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Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2013 or tax year beginning

, and ending

Name of foundation

SOUTHERN BANK FOUNDATION

A Employer identification number

56-2002871

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

Room/suite

P.O. BOX 729

B Telephone number

(919) 658-7007

City or town, state or province, country, and ZIP or foreign postal code

MOUNT OLIVE, NC 28365-0729

C If exemption application is pending, check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundationE If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year

J Accounting method: ☒ Cash ☐ Accrual

(from Part II, col (c), line 16)

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

\$ 13,120,224. (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

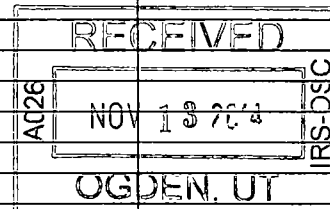
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1	Contributions, gifts, grants, etc., received			N/A	
	2	Check ☒ if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	896,542.	896,542.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	29,830.			
	b	Gross sales price for all assets on line 6a	1,533,139.			
	7	Capital gain net income (from Part IV, line 2)		29,830.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
b	Less Cost of goods sold					
c	Gross profit or (loss)					
11	Other income					
12	Total. Add lines 1 through 11	926,372.	926,372.			
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees	391.	0.		0.
	b	Accounting fees	6,603.	0.		0.
	c	Other professional fees				
	17	Interest	1,796.	0.		0.
	18	Taxes	22,259.	0.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses	240.	0.		0.
	24	Total operating and administrative expenses. Add lines 13 through 23	31,289.	0.		0.
	25	Contributions, gifts, grants paid	582,675.			582,675.
26	Total expenses and disbursements. Add lines 24 and 25	613,964.	0.		582,675.	
27	Subtract line 26 from line 12					
a	Excess of revenue over expenses and disbursements	312,408.				
b	Net investment income (if negative, enter -0-)		926,372.			
c	Adjusted net income (if negative, enter -0-)			N/A		



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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	4,583,847.	439,628.	439,628.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	7,782,375.	9,579,159.	9,398,596.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Liabilities	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 7	172,740.	3,282,000.	3,282,000.
	14 Land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)	12,538,962.	13,300,787.	13,120,224.
	17 Accounts payable and accrued expenses	150,583.		
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable		600,000.	
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	150,583.	600,000.	
	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			
	27 Capital stock, trust principal, or current funds	4,631,719.	4,631,719.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	7,756,660.	8,069,068.	
	30 Total net assets or fund balances	12,388,379.	12,700,787.	
	31 Total liabilities and net assets/fund balances	12,538,962.	13,300,787.	

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	12,388,379.
2 Enter amount from Part I, line 27a	2	312,408.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	12,700,787.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,700,787.

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 ASTORIA CAPITAL TRUST	P	VARIOUS	05/13/13
b FIRST COMMONWEALTH	P	VARIOUS	04/09/13
c KEYCORP	P	VARIOUS	05/22/13
d OCEAN SHORE	P	VARIOUS	09/11/13
e SOUND BANKING COMPANY SERIES	P	VARIOUS	11/08/13

(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 517,065.		520,000.	<2,935.>
b 516,625.		512,500.	4,125.
c 200,000.		191,699.	8,301.
d 122,602.		116,778.	5,824.
e 176,847.		162,332.	14,515.

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			<2,935.>
b			4,125.
c			8,301.
d			5,824.
e			14,515.

