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

**2015**

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](http://www.irs.gov/form990pf).

**Open to Public Inspection**

For calendar year 2015, or tax year beginning Jul 1, 2015, and ending Jun 30, 2016

|   |  |   |
|---|--|---|
| Name of foundation<br><b>Smith and Davis Foundation, Inc.</b>   |  | <b>A</b> Employer identification number<br>26-2873407   |
| Number and street (or P O box number if mail is not delivered to street address)<br>602 Singleton Rd.   |  | <b>B</b> Telephone number (see instructions)<br>(336) 998-8233  |
| City or town, state or province, country, and ZIP or foreign postal code<br>Mocksville NC 27028   |  | <b>C</b> If exemption application is pending, check here. <input type="checkbox"/>  |
| <b>G</b> Check all that apply:<br><input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Final return <input type="checkbox"/> Amended return<br><input type="checkbox"/> Address change <input type="checkbox"/> Name change |  | <b>D</b> 1 Foreign organizations, check here . . . . . <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation . . . . . <input type="checkbox"/> |
| <b>H</b> Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation   |  | <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here . . . . . <input type="checkbox"/>  |
| <b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16)<br>\$ 1,373,738.  |  | <b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . . . <input type="checkbox"/>   |
| <b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____<br>(Part I, column (d) must be on cash basis.)   |  |   |

| <b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions)) |  | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|--|------------------------------------|---------------------------|-------------------------|---|
| <b>REVENUE</b>  | <b>1</b> Contributions, gifts, grants, etc. received (attach schedule) . . . . .               |                                    |                           |                         |   |
|   | <b>2</b> <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B |                                    |                           |                         |   |
|   | <b>3</b> Interest on savings and temporary cash investments . . . . .                          |                                    |                           |                         |   |
|   | <b>4</b> Dividends and interest from securities . . . . .                                      | 57,089.                            | 44,143.                   |                         |   |
|   | <b>5a</b> Gross rents . . . . .  |                                    |                           |                         |   |
|   | <b>b</b> Net rental income or (loss) . . . . .   |                                    |                           |                         |   |
|   | <b>6a</b> Net gain or (loss) from sale of assets not on line 10 . . . . .                      |                                    |                           |                         |   |
|   | <b>b</b> Gross sales price for all assets on line 6a . . . . .                                 |                                    |                           |                         |   |
|   | <b>7</b> Capital gain net income (from Part IV, line 2) . . . . .                              |                                    | 0.                        |                         |   |
|   | <b>8</b> Net short-term capital gain . . . . .   |                                    |                           | 0.                      |   |
|   | <b>9</b> Income modifications . . . . .  |                                    |                           |                         |   |
|   | <b>10a</b> Gross sales less returns and allowances . . . . .                                   |                                    |                           |                         |   |
| <b>b</b> Less Cost of goods sold . . . . .  |  |                                    |                           |                         |   |
| <b>c</b> Gross profit or (loss) (attach schedule) . . . . .   |  |                                    |                           |                         |   |
| <b>11</b> Other income (attach schedule) . . . . .  |  |                                    |                           |                         |   |
| <b>12 Total</b> Add lines 1 through 11. . . . .   | 57,089.  | 44,143.                            | -0.                       |                         |   |
| <b>ADMINISTRATIVE AND EXPENSES</b>  | <b>13</b> Compensation of officers, directors, trustees, etc. . . . .                          | 12,900.                            | 6,450.                    |                         | 6,450.  |
|   | <b>14</b> Other employee salaries and wages . . . . .  |                                    |                           |                         |   |
|   | <b>15</b> Pension plans, employee benefits . . . . .   |                                    |                           |                         |   |
|   | <b>16a</b> Legal fees (attach schedule) . . . . .  |                                    |                           |                         |   |
|   | <b>b</b> Accounting fees (attach sch.) L-16b Stmt . . . . .                                    | 1,650.                             | 1,650.                    |                         |   |
|   | <b>c</b> Other prof fees (attach sch.) . . . . .   |                                    |                           |                         |   |
|   | <b>17</b> Interest . . . . .   |                                    |                           |                         |   |
|   | <b>18</b> Taxes (attach schedule)(see instrs) See Line.18 Stmt . . . . .                       | 960.                               |                           |                         |   |
|   | <b>19</b> Depreciation (attach schedule) and depletion . . . . .                               |                                    |                           |                         |   |
|   | <b>20</b> Occupancy . . . . .  | 1,191.                             | 1,191.                    |                         |   |
|   | <b>21</b> Travel, conferences, and meetings . . . . .  | 687.                               | 344.                      |                         | 343.  |
|   | <b>22</b> Printing and publications . . . . .  |                                    |                           |                         |   |
| <b>23</b> Other expenses (attach schedule)  |  |                                    |                           |                         |   |
| <b>Investment expenses</b>  | 15,753.  | 15,753.                            |                           |                         |   |
| <b>24 Total operating and administrative expenses.</b> Add lines 13 through 23 . . . . .  | 33,141.  | 25,388.                            |                           | 6,793.                  |   |
| <b>25</b> Contributions, gifts, grants paid . . . . .   | 78,000.  |                                    |                           |                         |   |
| <b>26 Total expenses and disbursements.</b> Add lines 24 and 25 . . . . .   | 111,141.   | 25,388.                            |                           | 6,793.                  |   |
| <b>27</b> Subtract line 26 from line 12   |  |                                    |                           |                         |   |
| <b>a Excess of revenue over expenses and disbursements</b> . . . . .  | -54,052.   |                                    |                           |                         |   |
| <b>b Net investment income</b> (if negative, enter -0-). . . . .  |  | 18,755.                            |                           |                         |   |
| <b>c Adjusted net income</b> (if negative, enter -0-). . . . .  |  |                                    | 0.                        |                         |   |

