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

2011

Department of the Treasury
Internal Revenue Service

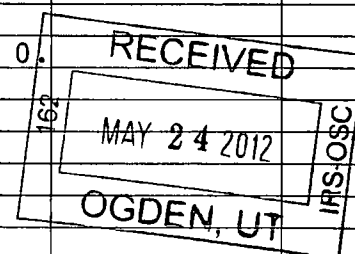
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2011 or tax year beginning

, and ending

Name of foundation SOUTHERN BANK FOUNDATION		A Employer identification number 56-2002871
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 729		B Telephone number (919) 658-7007
City or town, state, and ZIP code MOUNT OLIVE, NC 28365-0729		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1 Foreign organizations, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		2 Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 11,203,377. (Part I, column (d) must be on cash basis)		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		915,852.	893,195.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<227,224.>			
b Gross sales price for all assets on line 6a		793,389.			
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)					
11 Other income					
12 Total. Add lines 1 through 11		688,628.	893,195.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 2		435.	0.		0.
b Accounting fees STMT 3		1,930.	0.		0.
c Other professional fees					
17 Interest		3,148.	0.		0.
18 Taxes STMT 4		68,950.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 5		1,181.	0.		0.
24 Total operating and administrative expenses Add lines 13 through 23		75,644.	0.		0.
25 Contributions, gifts, grants paid		417,900.			417,900.
26 Total expenses and disbursements Add lines 24 and 25		493,544.	0.		417,900.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		195,084.			
b Net investment income (if negative, enter -0-)			893,195.		
c Adjusted net income (if negative, enter -0-)				N/A	



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing			188,884.	248,973.	248,971.
	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					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock STMT 6	11,388,713.	11,343,870.	10,954,406.		
	c Investments - corporate bonds					
Liabilities	11 Investments - land, buildings, and equipment basis ▶					
	Less: accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other					
	14 Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)	11,577,597.	11,592,843.	11,203,377.		
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable	179,838.				
	22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)	179,838.	0.				
Foundations that follow SFAS 117, check here ▶ ☐	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	27 Capital stock, trust principal, or current funds	4,631,719.	4,631,719.			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.			
	29 Retained earnings, accumulated income, endowment, or other funds	6,766,040.	6,961,124.			
	30 Total net assets or fund balances	11,397,759.	11,592,843.			
31 Total liabilities and net assets/fund balances	11,577,597.	11,592,843.				

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	11,397,759.
2 Enter amount from Part I, line 27a	2	195,084.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	11,592,843.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	11,592,843.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PBI CAPITAL TRUST		P	VARIOUS	VARIOUS
b LYDIAN		P	VARIOUS	VARIOUS
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 793,389.		820,613.	<27,224.>
b		200,000.	<200,000.>
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			<27,224.>
b			<200,000.>
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	<227,224.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the 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 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))
2010	358,100.	9,620,915.	.037221
2009	319,310.	7,108,946.	.044917
2008	329,988.	7,931,234.	.041606
2007	486,434.	9,914,222.	.049064
2006	366,540.	8,983,725.	.040800

2 Total of line 1, column (d)	2	.213608
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	.042722
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	11,009,263.
5 Multiply line 4 by line 3	5	470,338.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,932.
7 Add lines 5 and 6	7	479,270.
8 Enter qualifying distributions from Part XII, line 4	8	417,900.

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 instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ 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 ☐ and enter 1% of Part I, line 27b		1	17,864.
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	0.
3 Add lines 1 and 2		3	17,864.
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	17,864.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	24,280.	
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	24,280.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,416.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☐ 6,416. Refunded ☐	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
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.		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? If "Yes," attach a conformed copy of the changes		X
4a 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?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>NC</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>DAVID BEAN</u> Located at ► <u>121 EAST MAIN STREET, MOUNT OLIVE, NC</u> Telephone no. ► <u>919-658-7007</u> ZIP+4 ► <u>28365</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 <u>N/A</u>			
16	At any time during calendar year 2011, 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 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
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 instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► ☐	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 2011? 1c		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ► _____, _____, _____ ☐ 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 instructions.) N/A	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. ► _____, _____, _____		
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 2011 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 2011) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a		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 2011? 4b		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)? ☐ 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)?N/A
▶ ☐

5b

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?N/A ☐ 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?

If "Yes" to 6b, file Form 8870

6b

X

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?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7		0.	0.	0.

