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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

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

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

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning

, 2016, and ending

, 20

Name of foundation SMITH, PETE AND SALLY FOUNDATION		A Employer identification number 46-4350560
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) 855-834-0350
1525 W W.T. HARRIS BLVD. D1114-044		
City or town, state or province, country, and ZIP or foreign postal code CHARLOTTE, NC 28262		
G Check all that apply.		C If exemption application is pending, check here <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	D 1. Foreign organizations, check here <input type="checkbox"/>
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input checked="" type="checkbox"/> Address change	<input type="checkbox"/> Name change	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 6,967,169.		
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(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 (attach schedule)					
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B.					
3 Interest on savings and temporary cash investments		287.	287.		STMT 1
4 Dividends and interest from securities		88,564.	85,301.		STMT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		22,434.			
b Gross sales price for all assets on line 6a 352,589.					
7 Capital gain net income (from Part IV, line 2) .			22,434.		
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) (attach schedule)					
11 Other income (attach schedule)		258,275.	258,275.		STMT 3
12 Total. Add lines 1 through 11		369,560.	366,297.		
13 Compensation of officers, directors, trustees, etc. . .		81,884.	60,833.		21,051.
14 Other employee salaries and wages			NONE	NONE	
15 Pension plans, employee benefits			NONE	NONE	
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule) STMT. 4		1,000.	NONE	NONE	1,000.
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see instructions) STMT. 5		1,617.	1,617.		
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings			NONE	NONE	
22 Printing and publications			NONE	NONE	
23 Other expenses (attach schedule) STMT. 6		30,760.	30,760.		
24 Total operating and administrative expenses. Add lines 13 through 23.		115,261.	93,210.	NONE	22,051.
25 Contributions, gifts, grants paid		325,000.			325,000.
26 Total expenses and disbursements. Add lines 24 and 25		440,261.	93,210.	NONE	347,051.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		-70,701.			
b Net investment income (if negative, enter -0-)			273,087.		
c Adjusted net income (if negative, enter -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				
	2	Savings and temporary cash investments		522,754.	538,543.	538,543.
	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 schedule) ▶				
		Less allowance for doubtful accounts ▶	NONE			
	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) . STMT 7		3,410,389.	3,256,971.	4,320,059.
	c	Investments - corporate bonds (attach schedule) . STMT 8		731,092.	842,000.	833,737.
	11	Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) ▶					
12	Investments - mortgage loans					
13	Investments - other (attach schedule) STMT 9		1.	1.	1,274,830.	
14	Land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		4,664,236.	4,637,515.	6,967,169.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
22	Other liabilities (describe ▶)					
23	Total liabilities (add lines 17 through 22)				NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		4,664,236.	4,637,515.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)		4,664,236.	4,637,515.	
	31	Total liabilities and net assets/fund balances (see instructions)		4,664,236.	4,637,515.	

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	4,664,236.
2	Enter amount from Part I, line 27a	2	-70,701.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 10	3	68,719.
4	Add lines 1, 2, and 3	4	4,662,254.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 11	5	24,739.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,637,515.

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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.)**1 a PUBLICLY TRADED SECURITIES**

b			
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 352,589.		330,155.	22,434.
b			
c			
d			
e			

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			22,434.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	22,434.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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))
2015	256,003.	6,817,495.	0.037551
2014	57,929.	6,639,822.	0.008724
2013	NONE	3,339,825.	NONE
2012			
2011			

2 Total of line 1, column (d)	2	0.046275
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years.	3	0.015425
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	7,798,235.
5 Multiply line 4 by line 3.	5	120,288.
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	2,731.
7 Add lines 5 and 6.	7	123,019.
8 Enter qualifying distributions from Part XII, line 4. 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.	8	347,051.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		
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	2,731.
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	
3	Add lines 1 and 2	3	2,731.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,731.
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	4,348.
b	Exempt foreign organizations - tax withheld at source	6b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	4,348.
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	1,617.
11	Enter the amount of line 10 to be Credited to 2017 estimated tax <input type="checkbox"/> 1,617. Refunded <input type="checkbox"/> 11	11	

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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> SC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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)		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	X	
14 The books are in care of <u>SEE STATEMENT 12</u> Telephone no <u></u> Located at <u></u> ZIP+4 <u></u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u></u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>		
16 At any time during calendar year 2016, 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?		X
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country <u></u>		

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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)?	1b	
Organizations relying on a current notice regarding disaster assistance check here <u></u>		
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 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <u></u>		
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)	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u></u>		
3a 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 2016 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 2016)	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 2016?	4b	X

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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 ☒ Nob If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

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

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

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 13		81,884.		