2 Capital gain net income or (net capital loss)	$\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$	2	29,830.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	$\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$	3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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))
2012	596,243.	11,179,560.	.053333
2011	417,900.	11,009,263.	.037959
2010	358,100.	9,620,915.	.037221
2009	319,310.	7,108,946.	.044917
2008	329,988.	7,931,234.	.041606

2 Total of line 1, column (d)	2	.215036
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	.043007
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	10,129,039.
5 Multiply line 4 by line 3	5	435,620.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	9,264.
7 Add lines 5 and 6	7	444,884.
8 Enter qualifying distributions from Part XII, line 4	8	582,675.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	9,264.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	9,264.
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	9,264.
6 Credits/Payments:			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	14,040.	
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	14,040.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,776.	
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax ☒ 4,776. Refunded ☒	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b 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
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☒ \$ 0. (2) On foundation managers. ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ NC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>GENETTA GOODMAN</u> Telephone no. ► <u>919-658-7007</u> Located at ► <u>121 EAST MAIN STREET, MOUNT OLIVE, NC</u> ZIP+4 ► <u>28365</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>			
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> ► ☐	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No If "Yes," list the years ► _____ , _____ , _____		
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.) <u>N/A</u>	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____ , _____ , _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2013 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 2013) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

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?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

0

Form 990-PF (2013)

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. 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

0

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

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

0.

Form 990-PF (2013)

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	8,164,456.
b Average of monthly cash balances	1b	2,718,832.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	10,883,288.
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	600,000.
3 Subtract line 2 from line 1d	3	10,283,288.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	154,249.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,129,039.
6 Minimum investment return. Enter 5% of line 5	6	506,452.

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	506,452.
2a Tax on investment income for 2013 from Part VI, line 5	2a	9,264.	
b Income tax for 2013 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	9,264.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	497,188.	
4 Recoveries of amounts treated as qualifying distributions	4	0.	
5 Add lines 3 and 4	5	497,188.	
6 Deduction from distributable amount (see instructions)	6	0.	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	497,188.	

Part XII**Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	582,675.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	582,675.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	9,264.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	573,411.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				497,188.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			120,392.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ 582,675.				
a Applied to 2012, but not more than line 2a			120,392.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2013 distributable amount				462,283.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a. Taxable amount - see instr			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				34,905.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2014 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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				
ARTS COUNCIL OF WAYNE COUNTY 102 N JOHN ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
BAPTIST CHILDRENS HOMES OF NC, INC. PO BOX 338 THOMASVILLE, NC 27361	NONE	NON-PROFIT	DONATION	5,000.
BEAUFORT COUNTY COMMUNITY COLLEGE FOUNDATION PO BOX 1069 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	2,000.
BERTIE EDUCATIONAL FOUNDATION INC PO BOX 70 MERRY HILL, NC 27957	NONE	NON-PROFIT	DONATION	5,000.
BHM REGIONAL LIBRARY 158 NORTH MARKET ST WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	10,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				582,675.
b Approved for future payment				
KRAMDEN INSTITUTE 4915 PROSPECTUS DR, STE J DURHAM, NC 27713	NONE	NON-PROFIT	DONATION	5,000.
BAPTIST CHILDRENS HOMES OF NC, INC. PO BOX 338 THOMASVILLE, NC 27361	NONE	NON-PROFIT	DONATION	5,000.
BEAUFORT CO. COMMUNITY COL FDN PO BOX 1069 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	4,000.
Total SEE CONTINUATION SHEET(S) ▶ 3b				435,500.

Part XVII

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

- | | | Yes |
|----------|--|--------------|
| 1 | Did the organization directly or indirectly engage in any of the other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | |
| | (1) Cash | 1a(1) |
| | (2) Other assets | 1a(2) |
| b | Other transactions: | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) |
| | (4) Reimbursement arrangements | 1b(4) |
| | (5) Loans or loan guarantees | 1b(5) |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | |

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule

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

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



TREASURER

Signature of officer or trustee _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name <i>Shay P Benton</i>	Preparer's signature <i>Shay P Benton</i>	Date <i>11/3/14</i>	Check ☐ if self-employed	PTIN <i>P00746935</i>
	Firm's name ▶ DIXON HUGHES GOODMAN LLP			Firm's EIN ▶ 56-0747981	
	Firm's address ▶ 2501 BLUE RIDGE ROAD, SUITE 500 RALEIGH, NC 27607			Phone no 919-876-4546	

