL RETURN FD CL C	P	01/14/09	10/01/10

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)
82.		69.	13.
88.		65.	23.
75.		61.	14.
1.		1.	0.
54.		43.	11.
50.		41.	9.
88.		82.	6.
3.		2.	1.
63.		60.	3.
113.		109.	4.
10.		10.	0.
24,117.		24,774.	-657.
59,400.		49,990.	9,410.
30,823.		24,321.	6,502.
2.		2.	0.
1,084.		1,084.	0.
19.		19.	0.
6.		6.	0.
975.		975.	0.
87.		85.	2.
36.		36.	0.
33.		34.	-1.
65.		37.	28.
50.		53.	-3.
38.		39.	-1.
55.		59.	-4.
37.		40.	-3.
36.		36.	0.
65.		66.	-1.
25.		25.	0.
12.		12.	0.
0.		0.	0.
897.		842.	55.
250.		234.	16.
51,653.		49,998.	1,655.
59,013.		50,008.	9,005.
45,369.		47,465.	-2,096.
30,501.		25,545.	4,956.
68.		57.	11.
39.		34.	5.
112,466.		100,008.	12,458.
Total		<u>376,427.</u>	<u>41,421.</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

(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))
			13.
			23.
			14.
			0.
			11.
			9.
			6.
			1.
			3.
			4.
			0.
			-657.
			9,410.
			6,502.
			0.
			0.
			0.
			0.
			0.
			2.
			0.
			-1.
			28.
			-3.
			-1.
			-4.
			-3.
			0.
			-1.
			0.
			0.
			0.
			55.
			16.
			1,655.
			9,005.
			-2,096.
			4,956.
			11.
			5.
			12,458.

Total

41,421.

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Donna Lawrence 197 Twin Cedars Golf Rd. Mocksville NC 27028	Sec/Tres/Dir 1.00	4,000.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Horace E. Moore, Jr. 626 Hidden Valley Rd Salisbury NC 28147	Dir 1.00	600.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Amelia G. Latham 2811 US HWY 64 East Mocksville NC 27028	Dir 1.00	0.	0.	0.

Total

4,600. 0. 0.

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,	Preparation of Form 99	1,250.			

Total

1,250.

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	18,613.	18,613.
Total	<u>18,613.</u>	<u>18,613.</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	617,738.	617,738.
Preferreds/fixed rate cap secs - S/A	128,854.	128,854.
Unit Investment Trust - S/A	692,024.	692,024.
Total	<u>1,438,616.</u>	<u>1,438,616.</u>

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

Portfolio detail

PART II, 1.

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held at Wells Fargo Bank, N.A. and (if amounts exceed \$250,000) at one or more other Wells Fargo affiliated banks. These assets are not covered by SIPC, but are instead eligible for FDIC insurance of up to \$250,000 per depositor, per institution, 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*	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ANNUAL YIELD (%)
Cash	0.00	N/A			22.50		N/A	
BANK DEPOSIT SWEEP	3.27	0.02			49,310.75		9.86	
Interest Period 06/01/11 - 06/30/11								
Total Cash and Sweep Balances	3.27				\$49,333.25		\$9.86	

* APYE 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 earned is expressed as an annualized rate, based on a 365- or 366-day year (as applicable).

Stocks, options & ETFs

PART II, 10 b.

Stocks and ETFs

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 (%)
FRONTIER COMMUNICATIONS									
CORP									
FTR									
Acquired 03/18/10 L nc	0.06	120	7.97	966.71	8.0700	968.40	1.69	90.00	9.29
MERCK & CO INC NEW									
MRK									
Acquired 04/20/10 L nc	1.17	500	36.06	18,240.65	35.2900	17,645.00	-595.65	760.00	4.30
Total Stocks and ETFs	1.24			\$19,207.36		\$18,613.40	-\$593.96	\$850.00	4.57
Total Stocks, options & ETFs	1.24			\$19,207.36		\$18,613.40	-\$593.96	\$850.00	4.57

nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS.



SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

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	ANNUAL YIELD (%)
FIDELITY ADVISOR SER									
II SHORT FXD INCM CL T									
PORT CL T									
FASFX									
On Reinvestment									
Acquired 05/25/10 L nc		6,251.02300	9.15	57,196.86		57,946.92	750.06		
Acquired 05/25/10 L nc		3,428.53100	9.15	31,371.06		31,782.54	411.48		
Total	5.96	9,679.55400		\$88,567.92	9.2700	\$89,729.46	\$1,161.54	\$1,480.97	1.65
FIDELITY ADVISOR									
STRATEGIC REAL RETURN FD									
CLASS T									
FSRTX									
On Reinvestment									
Acquired 01/26/09 L nc		3,571.42900	7.00	25,007.50		35,035.68	10,028.18		
Reinvestments L nc		46.76900	8.40	392.86		458.84	65.98		
Total	2.36	3,618.19800		\$25,400.36	9.8100	\$35,494.52	\$10,094.16	\$445.03	1.25
						\$25,007.50			
						\$10,487.02			
FIDELITY SELECT PORTS									
CONSUMER STAPLES FUND									
CL T									
FDTGX									
On Reinvestment									
Acquired 01/26/09 L nc		509.06100	49.11	25,007.50		36,357.13	11,349.63		
Reinvestments S nc		8.46300	67.94	575.04		604.43	29.39		
Total	2.45	517.52400		\$25,582.54	71.4200	\$36,961.56	\$11,379.02	\$381.93	1.03
						\$25,007.50			
						\$11,954.06			
FRANKLIN INCOME FUND									
CLASS A									
FKINX									
Acquired 07/10/08 L nc	0.50	3,366.92500	2.33	7,844.93	2.2400	7,541.91	-303.02	474.73	6.29

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

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 (%)
FUNDAMENTAL INVS INC									
CLASS A									
ANCFX									
On Reinvestment		864	34.73	30,014.22		33,445.43	3,431.21		
Acquired 05/13/10 L nc		3,40800	30.42	103.68		131.92	28.24		
Reinvestments L nc		13,74400	36.18	497.39		532.04	34.65		
Reinvestments S nc									
Total	2.26	881.15200		\$30,615.29	38.7100	\$34,109.39	\$3,494.10	\$422.95	1.24
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
\$30,014.22									
\$4,095.17									
LORD ABBETT INV TR									
FLOATING RATE FD									
CLASS C									
LARCX									
On Reinvestment		4,711.42500	8.49	40,007.50		43,863.32	3,855.82		
Acquired 05/27/09 L nc		35.01200	9.11	318.96		325.99	7.03		
Reinvestments L nc		26.88900	9.32	250.61		250.35	-0.26		
Reinvestments S nc									
Total	2.95	4,773.32600		\$40,577.07	9.3100	\$44,439.66	\$3,862.59	\$1,871.14	4.21
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
\$40,007.50									
\$4,432.16									
LORD ABBETT INV TR US									
INCOME FD									
CLASS A									
LAGVX									
On Reinvestment		4.14	2.78	60,007.50	2.8900	62,374.10	2,366.60	3,302.15	5.29
Acquired 06/10/10 L nc		21,582.73400							
Total	1.69	850.15900	24.77	21,058.43	29.8600	25,385.74	4,327.31	246.54	0.97
NEW PERSPECTIVE FD A									
ANWPX									
Acquired 02/26/10 L nc									



