



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



Form 990-PF

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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.

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning

, and ending

Name of foundation SOUTHERN BANK FOUNDATION		A Employer identification number 56-2002871
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 729	Room/suite	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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 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 foundation		E 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 (from Part II, col (c), line 16) \$ 13,955,808.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		819,973.	819,973.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		311,597.			
b Gross sales price for all assets on line 6a		2,465,962.			
7 Capital gain net income (from Part IV, line 2)			311,597.		
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		1,131,570.	1,131,570.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees		3,610.	0.		0.
b Accounting fees					
c Other professional fees					
17 Interest					
18 Taxes		25,836.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		1,550.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		30,996.	0.		0.
25 Contributions, gifts, grants paid		600,250.			600,250.
26 Total expenses and disbursements. Add lines 24 and 25		631,246.	0.		600,250.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		500,324.			
b Net investment income (if negative, enter -0-)			1,131,570.		
c Adjusted net income (if negative, enter -0-)				N/A	

523501
11-24-15

LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2015)

931 13

SCANNED AUG 29 2016

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	382,822.	308,539.	308,539.
	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 5	8,921,972.	7,786,371.	7,921,897.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Liabilities	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 6	3,867,514.	5,577,722.	5,725,372.
	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 I)	13,172,308.	13,672,632.	13,955,808.
	17 Accounts payable and accrued expenses			
	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			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	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	8,540,589.	9,040,913.	
	30 Total net assets or fund balances	13,172,308.	13,672,632.	
	31 Total liabilities and net assets/fund balances	13,172,308.	13,672,632.	

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	13,172,308.
2 Enter amount from Part I, line 27a	2	500,324.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	13,672,632.
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	13,672,632.

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				
b	SEE ATTACHED STATEMENT			
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e	2,465,962.	2,154,365.	311,597.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			311,597.

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	311,597.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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))
2014	550,675.	11,790,029.	.046707
2013	573,411.	10,129,039.	.056611
2012	596,243.	11,179,560.	.053333
2011	417,900.	11,009,263.	.037959
2010	358,100.	9,620,915.	.037221

2 Total of line 1, column (d)	2	.231831
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	.046366
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	11,852,231.
5 Multiply line 4 by line 3	5	549,541.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	11,316.
7 Add lines 5 and 6	7	560,857.
8 Enter qualifying distributions from Part XII, line 4	8	600,250.

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	11,316.
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	11,316.
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	11,316.
6 Credits/Payments:			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	19,924.	
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	19,924.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	7.	
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	8,601.	
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax ☒ 8,601. Refunded ☐	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for 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. ☒ \$ 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	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	X
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) ☒ 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	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 2015 or the taxable year beginning in 2015 (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)

	Yes	No
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 ► N/A	13	X
14 The books are in care of ► GENETTA GOODMAN Telephone no. ► 919-658-7007 Located at ► 121 EAST MAIN STREET, MOUNT OLIVE, NC ZIP+4 ► 28365		
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	N/A
16 At any time during calendar year 2015, 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 FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	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	1b	N/A
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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ 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.) N/A c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►	2b	
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 2015 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 2015) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	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 4945(d)(4)(A)? (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)?

N/A

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 7		0.	0.	0.

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

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

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

0

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 (2015)

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	11,543,727.
b	Average of monthly cash balances	1b	488,995.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	12,032,722.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	12,032,722.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	180,491.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,852,231.
6	Minimum investment return. Enter 5% of line 5	6	592,612.

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	592,612.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	11,316.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	11,316.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	581,296.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	581,296.
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	581,296.

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	600,250.
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	600,250.
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	11,316.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	588,934.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				581,296.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			53,589.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2015 from Part XII, line 4: ► \$ 600,250.				
a Applied to 2014, but not more than line 2a			53,589.	
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 2015 distributable amount				546,661.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				34,635.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

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 2015, 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)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII,
line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities.