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BOY SCOUTS OF AMERICA - TUSCARORA COUNCIL PO BOX 1436 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	10,000.
BUSINESS CONSORTIUM FOR ARTS SUPPORT 101 WEST MAIN STREET, STE 4500 NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	6,000.
C S BROWN AUDITORIUM RESTORATION ASSOCIATION, INC PO BOX 435 WINTON, NC 27986	NONE	NON-PROFIT	DONATION	950.
CAMPBELL UNIVERSITY PO BOX 116 BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	10,000.
CAROLINA GATEWAY PARTNERSHIP INC 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	5,000.
CENTER STAGE THEATRE PO BOX 1255 GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
CHOANOKE AREA DEVELOPMENT ASSOCIATION PO BOX 530 RICH SQUARE, NC 27869	NONE	NON-PROFIT	DONATION	5,000.
CHOWAN UNIVERSITY ONE UNIVERSITY PLACE MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	25,000.
COMMUNITIES IN SCHOOLS OF WAYNE COUNTY PO BOX 11557 GOLDSBORO, NC 27532	NONE	NON-PROFIT	DONATION	1,000.
COUNTY OF WAYNE / 4-H PO BOX 68 GOLDSBORO, NC 27533-0068	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				559,675.

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
CRAGMONT ASSEMBLY INC 1233 NORTH FORK RD BLACK MOUNTAIN, NC 28711	NONE	NON-PROFIT	DONATION	1,000.
ECSU AND TONEY JOHNSON 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	1,000.
EAST CAROLINA COUNCIL BSA PO BOX 1698 KINSTON, NC 28503	NONE	NON-PROFIT	DONATION	1,000.
EAST CAROLINA UNIVERSITY FOUNDATION 2200 S CHARLES BLVD GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	53,000.
EASTERN CAROLINA VOCATIONAL CENTER INC 901 STATON RD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	3,000.
FELLOWSHIP OF CHRISTIAN ATHLETES 8701 LEEDS RD KANSAS CITY, MO 64129	NONE	NON-PROFIT	DONATION	2,500.
FOOD BANK OF CENTRAL & EASTERN NC INC 3808 TARHEEL DR RALEIGH, NC 27609	NONE	NON-PROFIT	DONATION	5,000.
FOOD BANK OF SOUTHEASTERN VIRGINIA & THE EASTERN SHORE 800 TIDEWATER DR NORFOLK, VA 23504	NONE	NON-PROFIT	DONATION	5,000.
FOOD BANK OF THE ALBEMARLE PO BOX 1704 ELIZABETH CITY, NC 27906-1704	NONE	NON-PROFIT	DONATION	5,000.
HALIFAX COMMUNITY COLLEGE FOUNDATION, INC. PO BOX 809 WELDON, NC 27890	NONE	NON-PROFIT	DONATION	2,500.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
HERTFORD COUNTY EDUCATIONAL FOUNDATION, INC. PO BOX 1008 AHOSKIE, NC 27910	NONE	NON-PROFIT	DONATION	4,500.
JAMES SPRUNT COMMUNITY COLLEGE FOUNDATION PO BOX 398 KENANSVILLE, NC 28349	NONE	NON-PROFIT	DONATION	900.
KIDS EDUCATIONAL EMPOWERMENT PROGRAM 2112 NC HWY 42 EAST WILSON, NC 27893	NONE	NON-PROFIT	DONATION	1,000.
MOUNT OLIVE COLLEGE PO DRAWER 649 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	101,000.
MOUNT OLIVE COMMUNITY DEVELOPMENT CORP PO BOX 939 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	10,000.
MY HELP MY HOPE 2913 HILTON AVE CHESAPEAKE, VA 23324	NONE	NON-PROFIT	DONATION	5,000.
NC AGRICULTURAL FOUNDATION NCSU BOX 7207 RALEIGH, NC 27695-7207	NONE	NON-PROFIT	DONATION	1,250.
NASH HEALTH CARE SYSTEMS FOUNDATION 2416 PROFESSIONAL DR ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	10,000.
REBUILDING TOGETHER PITT COUNTY NC INC PO BOX 20574 GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	2,500.
NORTH CAROLINA HOUSING COALITION 118 ST MARYS ST RALEIGH, NC 27605	NONE	NON-PROFIT	DONATION	2,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
NORTH CAROLINA SYMPHONY SOCIETY INC 3700 GLENWOOD AVE, STE 130 RALEIGH, NC 27612	NONE	NON-PROFIT	DONATION	5,000.
NORTH CAROLINA WESLEYAN COLLEGE 3400 N WESLEYAN BLVD ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	20,000.
ROANOKE ISLAND HISTORICAL ASSOCIATION 1409 NATIONAL PARK DR MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	2,500.
ROCKY MOUNT ACADEMY 1313 AVONDALE AVE ROCKY MOUNT, NC 27803	NONE	NON-PROFIT	DONATION	10,000.
PITT COUNTY MEMORIAL HOSPITAL FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	50,000.
PREGNANCY CARE CENTER OF ROCKY MOUNT INC 400 SUNSET AVE ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
REBUILDING BROKEN PLACES CDC 2105 N WILLIAM ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
ROCKY MOUNT EDGECOMBE COMM DEVELOP CORP PO DRAWER 1477 ROCKY MOUNT, NC 27802	NONE	NON-PROFIT	DONATION	5,000.
SAINT MARY CATHOLIC SCHOOL 1601 EDGERTON ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	400.
SON SET MINISTRIES INC 1380 LOWER FIELD RD AYDEN, NC 28513-7052	NONE	NON-PROFIT	DONATION	1,000.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