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

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

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

▶ 0

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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	1a	10,968,111.
b	Average of monthly cash balances	1b	208,806.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	11,176,917.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	11,176,917.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	167,654.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,009,263.
6	Minimum investment return Enter 5% of line 5	6	550,463.

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	550,463.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	17,864.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	1,872.
c	Add lines 2a and 2b	2c	19,736.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	530,727.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	530,727.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	530,727.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	417,900.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	417,900.
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	5	0.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	417,900.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				530,727.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			86,371.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007	8,778.			
c From 2008				
d From 2009	4,749.			
e From 2010				
f Total of lines 3a through e	13,527.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 417,900.				
a Applied to 2010, but not more than line 2a			86,371.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				331,529.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	13,527.			13,527.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				185,671.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

N/A

- ▶

☐ 4942(1)(3) or ☐ 4942(1)(5)

- [illegible]

Form **990-PF** (2011)

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				
ALZHEIMERS NORTH CAROLINA, INC. 1305 NAVAHO DRIVE, SUITE 101 RALEIGH, NC 27609	NONE	NON-PROFIT	DONATION	500.
ARTS COUNCIL OF WAYNE COUNTY 2406 EAST ASH STREET GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
BAPTIST CHILDRENS HOMES OF NC, INC. P.O. BOX 338 THOMASVILLE, NC 27361	NONE	NON-PROFIT	DONATION	5,000.
BEAUFORT COUNTY COMMUNITY COLLEGE P.O. BOX 1069 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	2,000.
BOYS & GIRLS CLUB PITT CO. 510 SOUTH WASHINGTON STREET GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	2,500.
Total SEE CONTINUATION SHEET(S) ▶ 3a				417,900.
b Approved for future payment				
NORTH CAROLINA WESLEYAN COLLEGE 3400 N WESLEYAN BLVD ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
PITT COUNTY MEMORIAL HOSPITAL FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	100,000.
WAYNE COUNTY PUBLIC LIBRARY 1001 E ASH STREET GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	20,000.
Total SEE CONTINUATION SHEET(S) ▶ 3b				916,000.

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

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

[illegible]

- 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) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

Signature of officer or trustee

5/21/2012
Date

CFO TREASURER
 Title

May the IRS discuss this return with the preparer shown below (see instr. 1)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name <i>Mary P Benton</i>	Preparer's signature <i>Mary P Benton</i>	Date 5/18/12	Check ☐ if self-employed	PTIN 000766935
Firm's name ▶ DIXON HUGHES GOODMAN LLP			Firm's EIN ▶ 56-0747981	
Firm's address ▶ 2501 BLUE RIDGE ROAD, SUITE 500 RALEIGH, NC 27607			Phone no 919-876-4546	

Form **990-W****Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

OMB No. 1545-0976

(Worksheet)
Department of the Treasury
Internal Revenue Service(and on Investment Income for Private Foundations) **FORM 990-T**
(Keep for your records Do not send to the Internal Revenue Service)**2012**

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1 See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total. Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total. Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8. Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	
b	Enter the tax shown on the 2011 return (see instructions) Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	1,872.
c	2012 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	1,880.
			ADJUSTED TO
			(a) (b) (c) (d)
11	Installment due dates (see instructions)	11	
12	Required installments Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	
13	2011 Overpayment (see instructions)	13	
14	Payment due (Subtract line 13 from line 12.)	14	

LHA For Paperwork Reduction Act Notice, see instructions

Form **990-W** (2012)

