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

**2012**

Department of the Treasury  
Internal Revenue Service

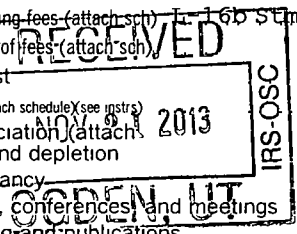
*Note.* The foundation may be able to use a copy of this return to satisfy state reporting requirements

**For calendar year 2012, or tax year beginning** Jul 1 , 2012, **and ending** Jun 30 , 2013

|  |  |   |
|--|--|---|
| Name of foundation<br><b>Smith and Davis Foundation, Inc.</b>  |  | <b>A</b> Employer identification number<br>26-2873407   |
| Number and street (or P O box number if mail is not delivered to street address)<br>602 Singleton Rd.  |  | <b>B</b> Telephone number (see the instructions)<br>(336) 998-8233  |
| City or town<br>Mocksville   |  | <b>C</b> If exemption application is pending, check here <input type="checkbox"/>   |
| State ZIP code<br>NC 27028   |  | <b>D</b> 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| <b>G</b> Check all that apply<br><input type="checkbox"/> Initial return <input type="checkbox"/> Initial Return of a former public charity<br><input type="checkbox"/> Final return <input type="checkbox"/> Amended return<br><input type="checkbox"/> Address change <input type="checkbox"/> Name change |  | <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>  |
| <b>H</b> Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation  |  | <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>   |
| <b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16)<br>\$ 1,542,260.   | <b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____<br>(Part I, column (d) must be on cash basis) |   |

|   | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|------------------------------------|---------------------------|-------------------------|---|
| <b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions)) |                                    |                           |                         |   |
| <b>REVENUE</b>  |                                    |                           |                         |   |
| 1 Contributions, gifts, grants, etc. received (att sch)   |                                    |                           |                         |   |
| 2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B  |                                    |                           |                         |   |
| 3 Interest on savings and temporary cash investments  |                                    |                           |                         |   |
| 4 Dividends and interest from securities  | 67,113.                            | 64,105.                   |                         |   |
| 5a Gross rents  |                                    |                           |                         |   |
| b Net rental income or (loss)   |                                    |                           |                         |   |
| 6a Net gain/(loss) from sale of assets not on line 10   |                                    |                           |                         |   |
| b Gross sales price for all assets on line 6a   |                                    |                           |                         |   |
| 7 Capital gain net income (from Part IV, line 2)  |                                    | 39,933.                   |                         |   |
| 8 Net short-term capital gain   |                                    |                           | 478.                    |   |
| 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)   |                                    |                           |                         |   |
| <b>12 Total.</b> Add lines 1 through 11   | 67,113.                            | 104,038.                  | 478.                    |   |
| <b>ADMINISTRATIVE EXPENSES</b>  |                                    |                           |                         |   |
| 13 Compensation of officers, directors, trustees, etc   | 13,475.                            | 6,737.                    |                         | 6,738.  |
| 14 Other employee salaries and wages  |                                    |                           |                         |   |
| 15 Pension plans, employee benefits   |                                    |                           |                         |   |
| 16a Legal fees (attach schedule)  |                                    |                           |                         |   |
| b Accounting fees (attach sch) L-16b Stmt   | 1,550.                             | 1,550.                    |                         |   |
| c Other prof fees (attach sch)  |                                    |                           |                         |   |
| 17 Interest   |                                    |                           |                         |   |
| 18 Taxes (attach schedule)(see instrs)  |                                    |                           |                         |   |
| 19 Depreciation (attach sch) and depletion  |                                    |                           |                         |   |
| 20 Occupancy  |                                    |                           |                         |   |
| 21 Travel, conferences, and meetings  | 577.                               | 289.                      |                         | 288.  |
| 22 Printing and publications  | 100.                               |                           |                         | 100.  |
| 23 Other expenses (attach schedule)   |                                    |                           |                         |   |
| Investment expenses   | 4,290.                             | 4,290.                    |                         |   |
| <b>24 Total operating and administrative expenses.</b> Add lines 13 through 23  | 19,992.                            | 12,866.                   |                         | 7,126.  |
| 25 Contributions, gifts, grants paid  | 68,700.                            |                           |                         |   |
| <b>26 Total expenses and disbursements.</b> Add lines 24 and 25   | 88,692.                            | 12,866.                   |                         | 7,126.  |
| <b>27 Subtract line 26 from line 12:</b>  |                                    |                           |                         |   |
| a Excess of revenue over expenses and disbursements   | -21,579.                           |                           |                         |   |
| b Net investment income (if negative, enter -0-)  |                                    | 91,172.                   |                         |   |
| c Adjusted net income (if negative, enter -0-)  |                                    |                           | 478.                    |   |

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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   |                | 34,247.               | 158,384.    | 158,384. |
|                             | 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 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  |                | 23,004.               | 52,912.     | 52,912.  |
|                             | 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   |   | 1,446,315.     | 1,330,964.            | 1,330,964.  |          |
| 14                          | Land, buildings, and equipment basis  |   |                |                       |             |          |
|                             | Less accumulated depreciation (attach schedule)   |   |                |                       |             |          |
| 15                          | Other assets (describe )  |   |                |                       |             |          |
| 16                          | <b>Total assets</b> (to be completed by all filers – see the instructions Also, see page 1, item l) |   | 1,503,566.     | 1,542,260.            | 1,542,260.  |          |
| 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  | <b>Total liabilities</b> (add lines 17 through 22)  |                |                       |             |          |
| NET FUND ASSETS OR BALANCES | Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.  |   |                |                       |             |          |
|                             | 24  | Unrestricted  |                |                       |             |          |
|                             | 25  | Temporarily restricted  |                |                       |             |          |
|                             | 26  | Permanently restricted  |                |                       |             |          |
|                             | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. X             |   |                |                       |             |          |
|                             | 27  | Capital stock, trust principal, or current funds  |                | 1,503,566.            | 1,542,260.  |          |
|                             | 28  | Paid-in or capital surplus, or land, building, and equipment fund   |                |                       |             |          |
|                             | 29  | Retained earnings, accumulated income, endowment, or other funds  |                |                       |             |          |
| 30                          | <b>Total net assets or fund balances</b> (see instructions)   |   | 1,503,566.     | 1,542,260.            |             |          |
| 31                          | <b>Total liabilities and net assets/fund balances</b> (see instructions)                            |   | 1,503,566.     | 1,542,260.            |             |          |

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 | 1,503,566. |
| 2 | Enter amount from Part I, line 27a   | 2 | -21,579.   |
| 3 | Other increases not included in line 2 (itemize) See Other Increases Stmt  | 3 | 60,273.    |
| 4 | Add lines 1, 2, and 3  | 4 | 1,542,260. |
| 5 | Decreases not included in line 2 (itemize)   | 5 |            |
| 6 | <b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30   | 6 | 1,542,260. |