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

JUNE 30, 2011

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 (%)
PIMCO ALL ASSET ALL AUTHORITY FUND CLASS C PAUCX									
On Reinvestment									
Acquired 05/25/10 L nc		4,780.11500	10.46	50,007.50		51,147.18	1,139.68		
Acquired 05/03/11 S nc		5,494.50500	10.92	60,007.50		58,791.24	-1,216.26		
Reinvestments S nc		12.63700	10.72	135.47		135.22	-0.25		
Total	7.31	10,287.25700		\$110,150.47	10.7000	\$110,073.64	-\$76.83	\$6,295.80	5.72
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
\$110,015.00									
\$58.64									
TRANSAMERICA AEGON FLEXIBLE INCOME CLASS A IDITX									
On Reinvestment									
Acquired 10/23/09 L nc	3.46	5,753.74000	8.69	50,007.50	9.0600	52,128.88	2,121.38	2,917.14	5.59
TRANSAMERICA FDS AEGON SHORT TERM BOND CLASS C ITACX									
On Reinvestment									
Acquired 03/01/10 L nc		4,816.95600	10.38	50,007.50		50,337.14	329.64		
Reinvestments S nc		10.74000	10.40	111.80		112.28	0.48		
Total	3.35	4,827.69600		\$50,119.30	10.4500	\$50,449.42	\$330.12	\$1,554.51	3.08
Client Investment (Excluding Reinvestments)									
Gain/Loss on Client Investment (Including Reinvestments)									
\$50,007.50									
\$441.92									
Total Open End Mutual Funds	36.42			\$509,931.31		\$548,688.28	\$38,756.97	\$19,392.89	3.53

nc Cost information for this tax lot is not covered by IRS reporting requirements. Unless indicated, cost for all other lots will be reported to the IRS.

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

Mutual Funds

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 (%)
COLUMBIA SELIGMAN PERM TECHNOLOGY GROWTH FD INC STK	1.58	1,250	19.81 20.00	24,774.48 25,000.00	19.0000	23,750.00	-1,024.48	2,312.50	9.73
Acquired 11/24/09 L nc									
TORTOISE MLP FD INC NTG	1.72	1,000	24.64 25.00	24,640.00 25,000.00	25.9000	25,900.00	1,260.00	1,630.00	6.29
Acquired 07/27/10 S nc									
WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FD INC HYI	1.29	1,000	20.00	20,000.00	19.4000	19,400.00	-600.00	1,764.00	9.09
Acquired 10/26/10 S nc									
Total Closed End Mutual Funds	4.58			\$69,414.48 \$70,000.00		\$69,050.00	-\$364.48	\$5,706.50	8.26
Total Mutual Funds	41.00			\$579,345.79 \$579,931.31		\$617,738.28	\$38,392.49	\$25,099.39	4.06

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Preferreds/Fixed Rate Cap Securities

PART II, 13.

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 (%)
BB&T CAP TR V I 9.6% PFD MATURITY 01/01/2064 CALLABLE STARTING 08/1/14 BBTB	1.78	1,000	25.00	25,000.00	26.8900	26,890.00	1,890.00	2,400.00	8.92
Acquired 07/22/09 L nc									
BB&T CAP TRUST V 8.95% MATURITY 9/15/2063 CALLABLE STARTING 09/15/13 BBTB	1.05	600	25.00	15,207.50	26.2900	15,774.00	566.50	1,342.50	8.51
Acquired 05/14/09 L nc									



SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

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	ANNUAL YIELD (%)
DOMINION RES INC 8.375% SER A/CALLABLE 6/15/14 DUE 06/15/64 DRU Acquired 06/10/09 L.nc	1.90	1,000	25.00	25,000.00	28.6100	28,610.00	3,610.00	2,094.00	7.31
NEXTERA ENERGY CAP_PFD HOLDINGS INC 8.75% GTD JR SUB DEB SER F NEEF Acquired 03/13/09 L.nc	3.82	2,000	25.00	50,000.00	28.7900	57,580.00	7,580.00	4,376.00	7.59
Total Preferreds/Fixed Rate Cap Securities	8.55			\$115,207.50		\$128,854.00	\$13,646.50	\$10,212.50	7.93

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Unit Investment Trusts

Equity Trusts

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 GLOBAL EQTY INCOME C/E SER 5 CASH Acquired 09/02/09 L.nc	4.24	5,345	10.73 11.22	57,387.23 59,989.61	11.9500	63,872.75	6,485.52	5,558.80	8.70
FIRST TRUST PORTFOLIO DIVERSIFIED INC & GROWTH SPRING 2010 CASH Acquired 03/01/10 L.nc Acquired 03/01/10 L.nc		4,768 1,067	10.48 10.51	49,992.96 11,216.94		54,975.04 12,302.51	4,982.08 1,085.57		
Total	4.47	5,835		\$61,209.90	11.5300	\$67,277.55	\$6,067.65	\$1,686.31	2.51
FIRST TRUST HIGH DIVIDEND EQUITY PORT SER 1 CASH Acquired 06/16/10 L.nc	2.13	3,000	9.94	29,846.70	10.7200	32,160.00	2,313.30	1,659.00	5.15