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a "Assets" alternative test - enter:

- (1) Value of all assets

- (2) Value of assets qualifying under section 4942(i)(3)(B)(i)

- b** "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c "Support" alternative test - enter:**

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income**

Part XV **Supplementary Information** (Complete this part only if the 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).)

NONE

- 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.

NONE

- 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 address of the person to whom applications should be addressed:

SOUTHERN BANK FOUNDATION, DAVID L. SAULS, (919) 658-7007
PO BOX 729, MOUNT OLIVE, NC 28365

- b** The form in which applications should be submitted and information and materials they should include:

SOUTHERN BANK FOUNDATION REQUEST FOR GRANT

- c Any submission deadlines:**

NONE

- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

NONE

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				
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 801-A POPLAR ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
ARTS COUNCIL OF WAYNE COUNTY 102 N JOHN ST. GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
BARTON COLLEGE 800 VANCE ST. NE WILSON, NC 27893	NONE	NON-PROFIT	DONATION	5,000.
BEAUFORT COUNTY COMMUNITY COLLEGE PO BOX 1069 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	2,000.
Total			SEE CONTINUATION SHEET(S)	3a600,250.
b Approved for future payment				
NORTH CAROLINA WESLEYAN COLLEGE 619 S GEORGE ST GOLDSBORO, NC 27530	NONE		DONATION	20,000.
JAMES SPRUNT COMMUNITY COLLEGE FOUNDATION 133 JAMES SPRUNT DR KENANSVILLE, NC 28349	NONE		DONATION	10,000.
CAMPBELL UNIVERSITY PO BOX 116 BUIES CREEK, NC 27506	NONE		DONATION	120,000.
Total			SEE CONTINUATION SHEET(S)	3b1,272,000.

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

- | | |
|--|---------------------|
| <p>1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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.</p> | <p>Yes</p> |
| | <p>1a(1)</p> |
| | <p>1a(2)</p> |
| | <p>1b(1)</p> |
| | <p>1b(2)</p> |
| | <p>1b(3)</p> |
| | <p>1b(4)</p> |
| | <p>1b(5)</p> |
| | <p>1b(6)</p> |
| | <p>1c</p> |

	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		

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.

Sign Here


8-15-2016
TREASURER

Signature of officer or trustee
Date
Title

May the IRS discuss this return with the preparer shown below (see instr. 7)?
☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	NIKKI P. YARBOROUGH	<i>N. K. P. Yarbrough</i>	8/9/16		P00532316
	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	

SOUTHERN BANK FOUNDATION

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	VALLEY FINANCIAL	P	VARIOUS	VARIOUS
b	FIRST EMPIRE	P	VARIOUS	05/12/15
c	FIRST FINANCIAL	P	VARIOUS	04/02/15
d	FIRST TENN CAP II SER B	P	VARIOUS	08/27/15
e	OCEAN SHORE	P	VARIOUS	09/14/15
f	PRESIDIO	P	VARIOUS	09/29/15
g	YADKIN VALLEY	P	VARIOUS	06/01/15
h	MMCAPS	P	VARIOUS	06/22/15
i	BNC	P	VARIOUS	11/24/15
j	FIDELITY	P	VARIOUS	03/02/15
k	REGIONAL DIVERSIFIED	P	VARIOUS	06/30/15
l				
m				
n				
o				

(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	201,714.		101,003.	100,711.
b	354,347.		372,438.	<18,091.>
c	500,000.		502,500.	<2,500.>
d	290,000.		291,276.	<1,276.>
e	174,237.		154,505.	19,732.
f	375,000.		319,579.	55,421.
g	120,000.		114,600.	5,400.
h	144,019.		144,020.	<1.>
i	236,645.		86,957.	149,688.
j	70,000.		62,738.	7,262.
k			4,749.	<4,749.>
l				
m				
n				
o				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			100,711.
b			<18,091.>
c			<2,500.>
d			<1,276.>
e			19,732.
f			55,421.
g			5,400.
h			<1.>
i			149,688.
j			7,262.
k			<4,749.>
l			
m			
n			
o			