**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<br>P — Purchase<br>D — Donation | (c) Date acquired<br>(month, day, year) | (d) Date sold<br>(month, day, year) |
|--|--|---|-------------------------------------|
| 1 a 1.621 SH FIDELITY SELECT PORTS CL T  | P  | 04/16/12                                | 12/10/12                            |
| b 8.71 SH FIDELITY SELECT PORTS CL T   | P  | 12/12/11                                | 12/10/12                            |
| c 517.524 SH FIDELITY SELECT PORTS CL T  | P  | 01/26/09                                | 12/10/12                            |
| d 5730 SH FIRST TRUST BALANCED INC   | P  | 10/01/10                                | 08/30/12                            |
| e See Columns (a) thru (d)   |  |   |                                     |

| (e) Gross sales price      | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|----------------------------|--|---|--|
| a 134.                     |  | 121.  | 13.  |
| b 718.                     |  | 607.  | 111.   |
| c 42,687.                  |  | 25,583.   | 17,104.                                      |
| d 54,076.                  |  | 57,235.   | -3,159.                                      |
| e See Columns (e) thru (h) |  | 573,660.  | 25,864.                                      |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 |                                      |   | (i) Gains (Column (h)<br>gain minus column (k), but not less<br>than -0-) or Losses (from column (h)) |
|---|--------------------------------------|---|---|
| (i) Fair Market Value<br>as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of column (i)<br>over column (j), if any |   |
| a   |                                      |   | 13.   |
| b   |                                      |   | 111.  |
| c   |                                      |   | 17,104.   |
| d   |                                      |   | -3,159.   |
| e See Columns (i) thru (l)  |                                      |   | 25,864.   |

|  |  |   |         |
|--|--|---|---------|
| 2 Capital gain net income or (net capital loss)                                | [ If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7 ]                                | 2 | 39,933. |
| 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 instructions) If (loss), enter -0-<br>in Part I, line 8 ] | 3 | 478.    |

**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<br>Calendar year (or tax year<br>beginning in)  | (b) Adjusted qualifying distributions | (c) Net value of<br>noncharitable-use assets | (d) Distribution ratio<br>(column (b) divided by column (c)) |
| 2011  | 6,157.                                | 0.   | 0.000000   |
| 2010  | 6,680.                                |  |  |
| 2009  |                                       |  |  |
| 2008  |                                       |  |  |
| 2007  |                                       |  |  |

|   |   |          |
|---|---|----------|
| 2 Total of line 1, column (d)   | 2 | 0.000000 |
| 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 | 0.000000 |
| 4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5  | 4 | 0.       |
| 5 Multiply line 4 by line 3   | 5 | 0.       |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)  | 6 | 912.     |
| 7 Add lines 5 and 6   | 7 | 912.     |
| 8 Enter qualifying distributions from Part XII, line 4  | 8 | 7,126.   |

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)**

|  |            |      |
|--|------------|------|
| <b>1 a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1<br>Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs) |            |      |
| <b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b  | <b>1</b>   | 912. |
| <b>c</b> All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)  |            |      |
| <b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)  | <b>2</b>   | 0.   |
| <b>3</b> Add lines 1 and 2   | <b>3</b>   | 912. |
| <b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)  | <b>4</b>   | 0.   |
| <b>5 Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0-  | <b>5</b>   | 912. |
| <b>6 Credits/Payments</b>  |            |      |
| <b>a</b> 2012 estimated tax pmts and 2011 overpayment credited to 2012   | <b>6 a</b> | 800. |
| <b>b</b> Exempt foreign organizations – tax withheld at source   | <b>6 b</b> |      |
| <b>c</b> Tax paid with application for extension of time to file (Form 8868)   | <b>6 c</b> |      |
| <b>d</b> Backup withholding erroneously withheld   | <b>6 d</b> |      |
| <b>7</b> Total credits and payments Add lines 6a through 6d  | <b>7</b>   | 800. |
| <b>8</b> Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached   | <b>8</b>   |      |
| <b>9 Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed   | <b>9</b>   | 112. |
| <b>10 Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid  | <b>10</b>  | 0.   |
| <b>11</b> Enter the amount of line 10 to be <b>Credited to 2013 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>  | <b>11</b>  |      |

**Part VII-A Statements Regarding Activities**

|  | Yes | No |
|--|-----|----|
| <b>1 a</b> 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>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?<br><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  |
| <b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?   |     | X  |
| <b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year<br><b>(1)</b> On the foundation ▶ \$ _____ <b>(2)</b> On foundation managers ▶ \$ _____   |     |    |
| <b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____   |     |    |
| <b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS?<br><i>If 'Yes,' attach a detailed description of the activities</i>   |     | X  |
| <b>3</b> 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  |
| <b>4 a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?   |     | X  |
| <b>b</b> If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?   |     |    |
| <b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br><i>If 'Yes,' attach the statement required by General Instruction T</i>   |     | X  |
| <b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either<br>• By language in the governing instrument, or<br>• 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   |    |
| <b>7</b> 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   |    |
| <b>8 a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) ▶<br>NC – North Carolina   |     |    |
| <b>b</b> If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>  | X   |    |
| <b>9</b> 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>   |     | X  |
| <b>10</b> Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>  |     | X  |

BAA

**Part VII-A Statements Regarding Activities (continued)**

|    |   |   |   |
|----|---|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)   |   | X |
| 12 | Did the foundation 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)  |   | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application?<br>Website address <u>N/A</u>   | X |   |
| 14 | The books are in care of <u>John A Singleton</u> Telephone no <u>(336) 998-8233</u><br>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 <u>15</u>   |   |   |
| 16 | At any time during calendar year 2012, 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?<br>See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If 'Yes,' enter the name of the foreign country <u></u> |   | 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <u></u>  |   |    |
| 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 2012?  |   | X  |
| 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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?<br>If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)   |   | X  |
| 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 <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>  |   |    |
| 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 2012 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 2012) |   |    |
| 3 b  |   |    |
| 4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?  |   | X  |
| 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 2012?  |   | X  |
| 4 b  |   | X  |

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

**5 a** 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)

**6 a** 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

**7 a** 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<br>602 Singleton Road<br>Mocksville NC 27028    | Pres/Dir<br>1.00  | 5,025.                                    | 0.  | 0.                                    |
| James H. Evans, M.D.<br>228 Holly Lane<br>Mocksville NC 27028     | VP/Dir<br>1.00  | 2,350.                                    | 0.  | 0.                                    |
| Donna Lawrence<br>197 Twin Cedars Golf Rd.<br>Mocksville NC 27028 | Sec/Tres/Dir<br>1.00                                      | 4,400.                                    | 0.  | 0.                                    |
| See Information about Officers, Directors, Trustees, Etc          |   | 1,700.                                    | 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  |   |                  |   |                                       |
|   |   |                  |   |                                       |
|   |   |                  |   |                                       |
|   |   |                  |   |                                       |
|   |   |                  |   |                                       |
|   |   |                  |   |                                       |
|   |   |                  |   |                                       |

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<br>-----<br>-----<br>-----   |                     |                  |
| -----<br>-----<br>-----   |                     |                  |
| -----<br>-----<br>-----   |                     |                  |
| -----<br>-----<br>-----   |                     |                  |
| -----<br>-----<br>-----   |                     |                  |
| <b>Total number of others receiving over \$50,000 for professional services</b> |                     | 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 -----<br>-----  |          |
| 2 -----<br>-----  |          |
| 3 -----<br>-----  |          |
| 4 -----<br>-----  |          |

**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 -----<br>-----   |        |
| 2 -----<br>-----   |        |
| All other program-related investments See instructions<br>3 -----<br>-----                                       |        |
| <b>Total.</b> Add lines 1 through 3  |        |

BAA

**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 | <b>Total</b> (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 | <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4  | 5   | 0. |
| 6 | <b>Minimum investment return.</b> 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 2012 from Part VI, line 5  | 2 a | 912. |
| b  | Income tax for 2012 (This does not include the tax from Part VI)  | 2 b |      |
| c  | Add lines 2a and 2b   | 2 c | 912. |
| 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  | <b>Distributable amount</b> 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 | 7,126. |
| 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 | <b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4                                    | 4   | 7,126. |
| 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   | 912.   |
| 6 | <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4   | 6   | 6,214. |

