



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning 09/01/12, and ending 08/31/13

Name of foundation

P & B FOUNDATION

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

1025 HOLLEYBANK DRIVE

Room/suite

City or town, state, and ZIP code

MATTHEWS NC 28105

G Check all that apply

- | | |
|---|--|
| <input type="checkbox"/> Initial return | <input type="checkbox"/> Initial return of a former public charity |
| <input type="checkbox"/> Final return | <input type="checkbox"/> Amended return |
| <input type="checkbox"/> Address change | <input type="checkbox"/> Name change |

H Check type of organization Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at
end of year (from Part II, col. (c),
line 16) ► \$ 20,928,863J Accounting method Cash Accrual
 Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number

23-7083912

B Telephone number (see instructions)

704-821-3200

C If exemption application is pending, check here ► D 1. Foreign organizations, check here ► 2. Foreign organizations meeting the
85% test, check here and attach computation ► E If private foundation status was terminated under
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ► Part I Analysis of Revenue and Expenses (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,066	1,066		
	4 Dividends and interest from securities	224,348	224,348		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-521,604			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			64,909	
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	57,952	57,952		
	12 Total. Add lines 1 through 11	-238,238	283,366	64,909	
	13 Compensation of officers, directors, trustees, etc	100,842			100,842
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	7,268			7,268
	16a Legal fees (attach schedule) SEE STMT 2	1,225	1,225		
	b Accounting fees (attach schedule) STMT 3	1,290	1,290		
	c Other professional fees (attach schedule) STMT 4	85,756	85,756		
	17 Interest	40	40		
	18 Taxes (attach schedule) (see instructions) STMT 5	7,127	7,127		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,481	105		1,376
	22 Printing and publications				
	23 Other expenses (att sch) STMT 6	1,509	102		1,407
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	206,538	95,645	0	110,893
	25 Contributions, gifts, grants paid	456,918			456,918
	26 Total expenses and disbursements. Add lines 24 and 25	663,456	95,645	0	567,811
	27 Subtract line 26 from line 12	-901,694			
	a Excess of revenue over expenses and disbursements				
	b Net investment income (if negative, enter -0-)		187,721		
	c Adjusted net income (if negative, enter -0-)			64,909	

For Paperwork Reduction Act Notice, see instructions.

DAA

Form 990-PF (2012)

914 8

Assets	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	
			101,463	224,434	224,435	198,120	434,121	434,121
Assets	1	Cash – non-interest-bearing	0	101,463	224,434	224,435		
	2	Savings and temporary cash investments		198,120	434,121	434,121		
	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 (att. schedule) ►	0	11,626,851	9,744,435	7,202,446		
		Less allowance for doubtful accounts ►						
	8	Inventories for sale or use		1,180	1,180	1,180		
	9	Prepaid expenses and deferred charges						
	10a	Investments – U S. and state government obligations (attach schedule)						
	b	Investments – corporate stock (attach schedule)						
	c	Investments – corporate bonds (attach schedule)						
	11	Investments – land, buildings, and equipment basis ►						
		Less accumulated depreciation (attach sch) ►						
	12	Investments – mortgage loans						
	13	Investments – other (attach schedule)	SEE STATEMENT 7	16,070,181	16,691,931	13,066,581		
	14	Land, buildings, and equipment basis ►	804	804	804	100		
		Less accumulated depreciation (attach sch) ► STMT 8						
	15	Other assets (describe ►)						
	16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I))	27,998,599	27,096,905	20,928,863		
Liabilities	17	Accounts payable and accrued expenses						
	18	Grants payable						
	19	Deferred revenue						
	20	Loans from officers, directors, trustees, and other disqualified persons		208,256	208,256			
	21	Mortgages and other notes payable (attach schedule)		1,311,229	1,311,229			
	22	Other liabilities (describe ►))	23,450	23,450			
	23	Total liabilities (add lines 17 through 22)		1,542,935	1,542,935			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			► <input type="checkbox"/>				
	24	Unrestricted						
	25	Temporarily restricted						
	26	Permanently restricted						
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			► <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds						
	28	Paid-in or capital surplus, or land, bldg , and equipment fund						
	29	Retained earnings, accumulated income, endowment, or other funds		26,455,664	25,553,970			
	30	Total net assets or fund balances (see instructions)		26,455,664	25,553,970			
	31	Total liabilities and net assets/fund balances (see instructions)		27,998,599	27,096,905			

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	26,455,664
2	Enter amount from Part I, line 27a	2	-901,694
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	25,553,970
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	25,553,970