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		NONE	NONE	NONE

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over \$50,000 for professional services ►		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	NONE	
2		
3		
4		

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 <u>NONE</u>	
2	
All other program-related investments See instructions	
3 <u>NONE</u>	
Total. Add lines 1 through 3	

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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	7,274,593.
b	Average of monthly cash balances	1b	642,397.
c	Fair market value of all other assets (see instructions).	1c	NONE
d	Total (add lines 1a, b, and c)	1d	7,916,990.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	7,916,990.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	118,755.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,798,235.
6	Minimum investment return. Enter 5% of line 5	6	389,912.

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	389,912.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	2,731.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,731.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	387,181.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	387,181.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	387,181.

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	347,051.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	347,051.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	2,731.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	344,320.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				387,181.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only,			333,591.	
b Total for prior years 20 <u>14</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2016				
a From 2011	NONE			
b From 2012	NONE			
c From 2013	NONE			
d From 2014	NONE			
e From 2015	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>347,051.</u>				
a Applied to 2015, but not more than line 2a . . .			333,591.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2016 distributable amount				13,460.
e Remaining amount distributed out of corpus . .	NONE			
5 Excess distributions carryover applied to 2016 . (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b.		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017.				373,721.
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)	NONE			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . .	NONE			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2012 . . .	NONE			
b Excess from 2013 . . .	NONE			
c Excess from 2014 . . .	NONE			
d Excess from 2015 . . .	NONE			
e Excess from 2016 . . .	NONE			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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)

2a 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. Subtract line 2d from line 2c

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(j)(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(j)(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).)

N/A

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.

N/A

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 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
a Paid during the year SEE STATEMENT 17				325,000.
Total ▶ 3a				325,000.
b Approved for future payment				
Total ▶ 3b				

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount		
1 Program service revenue						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	287.		
4 Dividends and interest from securities			14	88,564.		
5 Net rental income or (loss) from real estate						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property .						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory			18	22,434.		
9 Net income or (loss) from special events . . .						
10 Gross profit or (loss) from sales of inventory . .						
11 Other revenue a _____						
b ANADARKO CONS LLC			4	258,275.		
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)				369,560.		
13 Total. Add line 12, columns (b), (d), and (e)				13		369,560.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
SECURED MARKET DEPOSIT ACCOUNT	287.	287.
	-----	-----
TOTAL	287.	287.
	=====	=====

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
AQR MANAGED FUTURES STR-I #15213	18.	18.
ARTISAN INTERNATIONAL FD INS #662	3,499.	3,499.
ABERDEEN GLOBAL HIGH INCOME FD #5497	937.	937.
DODGE & COX INT'L STOCK FD #1048	6,139.	6,139.
FID ADV EMER MKTS INC- CL I #607	8,199.	8,199.
JP MORGAN MID CAP VALUE-I #758	167.	167.
GOLDMAN SACHS L/C VALUE-I #1216	3,990.	3,990.
ISHARES CORE S & P 500 ETF	10,526.	10,526.
ISHARES MSCI EAFE ETF	1,239.	1,239.
ISHARES RUSSELL MID-CAP ETF	3,897.	3,897.
ISHARES RUSSELL 2000 ETF	2,810.	2,810.
JPMORGAN HIGH YIELD FUND SS #3580	6,651.	6,651.
OPPENHEIMER DEVELOPING MKT-I #799	1,654.	1,654.
PIMCO LOW DURATION FD I #36	1,462.	1,184.
PIMCO FOREIGN BD FD USD H-INST #103	825.	686.
T ROWE PRICE BLUE CHIP GRWTH #93	141.	141.
T ROWE PRICE SHORT TERM BD FD #55	4,881.	4,421.
T ROWE PRICE INST FLOAT RATE #170	2,610.	2,610.
SPDR DJ WILSHIRE INTERNATIONAL REAL	12,676.	12,676.
SPDR DOW JONES REIT ETF	3,350.	3,350.
TOUCHSTONE MID CAP FD Y #354	182.	182.
VANGUARD FTSE EMERGING MARKETS ETF	4,186.	4,186.
VANGUARD REIT VIPER	7,686.	5,300.
DIMIT COUNTY, TX 320 AC IN THE	839.	839.
	-----	-----
TOTAL	88,564.	85,301.
	=====	=====