**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)<br>Corpus | (b)<br>Years prior to 2011 | (c)<br>2011 | (d)<br>2012 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2012 from Part XI, line 7   |               |                            |             | 0.          |
| 2 Undistributed income, if any, as of the end of 2012  |               |                            |             |             |
| a Enter amount for 2011 only   |               |                            | 0.          |             |
| b Total for prior years 20 __, 20 __, 20 __  |               |                            |             |             |
| 3 Excess distributions carryover, if any, to 2012  |               |                            |             |             |
| a From 2007  | 0.            |                            |             |             |
| b From 2008  | 2,940.        |                            |             |             |
| c From 2009  | 5,421.        |                            |             |             |
| d From 2010  | 6,680.        |                            |             |             |
| e From 2011  | 6,919.        |                            |             |             |
| f Total of lines 3a through e  | 21,960.       |                            |             |             |
| 4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 7,126.  |               |                            |             |             |
| a Applied to 2011, 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 2012 distributable amount   |               |                            |             |             |
| e Remaining amount distributed out of corpus   | 7,126.        |                            |             |             |
| 5 Excess distributions carryover applied to 2012 (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  | 29,086.       |                            |             |             |
| 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 2011 Subtract line 4a from line 2a Taxable amount — see instructions  |               |                            | 0.          |             |
| f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013  |               |                            |             | 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 2007 not applied on line 5 or line 7 (see instructions)  | 0.            |                            |             |             |
| 9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a  | 29,086.       |                            |             |             |
| 10 Analysis of line 9:   |               |                            |             |             |
| a Excess from 2008   | 2,940.        |                            |             |             |
| b Excess from 2009   | 5,421.        |                            |             |             |
| c Excess from 2010   | 6,680.        |                            |             |             |
| d Excess from 2011   | 6,919.        |                            |             |             |
| e Excess from 2012   | 7,126.        |                            |             |             |

**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 2012, 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)

|  | Tax year | Prior 3 years |          |          | (e) Total |
|--|----------|---------------|----------|----------|-----------|
|  | (a) 2012 | (b) 2011      | (c) 2010 | (d) 2009 |           |
| <b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed                     |          |               |          |          |           |
| <b>b</b> 85% of line 2a  |          |               |          |          |           |
| <b>c</b> Qualifying distributions from Part XII, line 4 for each year listed   |          |               |          |          |           |
| <b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities   |          |               |          |          |           |
| <b>e</b> Qualifying distributions made directly for active conduct of exempt activities<br>Subtract line 2d from line 2c                                 |          |               |          |          |           |
| <b>3</b> Complete 3a, b, or c for the alternative test relied upon:  |          |               |          |          |           |
| <b>a</b> 'Assets' alternative test – enter:  |          |               |          |          |           |
| <b>(1)</b> Value of all assets   |          |               |          |          |           |
| <b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)   |          |               |          |          |           |
| <b>b</b> 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed                              |          |               |          |          |           |
| <b>c</b> 'Support' alternative test – enter:   |          |               |          |          |           |
| <b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) |          |               |          |          |           |
| <b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)                                      |          |               |          |          |           |
| <b>(3)</b> Largest amount of support from an exempt organization   |          |               |          |          |           |
| <b>(4)</b> Gross investment income   |          |               |          |          |           |

**Part XV Supplementary Information (Complete this part only if the foundation 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 or e-mail 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<br>Name and address (home or business) | If recipient is an individual,<br>show any relationship to any<br>foundation manager or<br>substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount  |
|--|--|--------------------------------------|-------------------------------------|---------|
| a Paid during the year<br>S/A                    |  |                                      |                                     | 68,700. |
| <b>Total</b>                                     |  |                                      | <b>▶ 3a</b>                         | 68,700. |
| b Approved for future payment                    |  |                                      |                                     |         |
| <b>Total</b>                                     |  |                                      | <b>▶ 3b</b>                         |         |





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

**Other Increases Stmt**

|  |                |
|--|----------------|
| <u>Excess of asset's value at end of year<br/>over its beginning of year value</u> | <u>60,273.</u> |
| Total  | <u>60,273.</u> |

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

**Columns (a) thru (d)**

| (a)<br>List and describe the kind(s) of property sold<br>(e.g., real estate, 2-story brick warehouse, or<br>common stock, 200 shares MLC Company) | (b)<br>How acquired<br>P – Purchase<br>D – Donation | (c)<br>Date acquired<br>(month,<br>day, year) | (d)<br>Date sold<br>(month,<br>day, year) |
|---|---|---|---|
| 5994 SH FIRST TRUST DIVIDEND & INCOME SELECT  | P   | 12/10/10                                      | 11/19/12                                  |
| 6034 SH FIRST TRUST PORT LP HIGH DIVIDEND EQUITY  | P   | 10/01/10                                      | 09/25/12                                  |
| 5835 SH FIRST TRUST PORTFOLIO DIVERSIFIED INC & GROWTH  | P   | 03/01/10                                      | 10/23/12                                  |
| 70 SH NUVEEN TAX FREE UNIT  | P   | 07/08/08                                      | 12/15/12                                  |
| 50 SH NUVEEN 462 TAX FREE   | P   | 07/08/08                                      | 08/15/12                                  |
| 70 SH NUVEEN TAX FREE UNIT  | P   | 07/08/08                                      | 07/15/12                                  |
| 5 SH VAN KAMPEN INSD INCOME TR UNIT SER 78  | P   | 08/20/08                                      | 07/25/12                                  |
| 25 SH VAN KAMPEN INSD INCOME TR UNIT SER 95   | P   | 08/14/08                                      | 10/25/12                                  |
| 3.231 SH LORD ABBETT SHORT DUR C  | P   | 12/19/12                                      | 05/07/13                                  |
| 22.72 SH FT EQTY INCM SLCT 27 R   | P   | 05/25/12                                      | 05/06/13                                  |
| 22.001 SH FT EQTY INCM SLCT 27 R  | P   | 06/25/12                                      | 05/06/13                                  |
| 24.696 SH FT EQTY INCM SLCT 27 R  | P   | 07/25/12                                      | 05/06/13                                  |
| 24.731 SH FT EQTY INCM SLCT 27 R  | P   | 08/27/12                                      | 05/06/13                                  |
| 24.503 SH FT EQTY INCM SLCT 27 R  | P   | 09/25/12                                      | 05/06/13                                  |
| 21.880 SH FT EQTY INCM SLCT 27 R  | P   | 10/25/12                                      | 05/06/13                                  |
| 22.734 SH FT EQTY INCM SLCT 27 R  | P   | 11/26/12                                      | 05/06/13                                  |
| 22.193 SH FT EQTY INCM SLCT 27 R  | P   | 12/26/12                                      | 05/06/13                                  |
| 64.903 SH FT EQTY INCM SLCT 27 R  | P   | 12/27/12                                      | 05/06/13                                  |
| 22.384 SH FT EQTY INCM SLCT 27 R  | P   | 01/25/13                                      | 05/06/13                                  |
| 21.924 SH FT EQTY INCM SLCT 27 R  | P   | 02/25/13                                      | 05/06/13                                  |
| 21.273 SH FT EQTY INCM SLCT 27 R  | P   | 03/25/13                                      | 05/06/13                                  |
| 10799.136 SH LORD ABBETT SHORT DUR C  | P   | 07/18/11                                      | 05/07/13                                  |
| 4780.115 SH PIMCO ALL ASSET AUTH-C  | P   | 05/25/10                                      | 05/07/13                                  |
| 12.637 SH PIMCO ALL ASSET AUTH-C  | P   | 12/10/10                                      | 05/07/13                                  |
| 5494.505 SH PIMCO ALL ASSET AUTH-C  | P   | 05/03/11                                      | 05/07/13                                  |
| 1000 SH WESTERN ASSET HIGH YIELD  | P   | 10/26/10                                      | 02/27/13                                  |
| 22 SH VK INSD INC TR SER 126  | P   | 08/20/08                                      | 01/03/13                                  |
| 31 SH VK VIT SER 149  | P   | 12/29/08                                      | 02/27/13                                  |
| 3062 SH FT GLBL DVDND PRT 24 C  | P   | 03/11/11                                      | 02/19/13                                  |
| 3495 SH FT SR LN&LTD DUR PLS 21 C   | P   | 09/17/10                                      | 01/07/13                                  |
| 6469 SH FT EQTY INCM SLCT 27 R  | P   | 07/11/11                                      | 05/06/13                                  |
| 20.263 SH FT EQTY INCM SLCT 27 R  | P   | 08/25/11                                      | 05/06/13                                  |
| 19.947 SH FT EQTY INCM SLCT 27 R  | P   | 09/29/11                                      | 05/06/13                                  |
| 22.438 SH FT EQTY INCM SLCT 27 R  | P   | 10/25/11                                      | 05/06/13                                  |
| 23.018 SH FT EQTY INCM SLCT 27 R  | P   | 11/25/11                                      | 05/06/13                                  |
| 21.829 SH FT EQTY INCM SLCT 27 R  | P   | 12/27/11                                      | 05/06/13                                  |
| 31.652 SH FT EQTY INCM SLCT 27 R  | P   | 01/04/12                                      | 05/06/13                                  |
| 20.667 SH FT EQTY INCM SLCT 27 R  | P   | 01/25/12                                      | 05/06/13                                  |
| 20.382 SH FT EQTY INCM SLCT 27 R  | P   | 02/27/12                                      | 05/06/13                                  |
| 20.141 SH FT EQTY INCM SLCT 27 R  | P   | 03/26/12                                      | 05/06/13                                  |
| 21.916 SH FT EQTY INCM SLCT 27 R  | P   | 04/25/12                                      | 05/06/13                                  |
| 15 SH VAN KAMPEN FOC INSD 90  | P   | 08/20/08                                      | 01/03/13                                  |
| 20 SH VAN KAMPEN FOC INSD 90  | P   | 12/16/08                                      | 01/03/13                                  |