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)	
1a SHORT-TERM GAIN FROM K-1		P	VARIOUS	VARIOUS	
b LONG-TERM LOSS FROM K-1		P	VARIOUS	VARIOUS	
c VARIOUS S/T BROKERAGE TRANSACTIONS		P	VARIOUS	VARIOUS	
d VARIOUS L/T BROKERAGE TRANSACTIONS		P	VARIOUS	VARIOUS	
e LOSS ON GRANDE OAKS INVESTMENT		P	VARIOUS	08/31/13	
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a			15		
b			-48,503		
c			64,894		
d			336,990		
e			-875,000		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	-521,604	
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- in Part I, line 8	}		3	64,909	

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

N/A

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes No

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011			
2010			
2009			
2008			
2007			

2 Total of line 1, column (d)

2

3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	1 2 3 4 5	3,754	
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		1	3,754
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)			0
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3	Add lines 1 and 2		3	3,754
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	3,754	
Credits/Payments				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,180	
b	Exempt foreign organizations – tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d	7	1,180	
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	50	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,624	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►	Refunded	11	

Part VII-A Statements Regarding Activities

- | | | | | |
|----|--|------------------------|-----|----|
| 1a | During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a

1b

1c | Yes | No |
| b | Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities | | X | |
| c | Did the foundation file Form 1120-POL for this year? | | X | |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
(1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____ | | | |
| e | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____ | | | |
| 2 | Has the foundation engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities | 2 | X | |
| 3 | Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes | 3 | X | |
| 4a | Did the foundation have unrelated business gross income of \$1,000 or more during the year? | 4a | X | |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | 4b | | |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year?
If "Yes," attach the statement required by General Instruction T | 5 | X | |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either
• By language in the governing instrument, or
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | X | |
| 7 | Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV | 7 | X | |
| 8a | Enter the states to which the foundation reports or with which it is registered (see instructions) ► | | | |
| | MN | | | |
| b | If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation | 8b | X | |
| 9 | Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV | 9 | X | |
| 10 | Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | 10 | X | |

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		<input checked="" type="checkbox"/>
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	<input checked="" type="checkbox"/>	
14	The books are in care of ► LARRY PRATT 1025 HOLLEYBANK DRIVE	Telephone no ► 704-821-3200		
	Located at ► MATTHEWS	NC	ZIP+4 ► 28105	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15 <input type="checkbox"/>		
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? See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ►	16	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(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"/>	<input checked="" type="checkbox"/>
(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"/>	<input checked="" type="checkbox"/>
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	► <input type="checkbox"/>
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?	1b	
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions)	N/A	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	<input checked="" type="checkbox"/>
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?	4b	<input checked="" type="checkbox"/>

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

5a	During the year did the foundation pay or incur any amount to		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here		N/A		5b	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53 4945–5(d).		N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		N/A		7b	

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
C. WILBUR PETERS 1025 HOLLEYBANK DRIVE	CHARLOTTE NC 28105	VICE-PRES/TR 0.00	0	0
LARRY C. PRATT 1025 HOLLEYBANK DRIVE	MATTHEWS NC 28105	PRESIDENT/SE 40.00	100,842	0
ROGER PETERSON 1025 HOLLEYBANK DRIVE	MATTHEWS NC 28105	DIRECTOR 0.00	0	0
BARRY SHEARER 1025 HOLLEYBANK DRIVE	MATTHEWS NC 28105	DIRECTOR 0.00	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

► 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ►

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 N/A

2

3

4

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A

2

All other program-related investments. See instructions

3

Total. Add lines 1 through 3 ►

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes.		
a	Average monthly fair market value of securities	1a	5,380,391
b	Average of monthly cash balances	1b	374,181
c	Fair market value of all other assets (see instructions)	1c	8,502,268
d	Total (add lines 1a, b, and c)	1d	14,256,840
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	1,519,484
3	Subtract line 2 from line 1d	3	12,737,356
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	191,060
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	12,546,296
6	Minimum investment return. Enter 5% of line 5	6	627,315

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	627,315
2a	Tax on investment income for 2012 from Part VI, line 5	2a	3,754
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,754
3	Distributable amount before adjustments Subtract line 2c from line 1	3	623,561
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	623,561
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	623,561

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes	1a	567,811
a	Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1b	
b	Program-related investments – total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	567,811
b	Cash distribution test (attach the required schedule)	5	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	567,811
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)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				623,561
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2012				
a From 2007	898,954			
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	898,954			
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 567,811				
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				567,811
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	55,750			55,750
6 Enter the net total of each column as indicated below:	843,204			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions				
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)	843,204			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE SCHEDULE 10				456,918
Total			► 3a	456,918
b Approved for future payment N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments				14	1,066
4 Dividends and interest from securities				14	224,348
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income				14	57,952
8 Gain or (loss) from sales of assets other than inventory				14	353,396
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)			0		636,762
13 Total. Add line 12, columns (b), (d), and (e)				13	636,762