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	311,597.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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
BELHAVEN RENAISSANCE 338 EDWARD ST BELHAVEN, NC 27810	NONE	NON-PROFIT	DONATION	5,000.
BLANKETS FOR HOMELESSNESS INC 5024 CENTURY DRIVE VIRGINIA BEACH, VA 23462	NONE	NON-PROFIT	DONATION	1,000.
BOY SCOUTS OF AMERICA - TUSCARORA COUNCIL PO BOX 1436 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	8,000.
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.
BOYS & GIRLS CLUB OF THE COASTAL PLAIN 621 W FIRE TOWER ROAD WINTERVILLE, NC 28590	NONE	NON-PROFIT	DONTAION	5,000.
CAMPBELL UNIVERSITY PO BOX 116 BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	20,000.
CAROLINA GATEWAY PARTNERSHIP INC 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	25,000.
CHOANOKE AREA DEVELOPMENT ASSN 120 SESSOMS DR RICH SQUARE, NC 27869	NONE	NON-PROFIT	DONATION	10,000.
COMMUNITIES IN SCHOOLS - HAMPTON ROADS REGION PO BOX 1668 NORFOLK, VA 23501	NONE	NON-PROFIT	DONATION	1,000.
Total from continuation sheets				585,250.

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
COMMUNITIES IN SCHOOLS - ROCKY MOUNT REGION 201 S PEARL ST ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
COMMUNITY CARE CLINIC OF DARE 425 HEALTH CENTER DRIVE NAGS HEAD, NC 27959	NONE	NON-PROFIT	DONATION	2,500.
EAST CAROLINA UNIVERSITY FOUNDATION 2200 S CHARLES BLVD GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	50,000.
EASTERN CAROLINA VOCATIONAL CENTER INC 901 STATON RD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	3,000.
ECSU AND D'ANDREA RAY 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	500.
ECSU AND SHAVONDRA BATTS 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	500.
ECU EDUCATION FOUNDATION 1001 EAST 5TH ST GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	5,300.
FLYNN CHRISTIAN FELLOWSHIP HOUSES OF GOLDSBORO NC INC 209 GOLDSBORO ST WILSON, NC 27893	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.

Total from continuation sheets

SOUTHERN BANK FOUNDATION

56-2002871

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)				
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)				
FOOD BANK OF THE ALBEMARLE PO BOX 1704 ELIZABETH CITY, NC 27906-1704	NONE	NON-PROFIT	DONATION	5,000.
FORKIDS INC 4200 COLLEY AVE #A NORFOLK, VA 23508	NONE	NON-PROFIT	DONATION	6,000.
GATES COUNTY EDUCATIONAL ASSOCIATION OF EXCELLENCE PO BOX 125 205 MAIN STREET GATESVILLE, NC 27938	NONE	NON-PROFIT	DONATION	2,500.
GATESVILLE ELEMENTARY SCHOOL PTA 709 MAIN STREET GATESVILLE, NC 27938	NONE	NON-PROFIT	DONATION	2,500.
GENERAL DOUGLAS MACARTHUR FOUNDATION 198 BANK ST NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	5,000.
GOVERNOR'S MAGNET SCHOOL 245 GRANBY STREET NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	1,000.
HABITAT FOR HUMANITY GOLDSBORO 124 E MULBERRY ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
HALIFAX COMMUNITY COLLEGE PO BOX 809 WELDON, NC 27890	NONE	NON-PROFIT	DONATION	2,500.
HAMPTON ROADS COUNCIL OF VETERANS ORGANIZATIONS PO BOX 55366 VIRGINIA BEACH, VA 23471	NONE	NON-PROFIT	DONATION	2,500.
HARRELLS CHRISTIAN ACADEMY INC 360 TOMAHAWK HWY HARRELLS, NC 28444	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

