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Form **990-PF**

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

OMB No 1545-0052

2016

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation THE YEARGAN FOUNDATION CHARITABLE TRUST		A Employer identification number 58-1846281
Number and street (or P O box number if mail is not delivered to street address) 7777 WHITE OAK ROAD	Room/suite	B Telephone number (see instructions) 919-622-3935
City or town, state or province, country, and ZIP or foreign postal code GARNER NC 27529-8808		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply. <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change </div> <div> <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change </div> </div>		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 21,316,163 (Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)		

Part I Analysis of Revenue and Expenses		(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))				(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)							
	2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B							
	3	Interest on savings and temporary cash investments				43,673	43,673		
	4	Dividends and interest from securities				272,874	272,874		
	5a	Gross rents							
	b	Net rental income or (loss)							
	6a	Net gain or (loss) from sale of assets not on line 10				24,713			
	b	Gross sales price for all assets on line 6a 1,592,810							
	7	Capital gain net income (from Part IV, line 2)					24,713		
	8	Net short-term capital gain						0	
	9	Income modifications							
	10a	Gross sales less returns and allowances							
Operating and Administrative Expenses	b	Less Cost of goods sold							
	c	Gross profit or (loss) (attach schedule)							
	11	Other income (attach schedule) STMT 1				36,166			
	12	Total. Add lines 1 through 11				377,426	341,260	0	
	13	Compensation of officers, directors, trustees, etc.				54,154	27,077		27,077
	14	Other employee salaries and wages							
	15	Pension plans, employee benefits							
	16a	Legal fees (attach schedule)							
	b	Accounting fees (attach schedule) STMT 2				26,694	26,694		
	c	Other professional fees (attach schedule)							
	17	Interest							
	18	Taxes (attach schedule) (see instructions) STMT 3				5,559	5,559		
	19	Depreciation (attach schedule) and depletion							
	20	Occupancy							
	21	Travel, conferences, and meetings				1,038			1,038
	22	Printing and publications							
	23	Other expenses (att. sch.) STMT 4				85,280	85,280		
	24	Total operating and administrative expenses. Add lines 13 through 23				172,725	144,610	0	28,115
25	Contributions, gifts, grants paid SEE STATEMENT 5				251,200			251,200	
26	Total expenses and disbursements. Add lines 24 and 25				423,925	144,610	0	279,315	
27	Subtract line 26 from line 12:								
a	Excess of revenue over expenses and disbursements				-46,499				
b	Net Investment Income (if negative, enter -0-)					196,650			
c	Adjusted net income (if negative, enter -0-)						0		

For Paperwork Reduction Act Notice, see instructions.

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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		771,117	1,391,299	1,391,299
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (att. schedule) ▶ SEE WRK	611,069			
		Less: allowance for doubtful accounts ▶	0	636,138	611,069	611,069
	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) SEE STMT 6		4,832,647	3,835,477	12,381,120
	c	Investments – corporate bonds (attach schedule) SEE STMT 7		126,321	126,321	124,903
	11	Investments – land, buildings, and equipment, basis ▶	1,604,052			
	Less: accumulated depreciation (attach sch) ▶ STMT 8		1,216,767	1,604,052	5,456,003	
12	Investments – mortgage loans					
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment, basis ▶					
	Less: accumulated depreciation (attach sch) ▶					
15	Other assets (describe ▶ SEE STATEMENT 9)		-509,748	-541,475	1,351,769	
16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)		7,073,242	7,026,743	21,316,163	
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)		0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>				
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		7,073,242	7,026,743	
	30	Total net assets or fund balances (see instructions)		7,073,242	7,026,743	
31	Total liabilities and net assets/fund balances (see instructions)		7,073,242	7,026,743		

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 7,073,242
2	Enter amount from Part I, line 27a	2 -46,499
3	Other increases not included in line 2 (itemize) ▶	3
4	Add lines 1, 2, and 3	4 7,026,743
5	Decreases not included in line 2 (itemize) ▶	5
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6 7,026,743

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE WORKSHEET			
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			
b			
c			
d			
e			