56-2002871

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SPOKEN WORD MINISTRIES INC 205 W JOHN ST MOUNT OLIVE, NC 28365-1634	NONE	NON-PROFIT	DONATION	1,000.
SB ENDOWMENT FOR ELIZABETH CITY STATE UNIVERSITY PO BOX 1467 ELIZABETH CITY, NC 27906	NONE	NON-PROFIT	DONATION	4,000.
SEVEN SPRINGS VOLUNTEER FIRE DEPARTMENT PO BOX 116 SEVEN SPRINGS, NC 28578	NONE	NON-PROFIT	DONATION	200.
THE GOVERNORS SCHOOL FOR THE ARTS FOUNDATION PO BOX 20967 WINSTON-SALEM, NC 27120-0967	NONE	NON-PROFIT	DONATION	10,000.
TOWN OF AULANDER 124 W MAIN ST AULANDER, NC 27805	NONE	NON-PROFIT	DONATION	5,000.
TAR RIVER CHORAL & ORCHESTRAL SOCIETY INC PO BOX 8255 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
THE DOWNTOWN GOLDSBORO ASSOCIATION INC PO BOX 202 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	500.
THE ELIZABETHAN GARDENS INC 1411 NATIONAL PARK DR MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	8,000.
TOWN OF JACKSON PO BOX 614 JACKSON, NC 27845	NONE	NON-PROFIT	DONATION	2,500.
THE GOOD SHEPHERD FOOD BANK OF BERTIE COUNTY, INC. PO BOX 895 WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
THE MURFREESBORO HISTORICAL ASSOCIATION INC PO BOX 3 MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	1,525.
THE OAKWOOD SCHOOL INC 4000 MACGREGOR DOWNS ROAD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	12,500.
TOWN OF MOUNT OLIVE PO BOX 939 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	5,000.
TOWN OF SALEMBURG 100 METHODIST DR SALEMBURG, NC 28385	NONE	NON-PROFIT	DONATION	2,500.
UNITED WAY OF WAYNE COUNTY PO BOX 73 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	1,000.
UNITED WAY OF PITT COUNTY PO BOX 1028 GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	2,500.
UNITY ORGANIZATION 237 FRANKLIN ST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
UNITED WAY OF SOUTH HAMPTON ROADS 2515 WALMER AVE NORFOLK, VA 23513-2604	NONE	NON-PROFIT	DONATION	5,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	20,000.
WINGATE UNIVERSITY 220 N CAMDEN ST WINGATE, NC 28174	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
WINTERVILLE RESCUE & EMS INC PO BOX 1459 WINTERVILLE, NC 28590	NONE	NON-PROFIT	DONATION	2,000.
WAYNE HEALTH FOUNDATION PO BOX 8001 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	3,000.
WAYNE COUNTY DEVELOPMENT ALLIANCE PO BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	10,000.
MARTIN COUNTY UNITED WAY INC PO BOX 623 WILLIAMSTON, NC 27892-0623	NONE	NON-PROFIT	DONATION	5,000.
KRAMDEN INSTITUTE 4915 PROSPECTUS DR, STE J DURHAM, NC 27713	NONE	NON-PROFIT	DONATION	5,000.