56-2002871

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
JAMES SPRUNT COMMUNITY COLLEGE FOUNDATION 133 JAMES SPRUNT DR KENANSVILLE, NC 28349	NONE	NON-PROFIT	DONATION	5,900.
KRAMDEN INSTITUTE 4915 PROSPECTUS DR, STE J DURHAM, NC 27713	NONE	NON-PROFIT	DONATION	11,500.
LOG A LOAD FOR KIDS 773 SEAFOOD HOUSE ROAD SELMA, NC 27576	NONE	NON-PROFIT	DONATION	1,000.
MARTIN COUNTY UNITED WAY INC 10 SE CENTRAL PKWY #101 STUART, FL 34994	NONE	NON-PROFIT	DONATION	2,500.
MILL NECK BAPTIST CHURCH 123 MILL NECK ROAD COMO, NC 27818	NONE	NON-PROFIT	DONATION	900.
MOUNT OLIVE FIRST PH CHURCH 130 ED EDMUNDSON RD MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
NASH COMMUNITY COLLEGE FOUNDATION INC 522 N OLD CARRIAGE RD ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
NASH COUNTY ARTS COUNCIL INC 100 E WASHINGTON ST NASHVILLE, NC 27856	NONE	NON-PROFIT	DONATION	5,000.
NC AGRICULTURAL FOUNDATION NCSU BOX 7207 RALEIGH, NC 27695-7207	NONE	NON-PROFIT	DONATION	1,000.
NC ACQUARIUM SOCIETY 3125 POPLARWOOD CT, SUITE 160 RALEIGH, NC 27604	NONE	NON-PROFIT	DONATION	28,000.
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
NC BANKERS ASSOC CAMP CHALLENGE 3601 HAWORTH DRIVE PO BOX 19999 RALEIGH, NC 27619-9916	NONE	NON-PROFIT	DONATION	500.
NC RURAL CENTER 4021 CARYA DRIVE RALEIGH, NC 27610	NONE	NON-PROFIT	DONATION	1,000.
NCBA FOUNDATION 8000 WESTON PKWY CARY, NC 27513	NONE	NON-PROFIT	DONATION	10,000.
NORTH CAROLINA HOUSING COALITION 118 ST MARYS ST RALEIGH, NC 27605	NONE	NON-PROFIT	DONATION	2,000.
NORTH CAROLINA SYMPHONY SOCIETY 3700 GLENWOOD AVE STE 130 RALEIGH, NC 27612	NONE	NON-PROFIT	DONATION	5,000.
NORTH CAROLINA WESLEYAN COLLEGE 619 S GEORGE ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	20,000.
PANTEGO COMMUNITY FIRE PROTECTION 25673 US 264 HWY E PANTEGO, NC 27860	NONE	NON-PROFIT	DONATION	2,500.
PEACEMAKERS OF ROCKY MOUNT INC 1725 DAVIS ST ROCKY MOUNT, NC 27803	NONE	NON-PROFIT	DONATION	2,500.
PLACES AND PROGRAMS FOR CHILDREN 1900 LLEWELLYN AVENUE NORFOLK, VA 23517	NONE	NON-PROFIT	DONATION	2,500.
REGENERATION DEVELOPMENT GROUP INC 315 E 9TH ST SCOTLAND NECK, NC 27874	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
RENEWAL PLACE 696 JACKSON AVENUE MEMPHIS, TN 38105	NONE	NON-PROFIT	DONATION	1,000.
ROANOKE ISLAND HISTORICAL 1409 NATIONAL PARK DR MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	4,000.
ROANOKE VALLEY CHAMBER OF COMMERCE FOUNDATION INC 260 PREMIER BLVD ROANOKE RAPIDS, NC 27870	NONE	NON-PROFIT	DONATION	1,000.
SAINT MARY CATHOLIC CHURCH 1000 N JEFFERSON AVE GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	2,500.
SANDLER CENTER FOR PERFORMING ARTS FOUNDATION 201 MARKET ST VIRGINIA BEACH, VA 23462	NONE	NON-PROFIT	DONATION	1,000.
SEVEN SPRINGS VOLUNTEER FIRE DEPARTMENT 777 WATERWHEEL DR FAYETTE, PA 15622-4007	NONE	NON-PROFIT	DONATION	200.
SNACKS AND MORE LLC 174 ROPING HORN WAY WILLOW SPRING, NC 27592-7653	NONE	NON-PROFIT	DONATION	12,000.
SOUTHERN BANK ENDOWMENT FOR ELIZABETH 1704 WEEKSVILLE ROAD ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	4,000.
TAKE A KID FISHING PO BOX 1191 MOREHEAD CITY, NC 28557	NONE	NON-PROFIT	DONATION	2,500.
TAR RIVER CHORAL & ORCHESTRAL SOCIETY INC PO BOX 8255 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
THE ACADEMY OF MUSIC PO BOX 11146 NORFOLK, VA 23517	NONE	NON-PROFIT	DONATION	5,000.
THE DREAM FACTORY OF NC 1812 BRADFORD DRIVE #65 GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	2,500.