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| Part II Balance Sheets      |   | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)      |                |                       |          |
|-----------------------------|---|---|----------------|-----------------------|----------|
|                             |   | Beginning of year   | End of year    |                       |          |
|                             |   | (a) Book Value  | (b) Book Value | (c) Fair Market Value |          |
| ASSETS                      | 1   | Cash — non-interest-bearing   | 136,238.       | 85,259.               | 85,259.  |
|                             | 2   | Savings and temporary cash investments  |                |                       |          |
|                             | 3   | Accounts receivable   |                |                       |          |
|                             |   | Less: allowance for doubtful accounts   |                |                       |          |
|                             | 4   | Pledges receivable  |                |                       |          |
|                             |   | Less: allowance for doubtful accounts   |                |                       |          |
|                             | 5   | Grants receivable   |                |                       |          |
|                             | 6   | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) |                |                       |          |
|                             | 7   | Other notes and loans receivable (attach sch)   |                |                       |          |
|                             |   | Less: allowance for doubtful accounts   |                |                       |          |
|                             | 8   | Inventories for sale or use   |                |                       |          |
|                             | 9   | Prepaid expenses and deferred charges   |                |                       |          |
|                             | 10a   | Investments — U.S. and state government obligations (attach schedule)   |                |                       |          |
|                             | b   | Investments — corporate stock (attach schedule) L-10b Stmt  | 113,643.       | 172,731.              | 172,731. |
|                             | c   | Investments — corporate bonds (attach schedule)   |                |                       |          |
|                             | 11  | Investments — land, buildings, and equipment basis  |                |                       |          |
|                             | Less: accumulated depreciation (attach schedule)  |   |                |                       |          |
| 12                          | Investments — mortgage loans  |   |                |                       |          |
| 13                          | Investments — other (attach schedule) L-13 Stmt   | 1,173,677.  | 1,115,748.     | 1,115,748.            |          |
| 14                          | Land, buildings, and equipment basis  |   |                |                       |          |
|                             | Less: accumulated depreciation (attach schedule)  |   |                |                       |          |
| 15                          | Other assets (describe)   |   |                |                       |          |
| 16                          | <b>Total assets</b> (to be completed by all filers — see the instructions. Also, see page 1, item I).                     | 1,423,558.  | 1,373,738.     | 1,373,738.            |          |
| LIABILITIES                 | 17  | Accounts payable and accrued expenses   |                |                       |          |
|                             | 18  | Grants payable  |                |                       |          |
|                             | 19  | Deferred revenue  |                |                       |          |
|                             | 20  | Loans from officers, directors, trustees, & other disqualified persons  |                |                       |          |
|                             | 21  | Mortgages and other notes payable (attach schedule)   |                |                       |          |
|                             | 22  | Other liabilities (describe)  |                |                       |          |
|                             | 23  | <b>Total liabilities</b> (add lines 17 through 22)  |                |                       |          |
| NET ASSETS OR FUND BALANCES | Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.                        |   |                |                       |          |
|                             | 24  | Unrestricted  |                |                       |          |
|                             | 25  | Temporarily restricted  |                |                       |          |
|                             | 26  | Permanently restricted  |                |                       |          |
|                             | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/> |   |                |                       |          |
|                             | 27  | Capital stock, trust principal, or current funds  | 1,423,558.     | 1,373,738.            |          |
|                             | 28  | Paid-in or capital surplus, or land, bldg, and equipment fund   |                |                       |          |
|                             | 29  | Retained earnings, accumulated income, endowment, or other funds  |                |                       |          |
| 30                          | <b>Total net assets or fund balances</b> (see instructions)   | 1,423,558.  | 1,373,738.     |                       |          |
| 31                          | <b>Total liabilities and net assets/fund balances</b> (see instructions)  | 1,423,558.  | 1,373,738.     |                       |          |

| 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) | 1,423,558. |
| 2   | Enter amount from Part I, line 27a   | -54,052.   |
| 3   | Other increases not included in line 2 (itemize) See Other Increases Stmt  | 4,232.     |
| 4   | Add lines 1, 2, and 3  | 1,373,738. |
| 5   | Decreases not included in line 2 (itemize) See Other Decreases Stmt  |            |
| 6   | <b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) — Part II, column (b), line 30   | 1,373,738. |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company) | (b) How acquired<br>P — Purchase<br>D — Donation | (c) Date acquired<br>(mo., day, yr) | (d) Date sold<br>(mo., day, yr) |
|--|--|-------------------------------------|---------------------------------|
| 1 a 3520 SH FIRST TRUST SR LN & LTD DUR 28   | P  | 01/08/13                            | 07/28/15                        |
| b 4096 SH FIRST TRUST HIGH DIV EQTY ALLOC 10   | P  | 03/04/14                            | 01/28/16                        |
| c 8247 SH FIRST TRUST HIGH DIVIDEND EQUITY 19  | P  | 08/19/14                            | 06/27/16                        |
| d 4912.901 SH JOHN HANCOCK GLOBAL ABSOLUTE RETURN STRAT CL IP  | P  | 12/24/14                            | 04/26/16                        |
| e See Columns (a) thru (d)   |  |                                     |                                 |

| (e) Gross sales price      | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|----------------------------|--|---|--|
| a 28,038.                  |  | 34,972.   | -6,934.                                      |
| b 34,955.                  |  | 40,011.   | -5,056.                                      |
| c 77,890.                  |  | 74,055.   | 3,835.                                       |
| d 49,620.                  |  | 52,774.   | -3,154.                                      |
| e See Columns (e) thru (h) |  | 176,461.  | -42,452.                                     |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 |                                      |   | (l) Gains (Col (h)<br>gain minus col (k), but not less<br>than -0-) or Losses (from col (h)) |
|---|--------------------------------------|---|--|
| (i) F.M.V.<br>as of 12/31/69  | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any |  |
| a   |                                      |   | -6,934.  |
| b   |                                      |   | -5,056.  |
| c   |                                      |   | 3,835.   |
| d   |                                      |   | -3,154.  |
| e See Columns (i) thru (l)  |                                      |   | -42,452.   |

|  |   |   |          |
|--|---|---|----------|
| 2 Capital gain net income or (net capital loss). . . . .   | [ If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7 ] . . . . . | 2 | -53,761. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)<br>If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0-<br>in Part I, line 8 . . . . . | [ ] . . . . .   | 3 | -384.    |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? . . . . .  Yes  No

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

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

| (a) Base period years<br>Calendar year (or tax year<br>beginning in) | (b) Adjusted qualifying distributions | (c) Net value of<br>noncharitable-use assets | (d) Distribution ratio<br>(col. (b) divided by col. (c)) |
|--|---------------------------------------|--|--|
| 2014   | 5,424.                                | 0.   | 0.000000   |
| 2013   | 7,147.                                | 0.   | 0.000000   |
| 2012   | 6,214.                                | 0.   | 0.000000   |
| 2011   | 6,157.                                | 0.   | 0.000000   |
| 2010   | 6,680.                                |  |  |

|   |   |          |
|---|---|----------|
| 2 Total of line 1, column (d) . . . . .   | 2 | 0.000000 |
| 3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the<br>number of years the foundation has been in existence if less than 5 years . . . . . | 3 | 0.000000 |
| 4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5. . . . .   | 4 | 0.       |
| 5 Multiply line 4 by line 3 . . . . .   | 5 | 0.       |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .  | 6 | 188.     |
| 7 Add lines 5 and 6 . . . . .   | 7 | 188.     |
| 8 Enter qualifying distributions from Part XII, line 4 . . . . .  | 8 | 6,793.   |