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

## Columns (e) thru (h)

| (e)<br>Gross sales<br>price | (f)<br>Depreciation allowed<br>(or allowable) | (g)<br>Cost or other basis<br>plus expense of sale | (h)<br>Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------------|---|--|---|
| 51,510.                     |   | 58,103.  | -6,593.   |
| 65,204.                     |   | 59,998.  | 5,206.  |
| 70,678.                     |   | 61,210.  | 9,468.  |
| 1,665.                      |   | 1,505.   | 160.  |
| 2,274.                      |   | 2,242.   | 32.   |
| 1,613.                      |   | 1,613.   | 0.  |
| 51.                         |   | 51.  | 0.  |
| 1,588.                      |   | 1,588.   | 0.  |
| 15.                         |   | 15.  | 0.  |
| 259.                        |   | 218.   | 41.   |
| 250.                        |   | 219.   | 31.   |
| 283.                        |   | 254.   | 29.   |
| 281.                        |   | 255.   | 26.   |
| 279.                        |   | 256.   | 23.   |
| 249.                        |   | 225.   | 24.   |
| 259.                        |   | 226.   | 33.   |
| 253.                        |   | 227.   | 26.   |
| 738.                        |   | 664.   | 74.   |
| 255.                        |   | 233.   | 22.   |
| 250.                        |   | 233.   | 17.   |
| 242.                        |   | 234.   | 8.  |
| 50,540.                     |   | 50,007.  | 533.  |
| 53,203.                     |   | 50,008.  | 3,195.  |
| 141.                        |   | 135.   | 6.  |
| 61,154.                     |   | 60,007.  | 1,147.  |
| 18,638.                     |   | 20,000.  | -1,362.   |
| 18,942.                     |   | 19,942.  | -1,000.   |
| 27,845.                     |   | 26,438.  | 1,407.  |
| 30,737.                     |   | 29,998.  | 739.  |
| 35,161.                     |   | 34,838.  | 323.  |
| 73,608.                     |   | 62,654.  | 10,954.   |
| 231.                        |   | 174.   | 57.   |
| 227.                        |   | 175.   | 52.   |
| 255.                        |   | 207.   | 48.   |
| 262.                        |   | 207.   | 55.   |
| 248.                        |   | 208.   | 40.   |
| 360.                        |   | 306.   | 54.   |
| 235.                        |   | 199.   | 36.   |
| 232.                        |   | 200.   | 32.   |
| 229.                        |   | 201.   | 28.   |
| 249.                        |   | 217.   | 32.   |
| 12,356.                     |   | 12,790.  | -434.   |
| 16,475.                     |   | 15,180.  | 1,295.  |
| Total                       |   | <u>573,660.</u>                                    | <u>25,864.</u>                                  |

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

Columns (i) thru (l)

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

| (i)<br>Fair Market Value<br>as of 12/31/69 | (j)<br>Adjusted basis<br>as of 12/31/69 | (k)<br>Excess of column (i)<br>over column (j), if any | (l)<br>Gains (column (h)<br>gain minus column (k),<br>but not less than -0-)<br>or losses (from<br>column (h)) |
|--|---|--|--|
|  |   |  | -6,593.  |
|  |   |  | 5,206.   |
|  |   |  | 9,468.   |
|  |   |  | 160.   |
|  |   |  | 32.  |
|  |   |  | 0.   |
|  |   |  | 0.   |
|  |   |  | 0.   |
|  |   |  | 0.   |
|  |   |  | 41.  |
|  |   |  | 31.  |
|  |   |  | 29.  |
|  |   |  | 26.  |
|  |   |  | 23.  |
|  |   |  | 24.  |
|  |   |  | 33.  |
|  |   |  | 26.  |
|  |   |  | 74.  |
|  |   |  | 22.  |
|  |   |  | 17.  |
|  |   |  | 8.   |
|  |   |  | 533.   |
|  |   |  | 3,195.   |
|  |   |  | 6.   |
|  |   |  | 1,147.   |
|  |   |  | -1,362.  |
|  |   |  | -1,000.  |
|  |   |  | 1,407.   |
|  |   |  | 739.   |
|  |   |  | 323.   |
|  |   |  | 10,954.  |
|  |   |  | 57.  |
|  |   |  | 52.  |
|  |   |  | 48.  |
|  |   |  | 55.  |
|  |   |  | 40.  |
|  |   |  | 54.  |
|  |   |  | 36.  |
|  |   |  | 32.  |
|  |   |  | 28.  |
|  |   |  | 32.  |
|  |   |  | -434.  |
|  |   |  | 1,295.   |
| Total                                      |   |  | <u>25,864.</u>   |

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

**Information about Officers, Directors, Trustees, Etc.**

| (a)<br>Name and address  | (b)<br>Title, and<br>average hours<br>per week<br>devoted to<br>position | (c)<br>Compensation<br>(If not paid,<br>enter -0-) | (d)<br>Contributions<br>to employee<br>benefit plans<br>and deferred<br>compensation | (e)<br>Expense<br>account, other<br>allowances |
|--|--|--|--|--|
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/><br>Horace E. Moore, Jr.<br>626 Hidden Valley Rd<br>Salisbury NC 28147 | Dir<br>1.00  | 850.   | 0.   | 0.   |
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/><br>Amelia G. Latham<br>2811 US HWY 64 East<br>Mocksville NC 27028     | Dir<br>1.00  | 850.   | 0.   | 0.   |

Total

1,700.      0.      0.

Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

| Name of<br>Provider | Type of Service<br>Provided | Amount<br>Paid<br>Per Books | Net<br>Investment<br>Income | Adjusted<br>Net<br>Income | Disbursements<br>for Charitable<br>Purposes |
|---------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|---|
| Barry Michael, CPA, | Preparation of Form 99      | 1,550.                      |                             |                           |   |

Total

1,550.