THE ELIZABETHAN GARDENS INC 1411 NATIONAL PARK DR MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	8,000.
THE GOOD SHEPHERD FOOD PANTRY OF BERTIE COUNTY NC INC 1008 NORTH KING ST WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
THE HURRAH PLAYERS INC 485 ST. PAUL'S BLVD NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	5,000.
THE NEW BIZ - DUPLIN COUNTY 133 JAMES SPRUNT DR KENANSVILLE, NC 28439	NONE	NON-PROFIT	DONATION	2,000.
THE SALVATION ARMY OF GREENVILLE 2337 W. DICKINSON AVE GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	10,000.
THE VIRGINIA PENINSULA FOODBANK 2401 ALUMINUM AVE HAMPTON, VA 23661	NONE	NON-PROFIT	DONATION	5,000.
TOWN OF LAGRANGE PO BOX 368 LA GRANGE, NC 28551	NONE	NON-PROFIT	DONATION	5,000.
UNITY ORGANIZATION 611 MONAGAN ST FAYETTEVILLE, NC 28301	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
WAYNE CHARITABLE PARTERSHIP INC 308 N WILLIAM ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	10,000.
WAYNE COUNTY DEVELOPMENT ALLIANCE PO BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	10,000.
WAYNE HEALTH FOUNDATION PO BOX 8001 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	5,000.
WAYNE COUNTY HISTORICAL ASSOCIATION & MUSEUM INC 116 N WILLIAM ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
UNIVERSITY OF MOUNT OLIVE 634 HENDERSON ST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	80,000.
UNIVERSITY OF MOUNT OLIVE - HANDY MART SCHOLARSHIP 634 HENDERSON ST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
VIDANT MEDICAL CENTER FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	50,000.
VIRGINIA BEACH COMMUNITY DEVELOPMENT 2400 POTTERS RD VIRGINIA BEACH, VA 23454	NONE	NON-PROFIT	DONATION	2,500.
VIRGINIA BEACH EDUCATION FOUNDATION 2512 GEORGE MASON DR VIRGINIA BEACH, VA 23456	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
VIRGINIA STAGE COMPANY 110 E TAZEWELL ST NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	5,000.
VOLLIS SIMPSON WHIRLIGIG PARK & MUSEUM 301 GOLDSBORO ST S WILSON, NC 27893	NONE	NON-PROFIT	DONATION	5,000.
WILSON CRISIS CENTER INC 2860 WARD BLVD WILSON, NC 27893	NONE	NON-PROFIT	DONATION	10,000.
WILSON YOUTH UNITED 910 TARBORO ST W WILSON, NC 27893	NONE	NON-PROFIT	DONATION	10,000.
WRIGHT FLIGHT OF MARTIN CO NC INC PO BOX 2105 KILL DEVIL HILLS, NC 27948-2105	NONE	NON-PROFIT	DONATION	1,000.
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
UNIVERSITY OF MOUNT OLIVE 634 HENDERSON ST MOUNT OLIVE, NC 28365	NONE		DONATION	500,000.
WAYNE CO REGIONAL AGRICULTURAL AND CONVENTION CENTER PO BOX 1280 GOLDSBORO, NC 27533	NONE		DONATION	50,000.
WAYNE COUNTY DEVELOPMENT ALLIANCE PO BOX 1280 GOLDSBORO, NC 27533	NONE		DONATION	50,000.
VIDANT MEDICAL CENTER FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27834	NONE		DONATION	200,000.
THE SALVATION ARMY 2337 W. DICKINSON AVE GREENVILLE, NC 27834	NONE		DONATION	10,000.
WAYNE CHARITABLE PARTERSHIP INC 308 N WILLIAM ST GOLDSBORO, NC 27530	NONE		DONATION	5,000.
NC AGRICULTURAL FOUNDATION NCSU BOX 7207 RALEIGH, NC 27604	NONE		DONATION	3,000.
TOWN OF LAGRANGE PO BOX 368 LA GRANGE, NC 28551	NONE		DONATION	5,000.
CHOANOKE AREA DEVELOPMENT ASSN 120 SESSOMS DR RICH SQUARE, NC 27869	NONE		DONATION	20,000.
S.N.A.C.K.S AND MORE LLC 174 ROPING HORN WAY WILLOW SPRING, NC 27592-7653	NONE		DONATION	24,000.
Total from continuation sheets				1,122,000.