ESTIMATED TAX	1,880.
AMOUNT PAID	3,000.
AMOUNT DUE	0.
	0.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
BERTIE COUNTY YMCA, INC. P.O. BOX 834 WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	2,000.
BOY SCOUTS OF AMERICA - TUSCARORA COUNCIL P.O. BOX 1436 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	2,000.
C S BROWN AUDITORIUM RESTORATION ASSOCIATION, INC P.O. BOX 435 WINTON, NC 27986	NONE	NON-PROFIT	DONATION	1,000.
FRIENDS OF THE WASHINGTON COUNTY LIBRARY INC P.O. BOX 786 PLYMOUTH, NC 27962	NONE	NON-PROFIT	DONATION	900.
CAMPBELL UNIVERSITY P.O. BOX 116 BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	10,000.
REBUILDING TOGETHER PITT CO. PO BOX 20574 GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	5,000.
CHOWAN UNIVERSITY ONE UNIVERSITY PLACE MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	25,000.
DUPLIN CO. EDUCATION FOUNDATION P.O. BOX 128 KENANSVILLE, NC 28349	NONE	NON-PROFIT	DONATION	1,000.
EAST CAROLINA COUNCIL BSA P.O. BOX 1698 KINSTON, NC 28503	NONE	NON-PROFIT	DONATION	1,250.
EAST CAROLINA UNIVERSITY WARDS SPORTS MEDICINE BLDG GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				406,900.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
2011 RELAY FOR LIFE AT ECU WARDS SPORTS MEDICINE BLDG GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	1,000.
ADLA INC OIC OF WAYNE COUNTY CDC 202 COURTNEY RD GOLDSBORO, NC 27534	NONE	NON-PROFIT	DONATION	5,000.
ELIZABETH CITY STATE UNIVERSITY OFFICE OF CAREER SERVICES CAMPUS BOX 804 ELIZABETH CITY, NC 27906	NONE	NON-PROFIT	DONATION	1,000.
BERTIE COUNTY FAMILY RESOURCE CENTER 121 GRANVILLE ST. WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	30,000.
FRIENDS OF THE PARKS FOUNDATION P.O. BOX 953 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
BOYS AND GIRLS HOME OF NC INC 400 FLEMINGTON DRIVE LAKE WACCAMAW, NC 28450	NONE	NON-PROFIT	DONATION	5,000.
HALIFAX COMMUNITY COLLEGE FOUNDATION, INC. P.O. DRAWER 809 WELDON, NC 27890	NONE	NON-PROFIT	DONATION	2,500.
HERTFORD COUNTY EDUCATIONAL FOUNDATION, INC. P.O. BOX 1008 AHOSKIE, NC 27910	NONE	NON-PROFIT	DONATION	4,000.
HISTORIC HOPE FOUNDATION INC 132 HOPE HOUSE RD WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
CHOANOKE AREA DEVELOPMENT ASSOCIATION P.O. BOX 530 RICH SQUARE, NC 27869	NONE	NON-PROFIT	DONATION	2,500.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
HOMETOWN BETHEL P.O. BOX 1165 BETHEL, NC 27812	NONE	NON-PROFIT	DONATION	750.
COMMUNITY CARE CLINIC OF DARE P.O. BOX 1329 NAGS HEAD, NC 27959	NONE	NON-PROFIT	DONATION	1,000.
EASTERN CAROLINA VOCATIONAL CENTER INC P.O. BOX 1686 GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	3,000.
MOUNT OLIVE COLLEGE 634 HENDERSON STREET MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	100,000.
MOUNT OLIVE COLLEGE SCHOLARSHIP FUND P.O. DRAWER 649 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
NASH COMMUNITY COLLEGE FOUNDATION P.O. BOX 7488 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	2,500.
NASH HEALTH CARE SYSTEMS FOUNDATION 2460 CURTIS ELLIS DRIVE ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	10,000.
BERTIE EDUCATIONAL FOUNDATION INC PO BOX 70 MERRY HILL, NC 27957	NONE	NON-PROFIT	DONATION	5,000.
NORTH CAROLINA SYMPHONY 4350 LASSITER AT NORTH HILLS AVE, SUITE 250 RALEIGH, NC 27609	NONE	NON-PROFIT	DONATION	5,000.
NORTH CAROLINA WESLEYAN COLLEGE 3400 N WESLEYAN BLVD ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