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

**L-10b Stmt**

| Line 10b - Investments - Corporate Stock: | End of Year    |                      |
|---|----------------|----------------------|
|   | Book<br>Value  | Fair Market<br>Value |
| S/A                                       | 52,912.        | 52,912.              |
| Total                                     | <u>52,912.</u> | <u>52,912.</u>       |

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

**L-13 Stmt**

| Line 13 - Investments - Other:       | End of Year   |                      |
|--------------------------------------|---------------|----------------------|
|                                      | Book<br>Value | Fair Market<br>Value |
| Mutual Funds - S/A                   | 670,181.      | 670,181.             |
| Preferreds/fixed rate cap secs - S/A | 104,760.      | 104,760.             |
| Unit Investment Trust - S/A          | 556,023.      | 556,023.             |

Form 990-PF, Page 2, Part II, Line 13  
**L-13 Stmt**

Continued

| <b>Line 13 - Investments - Other:</b> | <b>End of Year</b> |                          |
|---------------------------------------|--------------------|--------------------------|
|                                       | <b>Book Value</b>  | <b>Fair Market Value</b> |
| Total                                 | <u>1,330,964.</u>  | <u>1,330,964.</u>        |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Form 990-PF**

Page 2  
Schedules

THIS PERIOD THIS YEAR THIS PERIOD THIS YEAR

**Portfolio detail**

**Cash and Sweep Balances**

*PART II 1.*

Bank Deposit Sweep - Consists of monies held at and (if amounts exceed \$250,000) at one or more other 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* | CURRENT MARKET VALUE | ESTIMATED ANNUAL INCOME |
|--------------------------------------|--------------|---------------------------------|----------------------|-------------------------|
| Cash                                 | 0.01         | 0.00                            | 169.50               | 0.00                    |
| BANK DEPOSIT SWEEP                   | 10.26        | 0.01                            | 158,214.74           | 15.82                   |
| Interest Period 06/01/13 - 06/30/13  |              |                                 |                      |                         |
| <b>Total Cash and Sweep Balances</b> | <b>10.27</b> |                                 | <b>\$158,384.24</b>  | <b>\$15.82</b>          |

\* 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 day year

**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 Lnc                    | 0.03         | 120      | 7.97                  | 966.71              | 4.0500        | 486.00               | -480.71              | 48.00         | 9.87             |
| NEUBERGER BERMAN MLP INCOME FUND INC NML |              |          |                       |                     |               |                      |                      |               |                  |
| Acquired 03/25/13 S                      | 1.91         | 1,500    | 20.00                 | 30,000.00           | 19.6200       | 29,430.00            | -570.00              | 1,890.00      | 6.42             |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Stocks, options & ETFs  
Stocks and ETFs continued**

| DESCRIPTION   | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED         |                  |
|---|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|-------------------|------------------|
|   |              |          |                          |                        |               |                      |                      | ANNUAL INCOME     | ANNUAL YIELD (%) |
| VODAFONE GROUP PLC<br>SPONSORED ADR NEW<br>VOD<br>Acquired 07/29/11 L | 1.49         | 800      | 28.08                    | 22,700.50              | 28,745.00     | 22,996.00            | 295.50               | 1,229.60          | 5.34             |
| <b>Total Stocks and ETFs</b>  | <b>3.43</b>  |          |                          | <b>\$53,667.21</b>     |               | <b>\$52,912.00</b>   | <b>-\$755.21</b>     | <b>\$3,167.60</b> | <b>5.99</b>      |
| <b>Total Stocks, options &amp; ETFs</b>                               | <b>3.43</b>  |          |                          | <b>\$53,667.21</b>     |               | <b>\$52,912.00</b>   | <b>-\$755.21</b>     | <b>\$3,167.60</b> | <b>5.99</b>      |

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.

**Mutual Funds**

If a portion of your fund position was converted, the 'Client Investment' value may include reinvestments from previously held positions

**Open End Mutual Funds**

Open End 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.

| DESCRIPTION  | % OF ACCOUNT | QUANTITY                     | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE   | UNREALIZED GAIN/LOSS  | ESTIMATED     |                  |
|--|--------------|------------------------------|--------------------------|------------------------|---------------|------------------------|-----------------------|---------------|------------------|
|  |              |                              |                          |                        |               |                        |                       | ANNUAL INCOME | ANNUAL YIELD (%) |
| BLACKROCK GLOBAL<br>ALLOCATION FUND INC<br>CLASS C<br>MCLOX<br>On Reinvestment<br>Acquired 12/10/12 S                                | 3.06         | 2,469,813.00                 | 18.22                    | 45,007.50              | 19,100.00     | 47,173.42              | 2,165.92              | 242.78        | 0.51             |
| CAPITAL INCOME BLDR<br>CLASS F1<br>CIBFX<br>On Reinvestment<br>Acquired 05/28/13 S   | 3.09         | 874,279.00                   | 57.19                    | 50,000.00              | 54,480.00     | 47,630.71              | -2,369.29             | 1,682.11      | 3.53             |
| FIDELITY ADVISOR<br>STRATEGIC REAL RETURN FD<br>CLASS T<br>FSRTX<br>On Reinvestment<br>Acquired 01/26/09 L nc<br>Acquired 08/30/12 S |              | 3,571,429.00<br>2,502,503.00 | 7.00<br>9.99             | 25,007.50<br>25,007.50 |               | 33,285.68<br>23,323.35 | 8,278.18<br>-1,684.15 |               |                  |

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

JUNE 30, 2013  
ID NUMBER: 26-2873407

**Mutual Funds  
Open End Mutual Funds continued**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY           | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE  | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED         |                  |
|--|--------------|--------------------|--------------------------|------------------------|----------------|----------------------|----------------------|-------------------|------------------|
|  |              |                    |                          |                        |                |                      |                      | ANNUAL INCOME     | ANNUAL YIELD (%) |
| Reinvestments L nc                                       |              | 136 92400          | 8 84                     | 1,210 57               | 1,276 14       | 65 57                |                      |                   |                  |
| Reinvestments S  |              | 19 38900           | 9 61                     | 186 33                 | 180 71         | -5 62                |                      |                   |                  |
| <b>Total</b>   | <b>3.76</b>  | <b>6,230,24500</b> |                          | <b>\$51,411.90</b>     | <b>9.3200</b>  | <b>\$58,065.88</b>   | <b>\$6,653.98</b>    | <b>\$1,133.90</b> | <b>1.95</b>      |
| Client Investment (Excluding Reinvestments)              |              |                    |                          |                        |                |                      |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                    |                          |                        |                |                      |                      |                   |                  |
| FRANKLIN CUSTODIAN FDS                                   |              |                    |                          |                        |                |                      |                      |                   |                  |
| INCOME SER ADV CL AD                                     |              |                    |                          |                        |                |                      |                      |                   |                  |
| FRIAX  |              |                    |                          |                        |                | \$50,015 00          |                      |                   |                  |
| Acquired 07/10/08 L nc                                   | 0.50         | 3,396 07800        | 2 31                     | 7,844 93               | 2 2600         | 7,675.13             | -169 80              | 468 65            | 6.10             |
| FUNDAMENTAL INVS INC                                     |              |                    |                          |                        |                |                      |                      |                   |                  |
| CLASS F-1  |              |                    |                          |                        |                |                      |                      |                   |                  |
| AFIFX  |              |                    |                          |                        |                |                      |                      |                   |                  |
| On Reinvestment  |              | 864.55200          | 34 70                    | 30,014 22              | 39,432 21      | 9,417 99             |                      |                   |                  |
| Acquired 05/13/10 L nc                                   |              | 32 78400           | 35 24                    | 1,155 38               | 1,495 29       | 339 91               |                      |                   |                  |
| Reinvestments L m  |              | 13,82500           | 42 18                    | 583 27                 | 630 55         | 47.28                |                      |                   |                  |
| <b>Total</b>   | <b>2.69</b>  | <b>911,16100</b>   |                          | <b>\$31,752.87</b>     | <b>45.6100</b> | <b>\$41,558.05</b>   | <b>\$9,805.18</b>    | <b>\$442.82</b>   | <b>1.07</b>      |
| Client Investment (Excluding Reinvestments)              |              |                    |                          |                        |                |                      |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                    |                          |                        |                |                      |                      |                   |                  |
| INCOME FD AMER INC                                       |              |                    |                          |                        |                |                      |                      |                   |                  |
| CLASS F-1  |              |                    |                          |                        |                |                      |                      |                   |                  |
| IFAFX  |              |                    |                          |                        |                | \$30,014.22          |                      |                   |                  |
| On Reinvestment  |              | 2,964 65100        | 16 86                    | 50,007 50              | 56,387 63      | 6,380 13             |                      |                   |                  |
| Acquired 10/14/11 L nc                                   |              | 2,645 33500        | 18 90                    | 50,007 50              | 50,314 30      | 306 80               |                      |                   |                  |
| Acquired 01/03/13 S                                      |              |                    |                          |                        |                |                      |                      |                   |                  |
| <b>Total</b>   | <b>6.92</b>  | <b>5,609,98600</b> |                          | <b>\$100,015.00</b>    | <b>19.0200</b> | <b>\$106,701.93</b>  | <b>\$6,686.93</b>    | <b>\$3,640.88</b> | <b>3.41</b>      |
| JOHN HANCOCK FUNDS II                                    |              |                    |                          |                        |                |                      |                      |                   |                  |
| GLOBAL ABSOLUTE RETURN                                   |              |                    |                          |                        |                |                      |                      |                   |                  |
| STRATEGIES FD CL C                                       |              |                    |                          |                        |                |                      |                      |                   |                  |
| JHACX  |              |                    |                          |                        |                |                      |                      |                   |                  |
| On Reinvestment  |              | 4,686 03600        | 10 67                    | 50,007 50              | 50,656 00      | 648 50               |                      |                   |                  |
| Acquired 10/23/12 S                                      |              | 32 46300           | 10 66                    | 346 06                 | 350 97         | 4 91                 |                      |                   |                  |
| Reinvestments S  |              |                    |                          |                        |                |                      |                      |                   |                  |
| <b>Total</b>   | <b>3.31</b>  | <b>4,718,49900</b> |                          | <b>\$50,353.56</b>     | <b>10.8100</b> | <b>\$51,006.97</b>   | <b>\$653.41</b>      | <b>N/A</b>        | <b>N/A</b>       |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Mutual Funds**