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

<u>Description</u>	<u>Revenue per Books</u>	<u>Net Investment Income</u>	<u>Adjusted Net Income</u>
OTHER BUSINESS INVESTMENTS	\$ 57,952	\$ 57,952	\$ 57,952
TOTAL	\$ 57,952	\$ 57,952	\$ 57,952

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>
INDIRECT LEGAL FEES	\$ 1,225	\$ 1,225	\$ 1,225
TOTAL	\$ 1,225	\$ 1,225	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>
INDIRECT ACCOUNTING FEES	\$ 1,290	\$ 1,290	\$ 1,290
TOTAL	\$ 1,290	\$ 1,290	\$ 0

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>
MERRILL LYNCH CONSULTING FEE	\$ 64,912	\$ 64,912	\$ 64,912
MERRILL LYNCH PRIVATE EQUITY	\$ 20,844	\$ 20,844	\$ 20,844
TOTAL	\$ 85,756	\$ 85,756	\$ 0

Federal Statements**Statement 5 - Form 990-PF, Part I, Line 18 - Taxes**

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
INDIRECT TAXES / LICENSES	\$ <u>7,127</u>	\$ <u>7,127</u>	\$ <u>7,127</u>	\$ <u>0</u>
TOTAL	\$ <u>7,127</u>	\$ <u>7,127</u>	\$ <u>7,127</u>	\$ <u>0</u>

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
EXPENSES				
BANK FEES	40	40	40	
TELEPHONE / INTERNET	24	24	24	
POSTAGE	154			154
SUPPLIES	729	38	38	691
PRINTING	562			562
TOTAL	\$ <u>1,509</u>	\$ <u>102</u>	\$ <u>0</u>	\$ <u>1,407</u>

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
MERRILL LYNCH - PRIVATE EQUITY	\$ <u>80,990</u>	\$ <u>31,736</u>		\$ <u>31,736</u>
MERRILL LYNCH MGMT FUNDS	4,043,438	4,232,700		4,232,700
PDP INVESTMENTS	10,492,999	10,485,879		7,025,539
US LAND	500,031	500,031		335,021
OTHER	489,128	734,079		734,079
MERRILL LYNCH CO-OP FUNDRSRV	463,595	707,506		707,506
TOTAL	\$ <u>16,070,181</u>	\$ <u>16,691,931</u>		\$ <u>13,066,581</u>

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
COMPUTER	\$ 804	\$ 804	\$ 0	\$ 100
TOTAL	\$ 804	\$ 804	\$ 0	\$ 100

Federal Statements**Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000**

Name of Manager	Amount
C. WILBUR PETERS	\$ _____
TOTAL	\$ _____ 0

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
WRITTEN REQUEST

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
NONE

Statement 9 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
ATTACH COPY OF DETERMINATION LETTER OF EXEMPTION UNDER 501(C) (3) WHERE APPLICABLE TO GRANT REQUEST.

P & B Foundation
 23-7083912
 Schedule 10

Recipient	Purpose of grant or contribution	Amount
Assoc. of Baptists for World Evangelism Harrisburg, PA	Religious	\$ 30,600
Baptist Mid Mission Cleveland, OH	Religious	67,410
Baptist World Mission Decatur, AL	Religious	39,060
World Wide New Testament Missions Kings Mountain, N.C.	Religious	6,440
Mt. Abarim Baptist Arlington, TX	Religious	7,772
Bible Basics Int'l Odessa, FL	Religious	2,500
Northside Baptist Church Charlotte, N.C.	Religious	51,000
Cornerstone Int'l Wilmore, KY	Religious	1,000
Baptist International Missions Chattanooga, TN	Religious	6,556
Baptist International Evangelistic Ministries Danville, IN	Religious	6,612
Central Missionary Clearing House Houston, TX	Religious	26,184
Global Media Outreach Campbell, CA	Religious	10,000
Wycliffe Bible Translators Orlando, FL	Religious	10,000
Christar Richardson, TX	Religious	36,336

Recipient	Purpose of grant or contribution	Amount
	Religious	
Crossworld Kansas City, MO	Religious	30,136
Baptist Bible Fellowship Kansas City, MO	Religious	10,000
Crossover Columbia, SC	Religious	8,000
Living Bread Ministries Lynchburg, VA	Religious	4,172
World Help Forest, VA	Religious	40,000
Action Int'l Ministries Mountlake Terrace, WA	Religious	1,000
Thomas Road Baptist Church Lynchburg, VA	Religious	2,000
Victory Baptist Church Reading, PA	Religious	100
Sun Lakes First Baptist Sun Lakes, AZ	Religious	2,400
Health In Sight Lynchburg, VA	Religious	15,000
New Tribes Mission Sanford, FL	Religious	10,340
LIGHT Lynchburg, VA	Religious	9,300
Global Serve Int'l Cape Coral, Fl	Religious	3,000
Luis Palau Association Portland, OR	Religious	<u>20,000</u>
Total		<u>\$ 456,918</u>