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)**

|   |      |          |      |
|---|------|----------|------|
| 1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1<br>Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs) |      |          |      |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b  |      | 1        | 188. |
| 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        | 188. |
| 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        | 188. |
| 6 Credits/Payments  |      |          |      |
| a 2015 estimated tax pmts and 2014 overpayment credited to 2015   | 6 a  | 520.     |      |
| b Exempt foreign organizations – tax withheld at source   | 6 b  |          |      |
| c Tax paid with application for extension of time to file (Form 8868)   | 6 c  |          |      |
| d Backup withholding erroneously withheld   | 6 d  |          |      |
| 7 Total credits and payments. Add lines 6a through 6d   | 7    | 520.     |      |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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   |          | 332. |
| 11 Enter the amount of line 10 to be Credited to 2016 estimated tax   | 332. | Refunded | 11   |

**Part VII-A Statements Regarding Activities**

|   | Yes | No |
|---|-----|----|
| 1 a 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)?<br><i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i> |     | X  |
| 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<br>(1) On the foundation (2) On foundation managers   |     |    |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers  |     |    |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?<br><i>If 'Yes,' attach a detailed description of the activities</i>   |     | 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? <i>If 'Yes,' attach a conformed copy of the changes</i>   |     | X  |
| 4 a 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?<br><i>If 'Yes,' attach the statement required by General Instruction T</i>   |     | X  |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either<br>• By language in the governing instrument, or<br>• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?                 | X   |    |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, col (c), and Part XV</i>   | X   |    |
| 8 a Enter the states to which the foundation reports or with which it is registered (see instructions)<br>NC – North Carolina   |     |    |
| 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? <i>If 'No,' attach explanation</i>  | 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)? <i>If 'Yes,' complete Part XIV</i>   |     | X  |
| 10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>  |     | X  |

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Form 990-PF (2015)

**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?<br>Website address . . . . . <u>N/A</u>   | 13 | X |   |
| 14 | The books are in care of <u>John A Singleton</u> Telephone no. <u>(336) 998-8233</u><br>Located at <u>602 Singleton Rd Mocksville NC</u> ZIP + 4 <u>27028</u>   |    |   |   |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/><br>and enter the amount of tax-exempt interest received or accrued during the year . . . . . <u>15</u>   |    |   |   |
| 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?<br>See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country <u></u> | 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 |
|-----|--|-----|----|
| 1 a | During the year did the foundation (either directly or indirectly).  |     |    |
| (1) | Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (2) | Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (3) | Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (4) | Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (5) | Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (6) | Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| b   | If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?<br>Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>  | 1 b |    |
| c   | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?  | 1 c | X  |
| 2   | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))  |     |    |
| a   | At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015?<br>If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>  |     |    |
| b   | Are there any years listed in 2a for which the foundation is <b>not</b> 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.)   | 2 b | X  |
| c   | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.<br><u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>  |     |    |
| 3 a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| b   | If 'Yes,' did it have excess business holdings in 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) | 3 b |    |
| 4 a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?  | 4 a | X  |
| b   | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?  | 4 b | X  |

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

5 a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No
- (3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 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)?

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?

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

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If 'Yes' to 6b, file Form 8870.

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes  No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

| (a) Name and address   | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|--|---|---|---|---------------------------------------|
| John A. Singleton<br>602 Singleton Road<br>Mocksville NC 27028 | Pres/Dir<br>1.00  | 6,500.                                    | 0.  | 0.                                    |
| James H. Evans, M.D.<br>228 Holly Lane<br>Mocksville NC 27028  | VP/Dir<br>1.00  | 3,400.                                    | 0.  | 0.                                    |
| Amelia G. Latham<br>2811 US HWY 64 East<br>Mocksville NC 27028 | Dir<br>1.00   | 1,000.                                    | 0.  | 0.                                    |
| See Information about Officers, Directors, Trustees, Etc.      |   | 2,000.                                    | 0.  | 0.                                    |

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

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

Total number of other employees paid over \$50,000 None



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

|          |   |            |    |
|----------|---|------------|----|
| <b>1</b> | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:          |            |    |
| <b>a</b> | Average monthly fair market value of securities . . . . .   | <b>1 a</b> |    |
| <b>b</b> | Average of monthly cash balances . . . . .  | <b>1 b</b> |    |
| <b>c</b> | Fair market value of all other assets (see instructions) . . . . .  | <b>1 c</b> |    |
| <b>d</b> | Total (add lines 1a, b, and c) . . . . .  | <b>1 d</b> |    |
| <b>e</b> | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . . | <b>1 e</b> |    |
| <b>2</b> | Acquisition indebtedness applicable to line 1 assets . . . . .  | <b>2</b>   |    |
| <b>3</b> | Subtract line 2 from line 1d . . . . .  | <b>3</b>   | 0. |
| <b>4</b> | Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions) . . . . . | <b>4</b>   | 0. |
| <b>5</b> | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 . . . . .      | <b>5</b>   | 0. |
| <b>6</b> | Minimum investment return. Enter 5% of line 5 . . . . .   | <b>6</b>   | 0. |

**Part XI** Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

|            |  |            |      |
|------------|--|------------|------|
| <b>1</b>   | Minimum investment return from Part X, line 6 . . . . .  | <b>1</b>   | 0.   |
| <b>2 a</b> | Tax on investment income for 2015 from Part VI, line 5 . . . . .   | <b>2 a</b> | 188. |
| <b>2 b</b> | Income tax for 2015. (This does not include the tax from Part VI.) . . . . .                                 | <b>2 b</b> |      |
| <b>2 c</b> | Add lines 2a and 2b . . . . .  | <b>2 c</b> | 188. |
| <b>3</b>   | Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .                              | <b>3</b>   | 0.   |
| <b>4</b>   | Recoveries of amounts treated as qualifying distributions . . . . .  | <b>4</b>   |      |
| <b>5</b>   | Add lines 3 and 4 . . . . .  | <b>5</b>   | 0.   |
| <b>6</b>   | Deduction from distributable amount (see instructions) . . . . .   | <b>6</b>   |      |
| <b>7</b>   | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 . . . . . | <b>7</b>   | 0.   |