56-2002871

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
GREENVILLE COMMUNITY SHELTERS 207 MANHATTAN AVENUE GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	1,000.
PITT COUNTY MEMORIAL HOSPITAL FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	62,500.
KITTY ASKINS HOSPICE CENTER 107 HANDLEY PARK COURT GOLDSBORO, NC 27534	NONE	NON-PROFIT	DONATION	5,000.
THE NORTH CAROLINA AQUARIUM SOCIETY 3125 POPLARWOOD COURT, STE 160 RALEIGH, NC 27604	NONE	NON-PROFIT	DONATION	1,500.
NC RURAL CENTER 4021 CARYA DRIVE RALEIGH, NC 27610	NONE	NON-PROFIT	DONATION	600.
ROANOKE ISLAND HISTORICAL ASSOC INC. 1409 NATIONAL PARK DRIVE MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	500.
NC RURAL FUND FOR DEVELOPMENT 127 SOUTH QUEEN STREET KINSTON, NC 28501	NONE	NON-PROFIT	DONATION	2,500.
SEVEN SPRINGS VOLUNTEER FIRE DEPARTMENT P.O. BOX 116 SEVEN SPRINGS, NC 28578	NONE	NON-PROFIT	DONATION	200.
NEW LIFE COMMUNITY DEVELOPMENT CORPORATION 82-10 QUEENS BLVD ELMHURST, NY 11373	NONE	NON-PROFIT	DONATION	2,500.
TAR RIVER ORCHESTRA AND CHORAL SOC P.O. BOX 8255 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
NORTH CAROLINA HOUSING COALITION NORTH CAROLINA AFFORDABLE HOUSING CONFERENCE RALEIGH, NC 27603	NONE	NON-PROFIT	DONATION	1,000.
THE GOOD SHEPHERD FOOD PANTRY OF BERTIE COUNTY, INC. P.O. BOX 1394 WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
PITT COUNTY YOUTH LACROSSE 128 STUDENT RECREATION CENTER GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	1,600.
ROCKY MOUNT EDGECOMBE COMM DEVELOP CORP PO BOX 1477 ROCKY MOUNT, NC 27802	NONE	NON-PROFIT	DONATION	2,500.
SB ENDOWMENT FOR ELIZABETH CITY STATE UNIVERSITY 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	4,000.
THE ASPERGER CONNECTION SCHOOL 503 GLENDALE DR PIKEVILLE, NC 27863	NONE	NON-PROFIT	DONATION	1,000.
THE LEUKEMIA & LYMPHOMA SOCIETY 401 HARRISON OAKS BLVD. SUITE 200 CARY, NC 27513	NONE	NON-PROFIT	DONATION	1,500.
THE LITTLE WILLIE CENTER 807 WEST FIFTH STREET GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	1,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	12,000.
WAYNE COUNTY ECONOMIC DEVELOPMENT CO P.O. BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	10,000.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

56-2002871

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
WAYNE COUNTY PUBLIC LIBRARY 1001 E ASH STREET GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	20,000.
THE OAKWOOD SCHOOL INC 4000 MACGREGOR DOWNS ROAD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	12,500.
THE SALVATION ARMY - GREENVILLE 2337 W.DICKINSON AVE. GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	5,000.
THE UNC COASTAL STUDIES INSTITUTE FOUNDATION INC PO BOX 699 MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	1,000.
CAROLINAS GATEWAY PARTNERSHIP 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	5,000.
TOWN OF SEABOARD - POLICE DEPT 102 CLAY STREET SEABOARD, NC 27876	NONE	NON-PROFIT	DONATION	4,800.
TOWN OF WARSAW 121 S FRONT ST WARSAW, NC 28398	NONE	NON-PROFIT	DONATION	1,000.
TUBEROUS SCLEROSIS ALLIANCE 801 ROEDER ROAD, SUITE 750 SILVER SPRING, MD 20910	NONE	NON-PROFIT	DONATION	300.
TYRELL-WASH PARTNERSHIPS 125-B WEST WATER STREET PLYMOUTH, NC 27962	NONE	NON-PROFIT	DONATION	1,000.
Total from continuation sheets				

Part XV Supplementary Information**3 Grants and Contributions Approved for Future Payment (Continuation)**

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
CHOWAN UNIVERSITY ONE UNIVERSITY PLACE MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	75,000.
BERTIE EDUCATIONAL FOUNDATION 121 GRANVILLE ST. WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	10,000.
THE OAKWOOD SCHOOL INC 4000 MACGREGOR DOWNS RD. GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	37,500.
ELIZABETH CITY STATE UNIVERSITY 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	16,000.
BEAUFORT CO. COMMUNITY COL FDN P.O. BOX 1069 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	8,000.
NASH COMMUNITY COLLEGE P.O. BOX 7488 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	2,500.
NASH HEALTH CARE SYSTEMS 2460 CURTIS ELLIS DRIVE ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	30,000.
WAYNE COUNTY DEVELOPMENT ALLIANCE P.O. BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	40,000.
BAPTIST CHILDRENS' HOME OF NC P.O. BOX 338 THOMASVILLE, NC 27361	NONE	NON-PROFIT	DONATION	15,000.
CAROLINAS GATEWAY PARTNERSHIP 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	20,000.
Total from continuation sheets				791,000.