**Open End Mutual Funds continued**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY            | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE  | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED         |                  |
|--|--------------|---------------------|--------------------------|------------------------|----------------|----------------------|----------------------|-------------------|------------------|
|  |              |                     |                          |                        |                |                      |                      | ANNUAL INCOME     | ANNUAL YIELD (%) |
| Client Investment (Excluding Reinvestments)              |              |                     |                          |                        |                |                      |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                     |                          |                        |                | \$50,007.50          |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                     |                          |                        |                | \$999.47             |                      |                   |                  |
| LORD ABBETT SECS TR                                      |              |                     |                          |                        |                |                      |                      |                   |                  |
| INTL DIVIDEND INCOME FD                                  |              |                     |                          |                        |                |                      |                      |                   |                  |
| CLASS F  |              |                     |                          |                        |                |                      |                      |                   |                  |
| LIDFX  |              |                     |                          |                        |                |                      |                      |                   |                  |
| On Reinvestment  |              |                     |                          |                        |                |                      |                      |                   |                  |
| Acquired 01/10/12 L                                      | 4.60         | 8,873.48400         | 7.88                     | 70,007.50              | 7.9900         | 70,899.13            | 891.63               | 2,608.80          | 3.67             |
| NEW PERSPECTIVE FDA                                      |              |                     |                          |                        |                |                      |                      |                   |                  |
| ANWPX  |              |                     |                          |                        |                |                      |                      |                   |                  |
| Acquired 02/26/10 L nc                                   | 1.86         | 850.15900           | 24.77                    | 21,058.43              | 33.7300        | 28,675.86            | 7,617.43             | 281.40            | 0.98             |
| LORD ABBETT INVESTMENT                                   |              |                     |                          |                        |                |                      |                      |                   |                  |
| TR - INCOME FUND   |              |                     |                          |                        |                |                      |                      |                   |                  |
| CLASS F  |              |                     |                          |                        |                |                      |                      |                   |                  |
| LAUFX  |              |                     |                          |                        |                |                      |                      |                   |                  |
| On Reinvestment  |              |                     |                          |                        |                |                      |                      |                   |                  |
| Acquired 06/10/10 L nc                                   |              | 21,582.73400        | 2.78                     | 60,007.50              |                | 61,726.40            | 1,718.90             |                   |                  |
| Reinvestments L nc                                       |              | 166.43000           | 2.84                     | 472.66                 |                | 476.06               | 3.40                 |                   |                  |
| Reinvestments S  |              | 372.21800           | 2.98                     | 1,109.21               |                | 1,064.69             | -44.52               |                   |                  |
| <b>Total</b>   | <b>4.10</b>  | <b>22,121.38200</b> |                          | <b>\$61,589.37</b>     | <b>2.8600</b>  | <b>\$63,267.15</b>   | <b>\$1,677.78</b>    | <b>\$3,229.72</b> | <b>5.10</b>      |
| Client Investment (Excluding Reinvestments)              |              |                     |                          |                        |                | \$60,007.50          |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                     |                          |                        |                | \$3,259.65           |                      |                   |                  |
| PIMCO  |              |                     |                          |                        |                |                      |                      |                   |                  |
| GLOBAL MULTI-ASSET FND                                   |              |                     |                          |                        |                |                      |                      |                   |                  |
| PGAIX  |              |                     |                          |                        |                |                      |                      |                   |                  |
| On Reinvestment  |              |                     |                          |                        |                |                      |                      |                   |                  |
| Acquired 01/10/12 L                                      |              | 6,255.82200         | 11.18                    | 70,007.50              |                | 64,935.37            | -5,072.13            |                   |                  |
| Reinvestments S  |              | 24.34700            | 11.46                    | 279.16                 |                | 252.78               | -26.38               |                   |                  |
| <b>Total</b>   | <b>4.23</b>  | <b>6,280.16900</b>  |                          | <b>\$70,286.66</b>     | <b>10.3800</b> | <b>\$65,188.15</b>   | <b>-\$5,098.51</b>   | <b>\$2,292.26</b> | <b>3.52</b>      |
| Client Investment (Excluding Reinvestments)              |              |                     |                          |                        |                | \$70,007.50          |                      |                   |                  |
| Gain/Loss on Client Investment (Including Reinvestments) |              |                     |                          |                        |                | -\$4,819.35          |                      |                   |                  |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Mutual Funds**

**Open End Mutual Funds continued**

| DESCRIPTION                                    | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED          |                  |
|--|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|--------------------|------------------|
|  |              |          |                          |                        |               |                      |                      | ANNUAL INCOME      | ANNUAL YIELD (%) |
| TRANSAMERICA FDS FLEXIBLE INCOME CLASS I TFXIX |              |          |                          |                        |               |                      |                      |                    |                  |
| On Reinvestment Acquired 10/23/09 L nc         | 3.44         | 5,747    | 8.69                     | 50,007.50              | 9,2400        | 53,108.23            | 3,100.73             | 2,620.92           | 4.93             |
| <b>Total Open End Mutual Funds</b>             | <b>41.56</b> |          |                          | <b>\$609,335.22</b>    |               | <b>\$640,950.61</b>  | <b>\$31,615.39</b>   | <b>\$18,644.24</b> | <b>2.91</b>      |

m This security contains multiple tax lots that may or may not include cost information that is reportable to the IRS  
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