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

|          |  |            |        |
|----------|--|------------|--------|
| <b>1</b> | Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes   |            |        |
| <b>a</b> | Expenses, contributions, gifts, etc — total from Part I, column (d), line 26 . . . . .   | <b>1 a</b> | 6,793. |
| <b>b</b> | Program-related investments — total from Part IX-B. . . . .  | <b>1 b</b> |        |
| <b>2</b> | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes . . . . .   | <b>2</b>   |        |
| <b>3</b> | Amounts set aside for specific charitable projects that satisfy the  |            |        |
| <b>a</b> | Suitability test (prior IRS approval required) . . . . .   | <b>3 a</b> |        |
| <b>b</b> | Cash distribution test (attach the required schedule) . . . . .  | <b>3 b</b> |        |
| <b>4</b> | Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .   | <b>4</b>   | 6,793. |
| <b>5</b> | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . . | <b>5</b>   | 188.   |
| <b>6</b> | Adjusted qualifying distributions. Subtract line 5 from line 4 . . . . .   | <b>6</b>   | 6,605. |

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

**Part XIII Undistributed Income** (see instructions)

|  | (a)<br>Corpus | (b)<br>Years prior to 2014 | (c)<br>2014 | (d)<br>2015 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2015 from Part XI, line 7 . . . . .   |               |                            |             | 0.          |
| 2 Undistributed income, if any, as of the end of 2015  |               |                            |             |             |
| a Enter amount for 2014 only . . . . .   |               |                            | 0.          |             |
| b Total for prior years 20__ , 20__ , 20__   |               |                            |             |             |
| 3 Excess distributions carryover, if any, to 2015  |               |                            |             |             |
| a From 2010 . . . . .  | 6,680.        |                            |             |             |
| b From 2011 . . . . .  | 6,919.        |                            |             |             |
| c From 2012 . . . . .  | 7,126.        |                            |             |             |
| d From 2013 . . . . .  | 7,564.        |                            |             |             |
| e From 2014 . . . . .  | 5,944.        |                            |             |             |
| f Total of lines 3a through e . . . . .  | 34,233.       |                            |             |             |
| 4 Qualifying distributions for 2015 from Part XII, line 4. ▶ \$ 6,793.   |               |                            |             |             |
| a Applied to 2014, but not more than line 2a . . . . .   |               |                            |             |             |
| b Applied to undistributed income of prior years (Election required — see instructions) . . . . .  |               |                            |             |             |
| c Treated as distributions out of corpus (Election required — see instructions) . . . . .  |               |                            |             |             |
| d Applied to 2015 distributable amount . . . . .   |               |                            |             |             |
| e Remaining amount distributed out of corpus . . . . .   | 6,793.        |                            |             |             |
| 5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a) )  |               |                            |             |             |
| 6 Enter the net total of each column as indicated below:   |               |                            |             |             |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .  | 41,026.       |                            |             |             |
| b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .   |               | 0.                         |             |             |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . . |               |                            |             |             |
| d Subtract line 6c from line 6b. Taxable amount — see instructions . . . . .   |               | 0.                         |             |             |
| e Undistributed income for 2014 Subtract line 4a from line 2a Taxable amount — see instructions . . . . .  |               |                            | 0.          |             |
| f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016 . . . . .  |               |                            |             | 0.          |
| 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) . . . . .       |               |                            |             |             |
| 8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions) . . . . .  | 6,680.        |                            |             |             |
| 9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a . . . . .  | 34,346.       |                            |             |             |
| 10 Analysis of line 9.   |               |                            |             |             |
| a Excess from 2011 . . . . .   | 6,919.        |                            |             |             |
| b Excess from 2012 . . . . .   | 7,126.        |                            |             |             |
| c Excess from 2013 . . . . .   | 7,564.        |                            |             |             |
| d Excess from 2014 . . . . .   | 5,944.        |                            |             |             |
| e Excess from 2015 . . . . .   | 6,793.        |                            |             |             |

**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)

|  | Tax year |          |          |          | (e) Total |
|--|----------|----------|----------|----------|-----------|
|  | (a) 2015 | (b) 2014 | (c) 2013 | (d) 2012 |           |
| <b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed                     |          |          |          |          |           |
| <b>b</b> 85% of line 2a  |          |          |          |          |           |
| <b>c</b> Qualifying distributions from Part XII, line 4 for each year listed   |          |          |          |          |           |
| <b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities   |          |          |          |          |           |
| <b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c                                   |          |          |          |          |           |
| <b>3</b> Complete 3a, b, or c for the alternative test relied upon.  |          |          |          |          |           |
| <b>a</b> 'Assets' alternative test — enter:  |          |          |          |          |           |
| <b>(1)</b> Value of all assets   |          |          |          |          |           |
| <b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)   |          |          |          |          |           |
| <b>b</b> 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed                              |          |          |          |          |           |
| <b>c</b> 'Support' alternative test — enter:   |          |          |          |          |           |
| <b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) |          |          |          |          |           |
| <b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)                                      |          |          |          |          |           |
| <b>(3)</b> Largest amount of support from an exempt organization   |          |          |          |          |           |
| <b>(4)</b> Gross investment income   |          |          |          |          |           |

**Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- 
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- 
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**
- Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed
- 
- b** The form in which applications should be submitted and information and materials they should include
- 
- c** Any submission deadlines.
- 
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

**Part XV** Supplementary Information (continued)

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

| Recipient<br>Name and address (home or business) | If recipient is an individual,<br>show any relationship to any<br>foundation manager or<br>substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount         |
|--|--|--------------------------------------|-------------------------------------|----------------|
| <p><i>a Paid during the year</i></p> <p>S/A</p>  |  |                                      |                                     | <p>78,000.</p> |
| <p><b>Total</b> . . . . . ▶ <b>3 a</b></p>       |  |                                      |                                     | <p>78,000.</p> |
| <p><i>b Approved for future payment</i></p>      |  |                                      |                                     |                |
| <p><b>Total</b> . . . . . ▶ <b>3 b</b></p>       |  |                                      |                                     |                |





Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

| Taxes        | Rev/Exp Book | Net Inv Inc | Adj Net Inc | Charity Disb |
|--------------|--------------|-------------|-------------|--------------|
| Excise Tax   | 600.         |             |             |              |
| Foreign Tax  | 360.         |             |             |              |
| <b>Total</b> | <u>960.</u>  |             |             |              |

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

**Other Increases Stmt**

|   |               |
|---|---------------|
| Excess of asset's value at end of year over its beginning of year value | <u>4,232.</u> |
| <b>Total</b>  | <u>4,232.</u> |

Form 990-PF, Page 2, Part III, Line 5

**Other Decreases Stmt**

|   |  |
|---|--|
| Decrease of asset's value at end of year over its beginning of year value |  |
| <b>Total</b>  |  |

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

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

| (a)<br>List and describe the kind(s) of property sold<br>(e.g., real estate, 2-story brick warehouse, or<br>common stock, 200 shares MLC Company) | (b)<br>How acquired<br>P – Purchase<br>D – Donation | (c)<br>Date acquired<br>(month,<br>day, year) | (d)<br>Date sold<br>(month,<br>day, year) |
|---|---|---|---|
| 9416.639 SH LORD ABBETT SECURITIES INTL DIVIDEND INCOME CL F  | P   | 12/22/14                                      | 01/06/16                                  |
| 1500 SH NEUBERGER BERMAN MLP INCOME FUND INC  | P   | 03/25/13                                      | 01/06/16                                  |
| 1892.952 SH RUSSELL US SMALL CAP EQUITY CL S  | P   | 12/24/14                                      | 01/06/16                                  |
| 339.575 SH JOHN HANCOCK GLOBAL ABSOLUTE RETURN STRAT CL I   | P   | 10/24/15                                      | 04/26/16                                  |
| 239.238 SH LORD ABBETT SECURITIES INTL DIVIDEND INCOME CL F   | P   | 01/04/16                                      | 01/06/16                                  |
| 152.891 SH RUSSELL US SMALL CAP EQUITY CL S   | P   | 12/22/15                                      | 01/06/16                                  |
| 4096 FT HI Div EQ Allc10 FECA   | P   | various                                       | 07/25/15                                  |
| 8247 FT HI DV EQ 19 FE CA   | P   | various                                       | 07/25/15                                  |

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

**Columns (e) thru (h)**

| (e)<br>Gross sales price | (f)<br>Depreciation allowed<br>(or allowable) | (g)<br>Cost or other basis<br>plus expense of sale | (h)<br>Gain or (loss)<br>(e) plus (f) minus (g) |
|--------------------------|---|--|---|
| 61,491.                  |   | 74,358.  | -12,867.  |
| 11,963.                  |   | 27,795.  | -15,832.  |
| 47,343.                  |   | 60,712.  | -13,369.  |
| 3,430.                   |   | 3,535.   | -105.   |
| 1,562.                   |   | 1,746.   | -184.   |

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income  
**Columns (e) thru (h)**

Continued

| (e)<br>Gross sales price | (f)<br>Depreciation allowed (or allowable) | (g)<br>Cost or other basis plus expense of sale | (h)<br>Gain or (loss) (e) plus (f) minus (g) |
|--------------------------|--|---|--|
| 3,824.                   |  | 3,919.  | -95.   |
| 844.                     |  | 844.  | 0.   |
| 3,552.                   |  | 3,552.  | 0.   |
| <b>Total</b>             |  | <u>176,461.</u>                                 | <u>-42,452.</u>                              |

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income  
**Columns (i) thru (l)**

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

| (i)<br>Fair Market Value as of 12/31/69 | (j)<br>Adjusted basis as of 12/31/69 | (k)<br>Excess of column (i) over column (j), if any | (l)<br>Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h)) |
|---|--------------------------------------|---|--|
|   |                                      |   | -12,867.   |
|   |                                      |   | -15,832.   |
|   |                                      |   | -13,369.   |
|   |                                      |   | -105.  |
|   |                                      |   | -184.  |
|   |                                      |   | -95.   |
|   |                                      |   | 0.   |
|   |                                      |   | 0.   |
| <b>Total</b>                            |                                      |   | <u>-42,452.</u>  |

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

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

| (a)<br>Name and address   | (b)<br>Title, and average hours per week devoted to position | (c)<br>Compensation (if not paid, enter -0-) | (d)<br>Contributions to employee benefit plans and deferred compensation | (e)<br>Expense account, other allowances |
|---|--|--|--|--|
| Person.. <input checked="" type="checkbox"/> Business . <input type="checkbox"/><br>Michelle Lee Fishel Myers<br>875 Rainbow Road<br>Advance NC 27006 | Dir<br>1.00  | 1,000.                                       | 0.   | 0.                                       |
| Person.. <input checked="" type="checkbox"/> Business . <input type="checkbox"/><br>Jasen G. McDaniel<br>220 Broadway Rd<br>Mocksville NC 27028       | Dir<br>1.00  | 1,000.                                       | 0.   | 0.                                       |

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

Continued

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

| (a)<br>Name and address | (b)<br>Title, and<br>average hours<br>per week<br>devoted to<br>position | (c)<br>Compensation<br>(if not paid,<br>enter -0-) | (d)<br>Contributions<br>to employee<br>benefit plans<br>and deferred<br>compensation | (e)<br>Expense<br>account, other<br>allowances |
|-------------------------|--|--|--|--|
|-------------------------|--|--|--|--|

Total

2,000.0.0.

Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

| Name of<br>Provider     | Type of Service<br>Provided | Amount<br>Paid<br>Per Books | Net<br>Investment<br>Income | Adjusted<br>Net<br>Income | Disbursements<br>for Charitable<br>Purposes |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|---|
| Barr/Michael, CPA, P.A. | Preparation of Form 990-PF  | 1,650.                      |                             |                           |   |

Total

1,650.

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

**L-10b Stmt**

| Line 10b - Investments - Corporate Stock: | End of Year     |                      |
|---|-----------------|----------------------|
|   | Book<br>Value   | Fair Market<br>Value |
| S/A                                       | 172,731.        | 172,731.             |
| Total                                     | <u>172,731.</u> | <u>172,731.</u>      |

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

**L-13 Stmt**

| Line 13 - Investments - Other: | End of Year       |                      |
|--------------------------------|-------------------|----------------------|
|                                | Book<br>Value     | Fair Market<br>Value |
| Mutual Funds - S/A             | 929,458.          | 929,458.             |
| Unit Investment Trust - S/A    | 186,290.          | 186,290.             |
| Total                          | <u>1,115,748.</u> | <u>1,115,748.</u>    |

Account Holdings as of June 30, 2016

Part II, Line 1.