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BARTON COLLEGE 800 VANCE ST. NE WILSON, NC 27983	NONE		DONATION	10,000.
NASH COMMUNITY COLLEGE FOUNDATION INC 522 N OLD CARRIAGE RD ROCKY MOUNT, NC 27804	NONE		DONATION	15,000.
VOLLIS SIMPSON WHIRLIGIG PARK & MUSEUM 301 GOLDSBORO ST S WILSON, NC 27893	NONE		DONATION	20,000.
CAROLINA GATEWAY PARTNERSHIP INC 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE		DONATION	80,000.
NORTH CAROLINA HOUSING COALITION 118 ST MARYS ST RALEIGH, NC 27605	NONE		DONATION	6,000.
NC ACQUARIUM SOCIETY 3125 POPLARWOOD CT, SUITE 160 RALEIGH, NC 27604	NONE		DONATION	3,000.
VIRGINIA STAGE COMPANY 110 E TAZEWELL ST NORFOLK, VA 23510	NONE		DONATION	20,000.
KRAMDEN INSTITUTE 4915 PROSPECTUS DR, STE J DURHAM, NC 27713	NONE		DONATION	36,000.
HALIFAX COMMUNITY COLLEGE PO BOX 809 WELDON, NC 27890	NONE		DONATION	5,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE		DONATION	50,000.
Total from continuation sheets				

56-2002871

3 Grants and Contributions Approved for Future Payment (Continuation)

523635
04-01-15

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
-------------	--	-----------	---

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
INTEREST - CORPORATES	819,973.	0.	819,973.	819,973.	
TO PART I, LINE 4	819,973.	0.	819,973.	819,973.	

FORM 990-PF	LEGAL FEES	STATEMENT	2
-------------	------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	3,610.	0.		0.
TO FM 990-PF, PG 1, LN 16A	3,610.	0.		0.

FORM 990-PF	TAXES	STATEMENT	3
-------------	-------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX EXPENSE	25,776.	0.		0.
NC INCOME TAXES	60.	0.		0.
TO FORM 990-PF, PG 1, LN 18	25,836.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	4
-------------	----------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	1,550.	0.		0.
TO FORM 990-PF, PG 1, LN 23	1,550.	0.		0.