SMITH, PETE AND SALLY FOUNDATION

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FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
ANADARKO CONSOLIDATED LLC	258,275.	258,275.
	-----	-----
TOTALS	258,275.	258,275.
	=====	=====

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE (NON-ALLOC	1,000.			1,000.
TOTALS	1,000.	NONE	NONE	1,000.

FORM 990PF, PART I - TAXES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
FOREIGN TAX	1,014.	1,014.
FOREIGN TAX -NONQ	574.	574.
STATE TAX	29.	29.
	-----	-----
TOTALS	1,617.	1,617.
	=====	=====

SMITH, PETE AND SALLY FOUNDATION

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FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
MINERAL INT PRODUCTION TAX	3,644.	3,644.
MINERAL INT FEES	15,775.	15,775.
MINERAL INT AD-VALOREM TAX	5,949.	5,949.
MINERAL ASSETS EXPENSE	5,392.	5,392.
TOTALS	30,760.	30,760.
	=====	=====

SMITH, PETE AND SALLY FOUNDATION

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FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
464287200 ISHARES CORE S & P 5	317,233.	298,651.	523,552.
464287465 ISHARES MSCI EAFE ET	52,549.	41,641.	37,813.
464287499 ISHARES RUSSELL MID-	202,636.	202,636.	226,794.
464287655 ISHARES RUSSELL 2000	218,057.	160,283.	189,734.
63872T885 ASG GLOBAL ALTERNATI	36,952.		
74925K581 BOSTON P LNG/SHRT RE	209,073.	209,073.	226,242.
779572106 T ROWE PRICE SMALL C	12,542.		
89155H793 TOUCHSTONE MID CAP F	11,678.	11,678.	31,191.
00203H859 AQR MANAGED FUTURES	250,000.	125,553.	102,737.
04314H600 ARTISAN MID CAP FUND	82,137.	82,137.	63,620.
256206103 DODGE & COX INT'L ST	295,000.	295,000.	260,159.
38142Y773 GOLDMAN SACHS L/C VA	200,000.	200,000.	191,518.
683974604 OPPENHEIMER DEVELOPI	222,443.	222,443.	185,305.
77954Q106 T ROWE PRICE BLUE CH	200,000.	200,000.	204,719.
78463X863 SPDR DJ WILSHIRE INT	168,431.	168,431.	140,459.
922042858 VANGUARD FTSE EMERGI	175,537.	175,537.	148,916.
922908553 VANGUARD REIT VIPER	176,983.	174,863.	185,858.
9WB116375 LAKE SITES INC COM *	225,375.	225,375.	1,159,000.
04314H402 ARTISAN INTERNATIONAL	260,663.	260,663.	233,077.
339128100 JP MORGAN MID CAP VA	18,116.	18,116.	17,244.
78464A607 SPDR DOW JONES REIT	74,984.	74,984.	76,267.
47803M168 JOHN HANCOCK II-ABSL	74,984.	109,907.	115,854.
TOTALS	3,410,389.	3,256,971.	4,320,059.

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART II - CORPORATE BONDS
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
04315J860 ABERDEEN GLOBAL HIGH	69,974.		
4812C0803 JPMORGAN HIGH YIELD	51,499.	151,381.	151,679.
77957P105 T ROWE PRICE SHORT T	262,587.	343,587.	339,861.
315920702 FID ADV EMER MKTS IN	148,888.	148,888.	148,669.
693390304 PIMCO LOW DURATION F	76,583.	76,583.	73,024.
693390882 PIMCO FOREIGN BD FD	61,561.	61,561.	59,903.
77958B402 T ROWE PRICE INST FL	60,000.	60,000.	60,601.
	-----	-----	-----
TOTALS	731,092.	842,000.	833,737.
	=====	=====	=====

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART II - OTHER INVESTMENTS
=====

DESCRIPTION	COST/ FMV C OR F	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
-----	-----	-----	-----	---
99RE65477 DIMMIT COUNTY, TX 32	C	1.	1.	1,274,830.
TOTALS		1.	1.	1,274,830.
		=====	=====	=====

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

=====

DESCRIPTION

AMOUNT

MUTUAL FUND POSTING NEXT TYE EFFECTIVE CURRENT TYE
ANADARKO LLC ADJUSTMENT
ASDJUSTMENT 990T

23,999.