CASH AND CASH EQUIVALENTS

| Description                            | Current Balance    |
|--|--------------------|
| Cash                                   | \$85,258.76        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b> | <b>\$85,258.76</b> |

Part II, 10b.

EQUITIES AND OPTIONS

| Date Acquired                     | Description/SecurityID                | Quantity | Price   | Market Value        | Unit Cost | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>a</sup> | Estimated<br>30-Day Yield <sup>a</sup> |
|-----------------------------------|---------------------------------------|----------|---------|---------------------|-----------|---|----------------------------|---|--|
| 08/11/15                          | ALTRIA GROUP INC C<br>MO              | 500      | \$68.96 | \$34,480.00         | \$55.7999 | \$27,899.95<br>27,899.95                  | \$6,580.05                 | \$1,130                                 | 3.28%                                  |
| 08/11/15                          | APPLE INC C<br>AAPL                   | 200      | 95.60   | 19,120.00           | 115.4870  | 23,097.40<br>23,097.40                    | -3,977.40                  | 456                                     | 2.38%                                  |
| 02/07/14                          | AT&T INC C<br>T                       | 1,000    | 43.21   | 43,210.00           | 32.2051   | 32,205.10                                 | 11,004.90                  | 1,920                                   | 4.44%                                  |
| 10/22/14                          | BANK AMERICA CORP C<br>BAC            | 1,000    | 13.27   | 13,270.00           | 16.4351   | 16,435.10                                 | -3,165.10                  | 200                                     | 1.51%                                  |
| 10/22/14                          | DOW CHEMICAL COMPANY C<br>DOW         | 500      | 49.71   | 24,855.00           | 47.9552   | 23,977.60                                 | 877.40                     | 920                                     | 3.70%                                  |
| 06/14/12                          | QWEST CORP C<br>SR UNSEC NT 7%<br>CTU | 1,000    | 26.07   | 26,070.00           | 25.0000   | 25,000.00                                 | 1,070.00                   | 1,750                                   | 6.71%                                  |
| 02/24/14                          | VERIZON COMMUNICATIONS C<br>INC<br>VZ | 210      | 55.84   | 11,726.40           | 48.1150   | 10,104.15                                 | 1,622.25                   | 474                                     | 4.05%                                  |
| <b>TOTAL EQUITIES AND OPTIONS</b> |                                       |          |         | <b>\$172,731.40</b> |           | <b>\$158,719.30</b><br><b>\$50,997.35</b> | <b>\$14,012.10</b>         | <b>\$6,850</b>                          |  |

<sup>c</sup> Dividends and/or capital gains distributed by this security will be distributed as cash.

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>a</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of June 30, 2016

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS

| Date Acquired          | Description/SecurityID                                       | Quantity        | Price   | Market Value     | Unit Cost    | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>2</sup> | Estimated<br>30-Day Yield <sup>2</sup> |
|------------------------|--|-----------------|---------|------------------|--------------|---|----------------------------|---|--|
| 05/28/13<br>Transfers  | CAPITAL R<br>INCOME BUILDER<br>CL F2<br>CAIFX                | 874.279         | \$58.76 | \$51,372.63      | \$57.19      | \$50,000.00                               | \$1,372.63                 | \$1,841                                 | 3.58%                                  |
| 09/17/15*<br>Purchases |  | 33.479          |         | 1,967.23         | 56.45        | 1,890.03                                  | 77.20                      | 69                                      |  |
| <b>Total</b>           |  | <b>907.758</b>  |         | <b>53,339.86</b> | <b>57.16</b> | <b>51,890.03</b>                          | <b>1,449.83</b>            | <b>1,910</b>                            |  |
| 01/26/09*<br>Transfers | FIDELITY ADVISOR R<br>STRATEGIC REAL RETURN<br>CL T<br>FSRTX | 6,073.932       | 8.84    | 53,693.55        | 8.23         | 50,015.00                                 | 3,678.55                   | 728                                     | 1.36%                                  |
| 12/21/09*<br>Purchases |  | 320.658         |         | 2,834.62         | 8.87         | 2,844.30                                  | -9.68                      | 33                                      |  |
| <b>Total</b>           |  | <b>6,394.59</b> |         | <b>56,528.17</b> | <b>8.27</b>  | <b>52,859.30</b>                          | <b>3,668.87</b>            | <b>761</b>                              |  |
| 04/09/15*<br>Transfers | FIRST TRUST<br>DORSEY WRIGHT FOCUS<br>5 ETF<br>FV            | 1,000           | 22.36   | 22,360.00        | 24.17        | 24,167.50                                 | -1,807.50                  | 40                                      | 0.18%                                  |
| 07/10/08*<br>Transfers | FRANKLIN B<br>INCOME<br>ADVISOR CL<br>FRIAX                  | 23,396.078      | 2.16    | 50,535.52        | 2.47         | 57,844.93                                 | -7,309.41                  | 2,877                                   | 5.69%                                  |

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 5

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>2</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated

Account Holdings as of June 30, 2016

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)

| Date Acquired   | Description/SecurityID                                   | Quantity          | Price | Market Value     | Unit Cost    | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>a</sup> | Estimated<br>30-Day Yield <sup>a</sup> |
|---|--|-------------------|-------|------------------|--------------|---|----------------------------|---|--|
| 07/06/15*   | FRANKLIN (continued)<br>Purchases                        | 1,157,008         |       | 2,499.14         | 2.12         | 2,454.56                                  | 44.58                      | 137                                     |  |
| <b>Total</b>  |  | <b>24,553,086</b> |       | <b>53,034.66</b> | <b>2.46</b>  | <b>60,299.49</b>                          | <b>-7,264.83</b>           | <b>3,014</b>                            |  |
| 05/13/10  | FUNDAMENTAL INVESTORS R<br>CL F2<br>FINFX                | 863,896           | 51.95 | 44,879.40        | 34.74        | 30,014.22                                 | 14,865.18                  | 605                                     | 1.35%                                  |
| 06/10/10*   | Purchases  | 234,094           |       | 12,161.18        | 48.73        | 11,407.31                                 | 753.87                     | 148                                     |  |
| <b>Total</b>  |  | <b>1,097,990</b>  |       | <b>57,040.58</b> | <b>37.72</b> | <b>41,421.53</b>                          | <b>15,619.05</b>           | <b>753</b>                              |  |
| 09/23/13  | GOLDMAN SACHS B<br>STRATEGIC INCOME<br>INSTL CL<br>GSZIX | 4,761,905         | 9.37  | 44,619.05        | 10.50        | 50,000.00                                 | -5,380.95                  | 2,080                                   | 4.66%                                  |
| 07/01/15*   | Purchases  | 182,915           |       | 1,713.91         | 9.70         | 1,775.04                                  | -61.13                     | 74                                      |  |
| <b>Total</b>  |  | <b>4,944,820</b>  |       | <b>46,332.96</b> | <b>10.47</b> | <b>51,775.04</b>                          | <b>-5,442.08</b>           | <b>2,154</b>                            |  |
| 10/14/11*   | INCOME FUND OF AMERICA R<br>CL F2<br>AMEFX               | 5,599,568         | 21.22 | 118,822.83       | 17.86        | 100,015.00                                | 18,807.83                  | 3,885                                   | 3.27%                                  |
| <b>MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 6</b> |  |                   |       |                  |              |   |                            |   |  |