**Closed End Mutual Funds**

Closed End Fund shares are priced at the market which may be more or less than its net asset value

| DESCRIPTION                          | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST               | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED          |                  |
|--------------------------------------|--------------|----------|--------------------------|--------------------------------------|---------------|----------------------|----------------------|--------------------|------------------|
|                                      |              |          |                          |                                      |               |                      |                      | ANNUAL INCOME      | ANNUAL YIELD (%) |
| TORTOISE MLP FD INC NTG              |              |          |                          |                                      |               |                      |                      |                    |                  |
| Acquired 07/27/10 L nc               | 1.90         | 1,000    | 21.34<br>25.00           | 21,347.50<br>25,000.00               | 29.2300       | 29,230.00            | 7,882.50             | 1,670.00           | 5.71             |
| <b>Total Closed End Mutual Funds</b> | <b>1.90</b>  |          |                          | <b>\$21,347.50<br/>\$25,000.00</b>   |               | <b>\$29,230.00</b>   | <b>\$7,882.50</b>    | <b>\$1,670.00</b>  | <b>5.71</b>      |
| <b>Total Mutual Funds</b>            | <b>43.45</b> |          |                          | <b>\$630,682.72<br/>\$634,335.22</b> |               | <b>\$670,180.61</b>  | <b>\$39,497.89</b>   | <b>\$20,314.24</b> | <b>3.03</b>      |

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, 2013  
ID NUMBER 26-2873407

*PART II, 13.*

**Preferreds/Fixed Rate Cap Securities**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE       | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED         |                  |
|--|--------------|----------|--------------------------|------------------------|---------------------|----------------------|----------------------|-------------------|------------------|
|  |              |          |                          |                        |                     |                      |                      | ANNUAL INCOME     | ANNUAL YIELD (%) |
| DOMINION RES INC 8.375%<br>SER A/CALLABLE 6/15/14<br>DUE 06/15/64<br>DRU     | 1.70         | 1,000    | 25.00                    | 25,000.00              | 26,290.00           | 26,290.00            | 1,290.00             | 2,094.00          | 7.96             |
| Acquired 06/10/09 L nc   |              |          |                          |                        |                     |                      |                      |                   |                  |
| NEXTERA ENERGY CAP PFD<br>HOLDINGS INC 8.75% GTD<br>JR SUB DEB SER F<br>NEEF | 3.41         | 2,000    | 25.00                    | 50,000.00              | 26,270.00           | 52,540.00            | 2,540.00             | 4,376.00          | 8.32             |
| Acquired 03/13/09 L nc   |              |          |                          |                        |                     |                      |                      |                   |                  |
| QWEST CORP 7% PFD<br>SR UNSECD DUE 07/01/52<br>CALLABLE 07/01/17<br>CTU      | 1.68         | 1,000    | 25.00                    | 25,000.00              | 25,930.00           | 25,930.00            | 930.00               | 1,750.00          | 6.74             |
| Acquired 06/14/12 L nc   |              |          |                          |                        |                     |                      |                      |                   |                  |
| <b>Total Preferreds/Fixed Rate Cap Securities</b>                            | <b>6.79</b>  |          |                          | <b>\$100,000.00</b>    | <b>\$104,760.00</b> | <b>\$104,760.00</b>  | <b>\$4,760.00</b>    | <b>\$8,220.00</b> | <b>7.85</b>      |

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**Unit Investment Trusts**

**Equity Trusts**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED     |                  |
|--|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|---------------|------------------|
|  |              |          |                          |                        |               |                      |                      | ANNUAL INCOME | ANNUAL YIELD (%) |
| FIRST TRUST PORTFOLIOS<br>BALANCED INCOME SELECT<br>PORT SERIES 21 CASH<br>CUSIP 30278E796 | 2.95         | 4,149    | 10.22<br>10.24           | 42,441.17<br>42,500.31 | 10,960.00     | 45,473.04            | 3,031.87             | 2,364.93      | 5.20             |
| Acquired 08/17/11 L  |              |          |                          |                        |               |                      |                      |               |                  |
| FIRST TRUST PORTFOLIOS<br>GLOBAL DIVIDEND PORT<br>SERIES 26 CASH<br>CUSIP 30278E697        |              |          |                          |                        |               |                      |                      |               |                  |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Unit Investment Trusts  
Equity Trusts continued**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED     |                  |
|--|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|---------------|------------------|
|  |              |          |                          |                        |               |                      |                      | ANNUAL INCOME | ANNUAL YIELD (%) |
| Acquired 10/04/11 L  | 2 17         | 3,147    | 9 50<br>9 53             | 29,907 67<br>29,996 89 | 10 6300       | 33,452 61            | 3,544 94             | 1,516.85      | 4 53             |
| FIRST TRUST PORTFOLIOS<br>HIGH DIVIDEND EQUITY<br>PORT SER 9 CASH<br>CUSIP 30279J836<br>Acquired 05/08/12 L            | 2 59         | 3,349    | 9 66                     | 32,364 40              | 11 9400       | 39,987 06            | 7,622 66             | 1,476.90      | 3 69             |
| FIRST TRUST PORTFOLIOS<br>BALANCED INCOME SELECT<br>PORTFOLIO SERIES 27 CASH<br>CUSIP 30279Y403<br>Acquired 06/19/12 L | 3 17         | 4,796    | 10 21<br>10 21           | 49,005 52<br>49,010 80 | 10 1900       | 48,871 24            | -134.28              | 2,565 86      | 5 25             |
| FIRST TRUST PORTFOLIOS<br>STRATEGIC INCOME ADVNTG<br>SLCT CLSD-END SER 31 C<br>CUSIP 30290G555<br>Acquired 08/28/12 S  | 3 37         | 5,256    | 10 22<br>10 28           | 53,754 51<br>54,072 15 | 9 8800        | 51,929 28            | -1,825 23            | 3,857 90      | 7 42             |
| FIRST TRUST PORTFOLIOS<br>HIGH DIVIDEND EQUITY<br>PORT SER 11 CASH<br>CUSIP 30280J353<br>Acquired 09/21/12 S           | 4 74         | 6,475    | 10 07                    | 65,203 25              | 11 2900       | 73,102 75            | 7,899 50             | 2,680.65      | 3 66             |
| FIRST TRUST PORTFOLIOS<br>REIT GROWTH&INCM SELECT<br>PORT SER 21-CASH<br>CUSIP 30280N180<br>Acquired 11/20/12 S        | 3 59         | 5,577    | 9 20<br>9 23             | 51,354 52<br>51,503 60 | 9 9300        | 55,379 61            | 4,025 09             | 2,286 57      | 4 12             |
| FIRST TRUST PORT LP<br>SR LN&LTD DUR C/E PORT<br>SR 28 CASH<br>CUSIP 30281B607<br>Acquired 01/08/13 S                  | 2 14         | 3,520    | 9 98                     | 35,152 48              | 9 3700        | 32,982 40            | -2,170 08            | 2,228.16      | 6 75             |