5,784.

38,936.

TOTAL

68,719.

=====

STATEMENT 10

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
-----	-----
MUTUAL FUND POST CURRENT EFEC PREV TYE	22,618.
RETURN OF CAPITAL	2,120.
ROUNDING	1.

TOTAL	24,739.
	=====

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: WELLS FARGO BANK NA

ADDRESS: 100 N MAIN ST FL6 D4001-065
WINSTON SALEM, NC 27101-3818

TELEPHONE NUMBER: (855)834-0350

STATEMENT 12

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

OFFICER NAME:

WELLS FARGO BANK NA

ADDRESS:

1525 W WT HARRIS BLVD D1114-044

CHARLOTTE, NC 28262

TITLE:

TRUSTEE

COMPENSATION

67,592.

COMPENSATION EXPLANATION:

TRUSTEE FEE

SEE ATTACHED

OFFICER NAME:

WELLS FARGO BANK, NA

ADDRESS:

1525 W WTH hARRIS bLVD

CHARLOTTE, NC 28262

TITLE:

TRUSTEE

COMPENSATION

14,292.

COMPENSATION EXPLANATION:

GRANT ADMIN FEE

SEE ATTACHED FOOTNOTE

TOTAL COMPENSATION:

81,884.

=====

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:

OCONEE MEMORIAL HOSPITAL FOUNDATION

ADDRESS:

298 MEMORIAL DR

SENECA, SC 29672

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

NAMASTE CARE AT LILA DOYLE LTC FACILITY

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 20,000.

RECIPIENT NAME:

CLEMSON UNIVERSITY FOUNDATION

ADDRESS:

155 OLD GREENVILLE HWY

CLEMSON, SC 29631

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

CONSERVATION PROJECTS

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 130,000.

RECIPIENT NAME:

CANCER SOCIETY OF GREENVILLE COUNTY

ADDRESS:

113 MILLS AVENUE

GREENVILLE, SC 29605

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

MEDICAL RESEARCH

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 2,500.

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID
=====

RECIPIENT NAME:

TRI-COUNTY TECHNICAL COLLEGE FDN, INC

ADDRESS:

POB 587

PENDLETON, SC 29670

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

SCHOLARSHIPS

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 25,000.

RECIPIENT NAME:

KEEP OCONEE BEAUTIFUL ASSOCIATION

ADDRESS:

POB 1491

SENECA, SC 29679

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

PRIMARY EDUCATION PROGRAM

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

FRIENDS OF LAKE KEOWEE SOCIETY

ADDRESS:

4065 KEOWEE SCHOOL RD

SENECA, SC 29672

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

PROGRAM SUPPORT

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 7,500.

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:

SCHOOL DISTRICT OF OCONEE COUNTY

ADDRESS:

414 SOUTH PINE ST

WALAHALLA, SC 29691

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

CULINARY ARTS PROGRAM

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 25,000.

RECIPIENT NAME:

CHATTANOOGA STATE COMMUNITY COLLEGE

ADDRESS:

4501 AMNICOLA HWY

CHATTANOOGA, TN 37406

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

SCHOLARSHIPS

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 25,000.

RECIPIENT NAME:

CHATTOOGA CONSERVANCY, INC

ADDRESS:

9 SEQUOLA HILLS LN

CLAYTON, GA 30525

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

NTICE CANE RESTORATION AND EDUCATIONAL PROJ

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 10,000.

SMITH, PETE AND SALLY FOUNDATION

46-4350560

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:

ROSA CLARK MEDICAL CENTER

ADDRESS:

58-6076010

SENECA, SC 29678

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

KIDNEY DISEASE MANAGEMENT

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 25,000.

RECIPIENT NAME:

TENNESSEE WESLEYAN COLLEGE

ADDRESS:

204 EAST COLLEGE ST

ATHENS, TN 37303

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

KILBRIDE NATURE SANCTUARY

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 50,000.

TOTAL GRANTS PAID:

325,000.

=====