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>a</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of June 30, 2016

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)

| Date Acquired | Description/SecurityID                               | Quantity          | Price | Market Value      | Unit Cost    | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>a</sup> | Estimated<br>30-Day Yield <sup>a</sup> |
|---------------|--|-------------------|-------|-------------------|--------------|---|----------------------------|---|--|
| 09/17/15*     | INCOME FUND OF AMERICA (continued)<br>Purchases      | 299,901           |       | 6,363.90          | 20.23        | 6,067.60                                  | 296.30                     | 207                                     |  |
| <b>Total</b>  |  | <b>5,899,469</b>  |       | <b>125,186.73</b> | <b>17.98</b> | <b>106,082.60</b>                         | <b>19,104.13</b>           | <b>4,092</b>                            |  |
| 10/22/14      | INVESTMENT COMPANY OF R<br>AMERICA CL FZ<br>ICAFX    | 1,287,333         | 35.44 | 45,623.08         | 38.84        | 50,000.00                                 | -4,376.92                  | 827                                     | 1.81%                                  |
| 12/24/14*     | Purchases  | 252,251           |       | 8,939.77          | 35.14        | 8,864.98                                  | 74.79                      | 158                                     |  |
| <b>Total</b>  |  | <b>1,539,584</b>  |       | <b>54,562.85</b>  | <b>38.23</b> | <b>58,864.98</b>                          | <b>-4,302.13</b>           | <b>985</b>                              |  |
| 06/10/10      | LORD ABBETT <sup>®</sup><br>INCOME<br>CL F<br>LAUFEX | 21,582,734        | 2.80  | 60,431.65         | 2.78         | 60,007.50                                 | 424.15                     | 2,697                                   | 4.46%                                  |
| 12/19/11*     | Purchases  | 25,804,811        |       | 72,253.47         | 2.67         | 68,900.34<br>63,052.88                    | 3,353.13                   | 3,217                                   |  |
| <b>Total</b>  |  | <b>47,387,545</b> |       | <b>132,685.12</b> | <b>2.72</b>  | <b>128,907.84</b><br><b>63,052.88</b>     | <b>3,777.28</b>            | <b>5,914</b>                            |  |
| 02/26/10      | NEW PERSPECTIVE R<br>CL A<br>ANWPX                   | 850,159           | 35.40 | 30,095.63         | 24.77        | 21,058.43                                 | 9,037.20                   | 221                                     | 0.73%                                  |

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 7

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>a</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of June 30, 2016

| MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)               |   |                   |       |                   |              |   |                            |   |  |
|---|---|-------------------|-------|-------------------|--------------|---|----------------------------|---|--|
| Date Acquired   | Description/SecurityID                                      | Quantity          | Price | Market Value      | Unit Cost    | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>a</sup> | Estimated<br>30-Day Yield <sup>a</sup> |
| 12/24/15*   | NEW PERSPECTIVE (continued)                                 | 51,862            |       | 1,835.91          | 36.23        | 1,878.94                                  | -43.03                     | 12                                      |  |
| <b>Total</b>  |   | <b>902,021</b>    |       | <b>31,931.54</b>  | <b>25.43</b> | <b>22,937.37</b>                          | <b>8,994.17</b>            | <b>233</b>                              |  |
| 07/27/10  | TORTOISE MLP FUND INC<br>NTG                                | 1,000             | 18.45 | 18,450.00         | 19.37        | 19,374.89                                 | -924.89                    | 1,690                                   | 9.16%                                  |
| 10/23/09  | TRANSAMERICA B<br>FLEXIBLE INCOME<br>CL I<br>TFXX           | 5,747,645         | 9.24  | 53,108.24         | 8.70         | 50,007.50                                 | 3,100.74                   | 2,023                                   | 3.81%                                  |
| 06/25/15*   | Purchases   | 11,129,218        |       | 102,833.97        | 9.14         | 101,720.69<br>100,000.00                  | 1,113.28                   | 3,911                                   |  |
| <b>Total</b>  |   | <b>16,876,863</b> |       | <b>155,942.21</b> | <b>8.99</b>  | <b>151,728.19</b><br><b>100,000.00</b>    | <b>4,214.02</b>            | <b>5,934</b>                            | <b>2.85%</b>                           |
| 08/13/13  | VANGUARD R<br>TOTAL INTL STOCK INDEX<br>ADMIRAL CL<br>VTIAX | 950,527           | 23.89 | 22,708.08         | 26.30        | 25,000.00                                 | -2,291.92                  | 647                                     |  |
| 06/26/15*   | Purchases   | 37,691            |       | 900.44            | 24.79        | 934.26                                    | -33.82                     | 24                                      |  |
| <b>Total</b>  |   | <b>988,218</b>    |       | <b>23,608.52</b>  | <b>26.24</b> | <b>25,934.26</b>                          | <b>-2,325.74</b>           | <b>671</b>                              |  |
| 09/23/13  | VANGUARD FTSE EMERGING<br>MARKETS ETF<br>VWO                | 1,000             | 35.23 | 35,230.00         | 41.56        | 41,557.00                                 | -6,327.00                  | 1,052                                   | 2.99%                                  |
| <b>MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 8</b> |   |                   |       |                   |              |   |                            |   |  |

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>a</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of June 30, 2016