3HC HOME HEALTH & HOSPICE CARE INC 2402 WAYNE MEMORIAL DR GOLDSBORO, NC 27534	NONE	NON-PROFIT	DONATION	2,000.
ADLA INC OIC OF WAYNE COUNTY CDC 307 BEECH ST GOLDSBORO, NC 27530-2818	NONE	NON-PROFIT	DONATION	5,000.
AHOSKIE RURAL VOLUNTEER FIRE DEPARTMENT INC PO BOX 43 AHOSKIE, NC 27910	NONE	NON-PROFIT	DONATION	950.
AMERICAN LEBANESE SYRIAN ASSOCIATED CHARITIES 501 ST. JUDE PLACE MEMPHIS, TN 38105	NONE	NON-PROFIT	DONATION	5,000.
BEAUFORT COUNTY FIREMANS ASSOCIATION PO BOX 215 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	2,500.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
FOOD BANK OF THE VIRGINIA PENINSULA INC 2401 ALUMINUM AVE HAMPTON, VA 23661-1237	NONE	NON-PROFIT	DONATION	5,000.
FRIENDS OF ELIZABETH II INC PO BOX 324 MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	6,000.
FRIENDS OF JOHN A WILKINSON PO BOX 38 BELHAVEN, NC 27810	NONE	NON-PROFIT	DONATION	5,000.
GATES COUNTY HOUSING COMMITTEE PO BOX 185 GATESVILLE, NC 27938	NONE	NON-PROFIT	DONATION	2,500.
HABITAT FOR HUMANITY GOLDSBORO/WAYNE 131 E. WALNUT ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	10,000.
HAMPTON ROADS EDUCATIONAL TELECOMMUNICATIONS ASSOC DBA WHRO 5200 HAMPTON BLVD NORFOLK, VA 23508	NONE	NON-PROFIT	DONATION	5,000.
JDRFI 5510 SIX FORKS RD, STE 107 RALEIGH, NC 27615	NONE	NON-PROFIT	DONATION	2,500.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

56-2002871

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
WAYNE COUNTY DEVELOPMENT ALLIANCE PO BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	20,000.
CAMPBELL UNIVERSITY 110 MAIN STREET BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	70,000.
CAROLINAS GATEWAY PARTNERSHIP 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	10,000.
CHOWAN UNIVERSITY ONE UNIVERSITY PLACE MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	25,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION DONATION	20,000.
EAST CAROLINA VOCATIONAL CENTER PO BOX 1686 GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	6,000.
ELIZABETH CITY STATE UNIVERSITY 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	8,000.
THE OAKWOOD SCHOOL INC 4000 MACGREGOR DOWNS RD. GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	12,500.
MOUNT OLIVE COLLEGE 634 HENDERSON STREET MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION ;LISTTOTAL 280000	180,000.
NASH HEALTH CARE SYSTEMS 2460 CURTIS ELLIS DRIVE ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	10,000.
Total from continuation sheets				421,500.