Part XV Supplementary Information**3 Grants and Contributions Approved for Future Payment (Continuation)**

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
CAMPBELL UNIVERSITY 110 MAIN STREET BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	90,000.
TAR RIVER CHORAL & ORCHESTRAL SOCIETY P.O. BOX 8255 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	10,000.
EAST CAROLINA VOCATIONAL CENTER P.O. BOX 1686 GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	12,000.
MOUNT OLIVE COLLEGE 634 HENDERSON STREET MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	380,000.
HALIFAX COMMUNITY COLLEGE FOUNDATION, INC. P.O. DRAWER 809 WELDON, NC 27890	NONE	NON-PROFIT	DONATION	5,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	40,000.
Total from continuation sheets				

Southern Bank Foundation
PO Box 729
Mount Olive, NC 28365-0729

EIN # 56-2002871
Form 990 PF, Part II - Supplementary Information, Line 21

Detail of Notes Payable
12/31/2011

Lender:	Bank of America
Original Amount	\$ 1,250,000
Date of Note.	6/30/2010
Maturity Date	6/30/2012
Repayment Terms.	Interest paid quarterly, principal due at maturity
Security Provided:	Securities
Purpose of Loan:	Purchase investments, contribution and gift distribution
Description of FMV and Consideration	Cash, \$1,250,000
Beginning Balance Due	\$ 179,838
Ending Balance Due	\$ -

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
INTEREST - CORPORATES	915,852.	0.	915,852.
TOTAL TO FM 990-PF, PART I, LN 4	915,852.	0.	915,852.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	435.	0.		0.
TO FM 990-PF, PG 1, LN 16A	435.	0.		0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,930.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	1,930.	0.		0.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX EXPENSE	68,950.	0.		0.
TO FORM 990-PF, PG 1, LN 18	68,950.	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
DATA PROCESSING	1,111.	0.		0.	
MISCELLANEOUS	70.	0.		0.	
TO FORM 990-PF, PG 1, LN 23	1,181.	0.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
CORPORATE SECURITIES	9,036,840.	9,384,520.		
DUKE ENERGY	88,300.	220,000.		
SOUTHERN COMMUNITY	124,643.	18,729.		
SCBT BANCSHARES	172,215.	132,750.		
TPREF FUNDING	800,000.	2,000.		
NORTH STATE TELECOMMUNICATION	131,310.	166,000.		
FIRST MARINER BANCORP	49,016.	1,281.		
SPECTRA	63,653.	153,750.		
VALLEY FINANCIAL CORP	303,010.	147,000.		
VIRGINIA BANK BANCSHARES	82,523.	58,487.		
BANK OF AMERICA CORP	481,371.	661,850.		
FIFTH THIRD BANK	10,989.	8,039.		
LYDIAN	0.	0.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,343,870.	10,954,406.		

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	7
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
FRANK B. HOLDING PO BOX 729 MT OLIVE, NC 28365	PRESIDENT 0.00	0.	0.	0.
WILLIAM H. BRYAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.
J. GREY MORGAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.
LISA R. SANDERSON PO BOX 729 MT OLIVE, NC 28365	ASSISTANT SECRETARY 0.00	0.	0.	0.
DAVID A. BEAN PO BOX 729 MT OLIVE, NC 28365	TREASURER 0.00	0.	0.	0.
JOHN L. HEEDEN PO BOX 729 MT OLIVE, NC 28365	SECRETARY 0.00	0.	0.	0.
GENETTA B. GOODMAN PO BOX 729 MT OLIVE, NC 28365	ASSISTANT TREASURER 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545-1709

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I: Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. SOUTHERN BANK FOUNDATION	Employer identification number (EIN) or ☒ 56-2002871
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 729	Social security number (SSN) ☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MOUNT OLIVE, NC 28365-0729	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

DAVID BEAN

- The books are in the care of ▶ **121 EAST MAIN STREET - MOUNT OLIVE, NC 28365**

Telephone No. ▶ **919-658-7007**

FAX No ▶

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

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ▶ ☒ calendar year **2011** or
- ▶ ☐ tax year beginning _____, and ending _____

- 2 If the tax year entered in line 1 is for less than 12 months, check reason. ☐ Initial return ☐ Final return
- ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 17,864.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 24,280.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2012)