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)

| Date Acquired  | Description/SecurityID                   | Quantity | Price | Market Value | Unit Cost | Cost Basis/<br>Purchase Cost <sup>1</sup> | Unrealized<br>Gain or Loss | Estimated<br>Annual Income <sup>a</sup> | Estimated<br>30-Day Yield <sup>a</sup> |
|--|--|----------|-------|--------------|-----------|---|----------------------------|---|--|
| 01/06/16   | VANGUARD TOTAL BOND<br>MARKET ETF<br>BND | 750      | 84.30 | 63,225.00    | 81.06     | 60,794.93<br>60,794.93                    | 2,430.07                   | 1,518                                   | 2.40%                                  |
| <b>TOTAL MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS</b> |  |          |       |              |           |   | <b>\$929,458.20</b>        | <b>\$30,863.25</b>                      | <b>\$30,721</b>                        |

- \* Date of Earliest Acquisition
- R Dividends and/or capital gains distributed by this security will be reinvested.
- B Dividends and/or capital gains distributed by this security will be partially reinvested and partially distributed as cash.

UNIT INVESTMENT TRUSTS

| Date Acquired | Description/SecurityID   | Quantity | Price    | Market Value | Unit Cost | Cost Basis  | Unrealized<br>Gain or Loss | Accrued<br>Interest | Estimated<br>Annual Income |
|---------------|--|----------|----------|--------------|-----------|-------------|----------------------------|---------------------|----------------------------|
| 04/28/15      | FIRST TRUST<br>CAPITAL STRENGTH 28<br>SA FE CA<br>30285R459    | 5,983    | \$8.9386 | \$53,479.64  | \$9.94    | \$59,488.37 | -\$6,008.73                | —                   | \$889                      |
| 06/28/16      | FIRST TRUST<br>60/40 STRAT ALLOC 2Q16<br>MO FE CA<br>30288G575 | 8,026    | 9.9179   | 79,601.06    | 9.70      | 77,885.11   | 1,715.95                   | —                   | 2,053                      |
| 08/20/08      | VAN KAMPEN<br>INSURED INCOME TR 78<br>MO<br>92114K220          | 5        | 615.54   | 3,077.70     | 547.71    | 2,738.55    | 339.15                     | —                   | 134                        |
| 08/14/08      | VAN KAMPEN<br>INSURED INCOME TR 95<br>MO<br>92114K568          | 25       | 789.96   | 19,749.00    | 698.92    | 17,473.00   | 2,276.00                   | —                   | 877                        |

UNIT INVESTMENT TRUSTS continue on page 9

<sup>1</sup> Purchase Cost equals Cost Basis of Equities and Mutual Funds less any reinvested dividends and interest.  
<sup>a</sup> Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of June 30, 2016

UNIT INVESTMENT TRUSTS (continued)

| Date Acquired                              | Description/SecurityID                        | Quantity | Price  | Market Value | Unit Cost             | Cost Basis                                       | Unrealized Gain or Loss            | Accrued Interest                   | Estimated Annual Income |
|--|---|----------|--------|--------------|-----------------------|--|------------------------------------|------------------------------------|-------------------------|
| 12/10/08                                   | VAN KAMPEN INSURED INCOME TR 116 MO 921168202 | 30       | 200.88 | 6,026.40     | 150.44                | 4,513.20   | 1,513.20                           | —                                  | 276                     |
| 08/20/08                                   | VAN KAMPEN INSURED INCOME TR 124 MO 921168368 | 10       | 768.30 | 7,683.00     | 739.32                | 7,393.20   | 289.80                             | —                                  | 381                     |
| 12/10/08                                   | VAN KAMPEN INSURED INCOME TR 157 MO 92116E826 | 20       | 833.68 | 16,673.60    | 824.69                | 16,493.71  | 179.89                             | —                                  | 896                     |
| <b>TOTAL UNIT INVESTMENT TRUSTS</b>        |   |          |        |              |                       | <b>\$185,985.14</b>                              | <b>\$305.26</b>                    | <b>—</b>                           | <b>\$5,506</b>          |
| <b>Value of Your LPL Financial Account</b> |   |          |        |              | <b>Market Value</b>   | <b>Cost Basis/<br/>Purchase Cost<sup>2</sup></b> | <b>Unrealized<br/>Gain or Loss</b> | <b>Estimated<br/>Annual Income</b> |                         |
|  |   |          |        |              | <b>\$1,373,738.76</b> | <b>\$1,326,558.15</b>                            | <b>\$45,180.61</b>                 | <b>\$43,077</b>                    |                         |
|  |   |          |        |              |                       | <b>\$360,103.92</b>                              |                                    |                                    |                         |

<sup>2</sup> Purchase Cost equals Cost Basis less any reinvested dividends, interest, fixed income and alternative investments

Smith and Davis Foundation, Inc.  
EIN: 26-2873407

Part XV  
Line 3a

| <u>Recipient</u>                           | <u>Purpose</u> | <u>Amount</u> |
|--|----------------|---------------|
| Cooleemee Historical Association           | 2, Services    | \$ 4,000      |
| Cooleemee Civitan                          | 2, Services    | 3,000         |
| Davie County - Law Enforcement             | 2, Services    | 3,000         |
| NC State Univ. - McDaniel                  | 2, Scholarship | 1,500         |
| Forsyth Tech Community College - Grannaman | 2, Scholarship | 1,500         |
| East Carolina Univ - Lagle                 | 2, Scholarship | 3,000         |
| UNCG - Taylor                              | 2, Scholarship | 3,000         |
| Surry Community College - Lockhart         | 2, Scholarship | 3,000         |
| Davidson Community College - Neely         | 2, Scholarship | 3,000         |
| UNCG - Jones                               | 2, Scholarship | 4,500         |
| WCU - Stephens                             | 2, Scholarship | 3,000         |
| Cooleemee Fire Department                  | 3, Services    | 4,000         |
| The Dragon Fly House Childrens Advocacy    | 3, Services    | 6,000         |
| Cherry Hill Church Rest Inc                | 3, Services    | 13,500        |
| First Baptist Church- Cooleemee            | 3, Services    | 4,000         |
| Franklin Presbyterian Church               | 3, Services    | 5,500         |
| Farmer Christian Academy                   | 3, Services    | 1,500         |
| Smith Grove Ruritan                        | 3, Services    | 7,000         |
| Special Olympics                           | 3, Services    | 4,000         |
|  |                | <hr/>         |
|  |                | \$ 78,000     |

Notes:

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

All churches located in or near Davie County, NC.