56-2002871

3 Grants and Contributions Approved for Future Payment (Continuation)

323635
05-01-13

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

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

Detail of Notes Payable
12/31/2013

Lender:	Bank of America
Original Amount	\$ 600,000
Date of Note:	10/31/2013
Maturity Date	10/31/2014
Repayment Terms:	Interest paid quarterly, principal due at maturity
Security Provided:	Securities
Purpose of Loan:	Purchase investments, contribution and gift distribution
Description of FMV and Consideration	Cash, \$600,000
Beginning Balance Due	\$ -
Ending Balance Due	\$ 600,000

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES				STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	
INTEREST - CORPORATES	896,542.	0.	896,542.	896,542.		
TO PART I, LINE 4	896,542.	0.	896,542.	896,542.		

FORM 990-PF	LEGAL FEES				STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
LEGAL FEES	391.	0.			0.	
TO FM 990-PF, PG 1, LN 16A	391.	0.			0.	

FORM 990-PF	ACCOUNTING FEES				STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
ACCOUNTING FEES	6,603.	0.			0.	
TO FORM 990-PF, PG 1, LN 16B	6,603.	0.			0.	

FORM 990-PF	TAXES				STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
FEDERAL INCOME TAX EXPENSE	22,259.	0.			0.	
TO FORM 990-PF, PG 1, LN 18	22,259.	0.			0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MISCELLANEOUS	240.	0.		0.	
TOTAL TO FORM 990-PF, PG 1, LN 23	240.	0.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
CORPORATE SECURITIES	6,947,554.	6,875,592.		
DUKE ENERGY	88,300.	222,578.		
SCBT BANCSHARES	172,215.	252,412.		
CPREF FUNDING	800,000.	2,000.		
NORTH STATE TELECOMMUNICATION	131,310.	143,500.		
FIRST MARINER BANCORP	49,016.	6,005.		
SPECTRA	63,653.	171,150.		
VALLEY FINANCIAL CORP	303,010.	307,803.		
VIRGINIA BANK BANCSHARES	82,523.	59,837.		
BANK OF AMERICA CORP	481,371.	896,350.		
FIFTH THIRD BANK	10,989.	11,408.		
FIRST NIAGRA FNIL GROUP	149,755.	152,958.		
JS BANCORP DEL	149,328.	149,443.		
HUNTINGTON BANCSHARES	150,135.	147,560.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,579,159.	9,398,596.		

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
OTHER INVESTMENTS	COST	0.	0.	
WANGUARD MONEY MARKET	COST	70,000.	70,000.	
WANTAGE SOUTH	COST	500,000.	500,000.	
PARP SECURITIES	COST	2,712,000.	2,712,000.	
TOTAL TO FORM 990-PF, PART II, LINE 13		3,282,000.	3,282,000.	

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 8
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN	EXPENSE CONTRIB	ACCOUNT
FRANK B. HOLDING PO BOX 729 MT OLIVE, NC 28365	PRESIDENT 0.00	0.	0.	0.	
WILLIAM H. BRYAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.	
J. GREY MORGAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.	
LISA R. SANDERSON PO BOX 729 MT OLIVE, NC 28365	ASSISTANT SECRETARY 0.00	0.	0.	0.	
DAVID L. SAULS PO BOX 729 MT OLIVE, NC 28365	TREASURER 0.00	0.	0.	0.	
JOHN L. HEEDEN PO BOX 729 MT OLIVE, NC 28365	SECRETARY 0.00	0.	0.	0.	
HENETTA B. GOODMAN PO BOX 729 MT OLIVE, NC 28365	ASSISTANT TREASURER 0.00	0.	0.	0.	
BREW M. COVERT PO BOX 729 MT OLIVE, NC 28365	INVESTMENT OFFICER 0.00	0.	0.	0.	
MAN R ELLIS PO BOX 729 MT OLIVE, NC 28365	INVESTMENT OFFICER 0.00	0.	0.	0.	
LOPE HOLDING CONNELL PO BOX 729 MT OLIVE, NC 28365	DIRECTOR 0.00	0.	0.	0.	
YNUM R. BROWN PO BOX 729 MT OLIVE, NC 28365	DIRECTOR 0.00	0.	0.	0.	
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.	