FORM 990-PF

CORPORATE STOCK

STATEMENT

5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE SECURITIES	4,111,287.	4,002,389.
DUKE ENERGY	196,148.	352,167.
SOUTH STATE CORP	172,215.	329,243.
TPREF FUNDING	800,000.	2,000.
NORTH STATE TELECOMMUNICATION	131,310.	88,000.
FIRST MARINER BANCORP	49,016.	0.
SPECTRA	63,653.	119,700.
VIRGINIA BANK BANCSHARES	82,523.	63,706.
BANK OF AMERICA CORP	481,371.	936,600.
FIFTH THIRD BANK	10,989.	12,703.
FIRST NIAGRA FNIL GROUP	149,755.	144,478.
US BANCORP DEL	149,328.	165,140.
HUNTINGTON BANCSHARES	150,135.	162,435.
BB&T CORP	387,826.	469,966.
CAPITAL ONE	100,132.	110,040.
SANTANDER FINANCIAL	75,384.	76,650.
BNC BANCORP	115,050.	320,346.
ALLY FINL INC	150,020.	146,383.
ISHARES TR S&P US PFD	50,080.	49,728.
MET LIFE PFD SER A	24,980.	25,351.
PNC FIN'L SVCS GROUP INC	100,034.	104,550.
SAUL CENTERS INC	27,129.	27,536.
SCHWAB CHARLES CORP	25,001.	25,797.
SUNTRUST BANKS INC	75,005.	79,689.
FELCOR LODGING TR INC	37,524.	37,725.
BLUEROCK RESIDENTIAL GROWTH	70,476.	69,575.
VALLEY FINANCIAL CORP	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	7,786,371.	7,921,897.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT

6

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
VANGUARD MONEY MARKET	COST	1,174,048.	1,221,546.
VANTAGE SOUTH	COST	500,000.	500,000.
TARP SECURITIES	COST	1,282,606.	1,297,000.
NEWBRIDGE	COST	500,000.	500,000.
KS BANCORP	COST	500,000.	500,000.
AMERISERVE FINANCIAL	COST	150,000.	150,000.
FIRST BANK	COST	200,000.	200,000.
EASTERN VA BANKSHARES	COST	100,000.	100,000.
BAY BANKS OF VIRGINIA, INC.	COST	250,000.	250,000.

SOUTHERN BANK FOUNDATION

56-2002871

MIDLAND STATES BANCORP, INC	COST	125,000.	125,000.
DUKE ENERGY CORP JR SUB DEBT	COST	99,569.	102,640.
HANCOCK HOLDING CO SUB NOTE	COST	150,171.	151,115.
PRIVATE BANCORP INC	COST	50,078.	50,673.
WESTERN ALLIANCE	COST	200,000.	196,773.
HAPPY BANCSHARES, INC.	COST	50,000.	50,000.
STEWARDSHIP FINANCIAL	COST	100,000.	100,000.
SYNOVUS FINANCIAL CORPORATION	COST	146,250.	230,625.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,577,722.	5,725,372.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 7
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HOPE H. BRYANT PO BOX 729 MT OLIVE, NV 28365	PRESIDENT & DIRECTOR 0.00	0.	0.	0.
WILLIAM H. BRYAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT & DIRECTOR 0.00	0.	0.	0.
J. GREY MORGAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT & DIRECTOR 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.
GENETTA B. GOODMAN PO BOX 729 MT OLIVE, NC 28365	ASSISTANT TREASURER 0.00	0.	0.	0.
DREW M. COVERT PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.

SOUTHERN BANK FOUNDATION

56-2002871

DAN R ELLIS	INVESTMENT OFFICER			
PO BOX 729	0.00	0.	0.	0.
MT OLIVE, NC 28365				
 BYNUM R. BROWN	 DIRECTOR			
PO BOX 729	0.00	0.	0.	0.
MT OLIVE, NC 28365				
 TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		<u>0.</u>	<u>0.</u>	<u>0.</u>