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

JUNE 30, 2013  
ID NUMBER: 26-2873407

**Unit Investment Trusts  
Equity Trusts continued**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST                     | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED          |                  |
|--|--------------|----------|--------------------------|--|---------------|----------------------|----------------------|--------------------|------------------|
|  |              |          |                          |  |               |                      |                      | ANNUAL INCOME      | ANNUAL YIELD (%) |
| FIRST TRUST PORTFOLIOS<br>GLOBAL DIVIDEND<br>PORTFOLIO SERIES 32 CASH<br>CUSIP 30271S156<br>Acquired 02/20/13 S        | 1.96         | 3,076    | 9.99                     | 30,732.01                                  | 9.8200        | 30,206.32            | -525.69              | 1,070.44           | 3.54             |
| FIRST TRUST PORT LP<br>BALANCED INCM SELECT<br>PORT SR 35 CASH<br>CUSIP 30275S251<br>Acquired 02/28/13 S nc            | 1.24         | 2,029    | 9.85                     | 20,004.93                                  | 9.4500        | 19,174.05            | -830.88              | 1,008.41           | 5.25             |
| FIRST TRUST PORTFOLIOS<br>DEEP VALUE SUB-10 DIV<br>PORT SERIES 8 FEE CASH<br>CUSIP 30281K524<br>Acquired 05/28/13 S nc | 3.19         | 4,796    | 10.42                    | 49,998.78                                  | 10.2600       | 49,206.96            | -791.82              | 1,117.46           | 2.27             |
| <b>Total Equity Trusts</b>   | <b>31.11</b> |          |                          | <b>\$459,919.24</b><br><b>\$460,539.60</b> |               | <b>\$479,765.32</b>  | <b>\$19,846.08</b>   | <b>\$22,174.13</b> | <b>4.62</b>      |

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**Corporate Trusts**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED     |                  |
|--|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|---------------|------------------|
|  |              |          |                          |                        |               |                      |                      | ANNUAL INCOME | ANNUAL YIELD (%) |
| VAN KAMPEN INVNT INSD<br>INCM TR UNIT 116<br>MONTHLY CASH<br>CUSIP 92116B202<br>Acquired 12/10/08 L nc   | 1.79         | 30       | 878.06<br>881.10         | 26,341.80<br>26,433.00 | 918.5900      | 27,557.70            | 1,215.90             | 1,578.30      | 5.72             |
| VAN KAMPEN INSURED<br>INCOME TRUST UNIT 124<br>MONTHLY CASH<br>CUSIP 92116B368<br>Acquired 08/20/08 L nc | 0.56         | 10       | 925.32<br>928.16         | 9,253.20<br>9,281.60   | 869.0300      | 8,690.30             | -562.90              | 494.20        | 5.68             |

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

JUNE 30, 2013  
ID NUMBER 26-2873407

**Unit Investment Trusts**

**Corporate Trusts continued**

| DESCRIPTION   | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST                   | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED         |                  |
|---|--------------|----------|--------------------------|--|---------------|----------------------|----------------------|-------------------|------------------|
|   |              |          |                          |  |               |                      |                      | ANNUAL INCOME     | ANNUAL YIELD (%) |
| VAN KAMPEN INSD INCOME TR UNIT SER 78 MONTHLY CUSIP 92114K220<br>Acquired 08/20/08 L nc | 0.18         | 5        | 562.88<br>1,002.56       | 2,814.40<br>5,012.80                     | 559.4530      | 2,797.26             | -17.14               | 139.85            | 4.99             |
| <b>Total Corporate Trusts</b>   | <b>2.53</b>  |          |                          | <b>\$38,409.40</b><br><b>\$40,727.40</b> |               | <b>\$39,045.26</b>   | <b>\$635.86</b>      | <b>\$2,212.35</b> | <b>5.67</b>      |

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**Municipal Trusts**

| DESCRIPTION  | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED     |                  |
|--|--------------|----------|--------------------------|------------------------|---------------|----------------------|----------------------|---------------|------------------|
|  |              |          |                          |                        |               |                      |                      | ANNUAL INCOME | ANNUAL YIELD (%) |
| VAN KAMPEN INSD INCOME TR UNIT SER 95 MONTHLY CUSIP 92114K568<br>Acquired 08/14/08 L nc                  | 1.07         | 25       | 698.92<br>980.16         | 17,473.00<br>24,504.00 | 659.1200      | 16,478.00            | -995.00              | 905.00        | 5.49             |
| VAN KAMPEN INVESTMENTS INSURED INCOME TRUST SERIES 157 MONTHLY CUSIP 92116E826<br>Acquired 12/10/08 L nc | 1.13         | 20       | 884.82<br>901.70         | 17,696.45<br>18,034.00 | 874.1000      | 17,482.00            | -214.45              | 955.60        | 5.46             |

SMITH AND DAVIS FOUNDATION  
JOHN A. SINGLETON, DIRECTOR

JUNE 30, 2013  
ID NUMBER 26-2873407

**Unit Investment Trusts**  
**Municipal Trusts continued**

| DESCRIPTION   | % OF ACCOUNT | QUANTITY | ADJ PRICE/<br>ORIG PRICE | ADJ COST/<br>ORIG COST                     | CURRENT PRICE | CURRENT MARKET VALUE | UNREALIZED GAIN/LOSS | ESTIMATED          |                  |
|---|--------------|----------|--------------------------|--|---------------|----------------------|----------------------|--------------------|------------------|
|   |              |          |                          |  |               |                      |                      | ANNUAL INCOME      | ANNUAL YIELD (%) |
| VAN KAMPEN INVT GRADE<br>MUN TR UNIT 30<br>MONTHLY<br>CUSIP 920915683<br>Acquired 07/08/08 L nc | 0.21         | 6        | 578.36<br>945.83         | 3,470.16<br>5,674.98                       | 542.0800      | 3,252.48             | -217.68              | 94.20              | 2.89             |
| <b>Total Municipal Trusts</b>   | <b>2.41</b>  |          |                          | <b>\$38,639.61</b><br><b>\$48,212.98</b>   |               | <b>\$37,212.48</b>   | <b>-\$1,427.13</b>   | <b>\$1,954.80</b>  | <b>5.25</b>      |
| <b>Total Unit Investment Trusts</b>   | <b>36.05</b> |          |                          | <b>\$536,988.25</b><br><b>\$549,479.98</b> |               | <b>\$556,023.06</b>  | <b>\$19,054.81</b>   | <b>\$26,341.28</b> | <b>4.74</b>      |

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ASSET ADVISOR

2 N2 N289

Smith and Davis Foundation, Inc.  
EIN 26-2873407

Part XV  
Line 3a

| <u>Recipient</u>                    | <u>Purpose</u>                    | <u>Amount</u>    |
|-------------------------------------|-----------------------------------|------------------|
| Davie County Schools                | 2, Student Services               | \$ 3,000         |
| Davie County Storehouse of Jesus    | 3, Well being of County Residents | 9,000            |
| Davie County Foundation Class of 76 | 2, Services                       | 2,000            |
| Davie County Home Health            | 2, Services                       | 4,500            |
| Town of Cooleemee                   | 2, Services                       | 5,000            |
| Davie County - Dare                 | 2, Services                       | 4,000            |
| Liberty University - Roten          | 2, Scholarship                    | 3,000            |
| NC State Univ - Stephens            | 2, Scholarship                    | 4,500            |
| NC State Univ - McDaniel            | 2, Scholarship                    | 3,000            |
| NC State Univ - Nursey              | 2, Scholarship                    | 1,500            |
| NC State Univ - Harold              | 2, Scholarship                    | 3,000            |
| N. C. A & T Univ - Lathem           | 2, Scholarship                    | 1,500            |
| Salem College - Presley             | 2, Scholarship                    | 3,000            |
| Southside Baptist Church            | 3, Services                       | 5,000            |
| Jerusalem Baptist Church            | 2, Ministerial Fund               | 2,000            |
| Franklin Presbyterian Church        | 3, Services                       | 2,000            |
| Hardison UMC                        | 3, Services                       | 2,000            |
| Blaise Baptist Church               | 3, Services                       | 2,000            |
| William Ellis Council               | 3, Services                       | 2,000            |
| Alleghany County Fiddlers           | 3, Services                       | 200              |
| International Guard Museum          | 3, Services                       | 1,000            |
| McClair Museum                      | 3, Services                       | 2,000            |
| Prepare Care Intl                   | 3, Services                       | 500              |
| Davie County Humane Society         | 2, Services                       | 3,000            |
|                                     |                                   | <u>\$ 68,700</u> |

Notes:

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

All churches located in or near Davie County, NC