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

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 SMID CAPITAL STRENGTH SERIES 4 CASH Acquired 08/16/10 S nc	2.51	3,042	9.22 9.86	28,050.60 29,999.60	12.4100	37,751.22	9,700.62	161.22	0.42
FIRST TRUST PORT, LP HIGH DIVIDEND EQUITY SER 3 CASH Acquired 10/01/10 S nc	4.16	6,034	9.94	59,998.48	10.3800	62,632.92	2,634.44	3,131.64	5.00
FIRST TR PORTFOLIOS LP GLOBAL DIVIDEND PORT SERIES 24 CASH Acquired 03/11/11 S nc	1.99	3,062	9.79	29,998.41	9.8000	30,007.60	9.19	1,295.22	4.31
FIRST TRUST BALANCED INC SELECT PORT SERIES 16 CASH Acquired 07/27/10 S nc	3.22	4,404	10.17 10.21	44,816.82 44,996.11	11.0100	48,488.04	3,671.22	2,549.91	5.25
FIRST TRUST STRATEGIC INCOME ADV SEL C/E 22 CASH Acquired 10/01/10 S nc	3.82	5,730	10.32 10.46	59,158.94 59,991.38	10.0500	57,586.50	-1,572.44	4,440.75	7.71
FIRST TRUST LTD DURATION PLUS C/E SER 21 CASH Acquired 09/17/10 S nc	2.36	3,495	10.00 10.01	34,983.65 34,995.44	10.1600	35,509.20	525.55	2,285.73	6.43
FIRST TRUST DIVIDEND & INCOME SELECT C/E SER 26 CASH Acquired 12/10/10 S nc	4.01	5,994	9.98 10.00	59,876.36 59,998.45	10.0800	60,419.52	543.16	4,663.33	7.71
Total Equity Trusts	32.90			\$465,327.09 \$471,024.08		\$495,705.30	\$30,378.21	\$27,431.91	5.53

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SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

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	ANNUAL YIELD (%)
VAN KAMPEN INVT INSD									
INCM TR UNIT 116									
MONTHLY CASH									
Acquired 12/10/08 L nc	1.71	30	879.17 881.10	26,375.10 26,433.00	857.8300	25,734.90	-640.20	1,574.40	6.11
VAN KAMPEN INSURED									
INCOME TR SER 126									
MONTHLY									
Acquired 08/20/08 L nc	1.10	22	906.45 947.11	19,941.90 20,836.42	754.2000	16,592.40	-3,349.50	1,051.82	6.33
VAN KAMPEN INVESTMENTS									
INSURED INCOME TRUST									
SERIES 149 MONTHLY									
Acquired 12/16/08 L nc	1.73	31	901.39 902.12	27,943.36 27,965.72	842.2600	26,110.06	-1,833.30	1,570.46	6.01
VAN KAMPEN INSURED									
INCOME TRUST UNIT 124									
MONTHLY CASH									
Acquired 08/20/08 L nc	0.53	10	925.32 928.16	9,253.20 9,281.60	799.6400	7,996.40	-1,256.80	496.90	6.21
VAN KAMPEN INSD									
INCOME TR UNIT									
SER 78 MONTHLY									
Acquired 08/20/08 L nc	0.32	5	986.14 1,002.56	4,930.70 5,012.80	964.1600	4,820.80	-109.90	281.20	5.83
VAN KAMPEN FOCUS PORT									
INSURED INC TR SER 90									
MONTHLY TAXABLE									
Acquired 08/20/08 L nc		15	1,003.88 1,006.74	15,058.20 15,101.10		13,590.00	-1,468.20		
Acquired 12/16/08 L nc		20	910.20 913.06	18,204.00 18,261.20		18,120.00	-84.00		
Total	2.10	35		\$33,262.20 \$33,362.30	906.0000	\$31,710.00	-\$1,552.20	\$1,964.90	6.20

SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

Unit Investment Trusts
Corporate 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 134 MONTHLY Acquired 12/10/08 L nc	1.61	29	837 13 838 65	24,276.77 24,320.85	834.9500	24,213.55	-63 22	1,351.69	5 58
Total Corporate Trusts	9.11			\$145,983.23 \$147,212.69		\$137,178.11	-\$8,805.12	\$8,291.37	6.04

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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	ANNUAL YIELD (%)
VAN KAMPEN INSD INCOME TR UNIT SER 95 MONTHLY Acquired 08/14/08 L nc	1.46	25	965.83 980.16	24,145.75 24,504.00	878 9200	21,973.00	-2,172 75	1,378.25	6.27
VAN KAMPEN INVESTMENTS INSURED INCOME TRUST SERIES 157 MONTHLY Acquired 12/10/08 L nc	1 10	20	883 03 901.70	17,660.73 18,034 00	829 6600	16,593.20	-1,067 53	996.60	6 00
NUVEEN TAX FREE UNIT TR INSD NATL SER 458 MONTHLY Acquired 07/09/08 L nc	0.29	70	61.16 98.24	4,281.89 6,876.80	62 3500	4,364.50	82 61	328 58	7.52
NUVEEN TAX FREE UNIT TR INSD NATL SER 461 MONTHLY Acquired 07/09/08 L nc	0.44	100	68 95 98 14	6,895.72 9,814.00	67.0400	6,704.00	-191.72	471 50	7.03
NUVEEN 462 TAX FREE INSD NATL MONTHLY Acquired 07/09/08 L nc	0 27	50	82.07 98 11	4,103.71 4,905.50	81.2100	4,060.50	-43.21	233.75	5.75



SMITH AND DAVIS FOUNDATION
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2011

26-2873407

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 (%)
VAN KAMPEN INVT GRADE MUN TR UNIT 30 MONTHLY Acquired 07/09/08 L nc	0.36	6	917.48 945.83	5,504.88 5,674.98	907.5600	5,445.36	-59.52	278.52	5.11
Total Municipal Trusts	3.93			\$62,592.68 \$69,809.28		\$59,140.56	-\$3,452.12	\$3,687.20	6.23
Total Unit Investment Trusts	45.93			\$673,903.00 \$688,046.05		\$692,023.97	\$18,120.97	\$39,410.48	5.69

Smith and Davis Foundation, Inc
EIN 26-2873407

Part XV
Line 3a

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
Davie County Community Foundation	2, Services	\$ 4,000
Davie County Law Enforcement Association	2, Services	10,000
Davie County Storehouse of Jesus	3, Well being of County Residents	7,000
Davie County Schools	3, School Supplies	3,600
Community Baptist Church	2, Services	2,000
Cooleemee, NC Historical Association	3, Services	2,500
Cooleemee Presbyterian Church	3, Services	500
Central Terrace UMC, Forsyth County NC	1, Services	500
Dare Camp	3, Services	5,500
East Carolina University - Whitley	2, Scholarship	4,500
NC State Univ - Stephens	2, Scholarship	3,000
NC State Univ - Grubb	2, Scholarship	1,500
NC State Univ - Harold	2, Scholarship	1,500
N C. A & T Univerity - Lathem	2, Scholarship	2,458
Jericho Church of Christ	1, Cemetery Maint	500
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
Victory Baptist Church	3, Services	2,000
Franklin Presbyterian Church	3, Services	3,000
Franklin Baptist Church	3, Services	1,000
South Side Baptist Church	3, Services	3,000
Blaise Baptist Church	3, Services	2,000
S C Military History Museum	3, Services	1,000
Land Trust for Central NC	3, Services	1,000
Jerusalem, NC Fire Department	3, Services & Equip	2,000
Davie County Humane Society	2, Services	2,000
		<u>\$ 68,058</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 loacated in or near Davie County, NC