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

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

2 Capital gain net income or (net capital loss) <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 10px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	24,713
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	-7,699

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	1,592,558	19,747,074	0.080648
2014	758,003	19,747,243	0.038385
2013	540,744	18,103,761	0.029869
2012	2,131,869	16,641,476	0.128106
2011	442,489	16,430,050	0.026932

2 Total of line 1, column (d)	2	0.303940
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	0.060788
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	20,419,021
5 Multiply line 4 by line 3	5	1,241,231
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,967
7 Add lines 5 and 6	7	1,243,198
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	279,315

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 type="checkbox"/> and enter 1% of Part I, line 27b	1	3,933
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	3,933
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	3,933
6	Credits/Payments.		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	117
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	4,050
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2017 estimated tax Refunded	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)? <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 (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? <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
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? <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: • 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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) NONE		
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> SEE STMT 10		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)? <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

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 ► N/A	X	
14 The books are in care of ► SHERMAN YEARGAN 7777 WHITE OAK ROAD Located at ► GARNER NC ZIP+4 ► 27529 Telephone no ► 919-622-3935		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15		<input type="checkbox"/>
16 At any time during calendar year 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<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)? Organizations relying on a current notice regarding disaster assistance check here ► N/A		1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? N/A		1c
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input 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)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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?		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **N/A** ☐ **5b**

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
SHERMAN YEARGAN 7777 WHITE OAK ROAD	GARNER NC 27529	TRUSTEE 15.00	54,154	0

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

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

Total number of other employees paid over \$50,000 **0**

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	12,163,488
b	Average of monthly cash balances	1b	1,405,406
c	Fair market value of all other assets (see instructions)	1c	7,161,077
d	Total (add lines 1a, b, and c)	1d	20,729,971
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	20,729,971
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	310,950
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	20,419,021
6	Minimum investment return. Enter 5% of line 5	6	1,020,951

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	1,020,951
2a	Tax on investment income for 2016 from Part VI, line 5	2a	3,933
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,933
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,017,018
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,017,018
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,017,018

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	279,315
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	279,315
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	279,315

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				1,017,018
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				300,191
c From 2013				
d From 2014				
e From 2015				614,224
f Total of lines 3a through e	914,415			
4 Qualifying distributions for 2016 from Part XII, line 4. \$ 279,315				
a Applied to 2015, 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 2016 distributable amount				279,315
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	737,703			737,703
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	176,712			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 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				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 2011 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	176,712			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				176,712
e Excess from 2016				

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

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)

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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
N/A

b The form in which applications should be submitted and information and materials they should include.
N/A

c Any submission deadlines.
N/A

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

Part XV **Supplementary Information** *(continued)*

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

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
<div>a <i>Paid during the year</i></div> <div>SEE STATEMENT 11</div>				<div>251,200</div>
<div>Total</div>			<div>▶ 3a</div>	<div>251,200</div>
<div>b <i>Approved for future payment</i></div> <div>N/A</div>				
<div>Total</div>			<div>▶ 3b</div>	

Part XVI-A Analysis of Income-Producing Activities

.Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(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	43,673	
4	Dividends and interest from securities			14	272,874	
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			14	24,713	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b	SEE STATEMENT 12				36,166	
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		0		377,426	0
13	Total. Add line 12, columns (b), (d), and (e)				13	377,426

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash

(2) Other assets

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

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

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule

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

**Sign
Here**

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

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

Signature of officer or trustee

Date _____

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☒ if self-employed

~~J. KELLY LANIER~~

05/10/17

Firm's name ▶ **ROMEO, WIGGINS & COMPANY, LLP**

PTIN P01240701

Firm's address ▶ 8210 CREEDMOOR RD., #202
RALEIGH, NC 27613

Firm's EIN ▶ 56-1627242

Phone no **919-870-5151**

Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

2016

For calendar year 2016, or tax year beginning

, and ending

Name

THE YEARGAN FOUNDATION CHARITABLE TRUST

Employer Identification Number

58-1846281

(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) AMERICAN FUNDS INTL GROWTH	P		02/17/16
(2) AMERICAN FUNDS INTL GROWTH	P		02/17/16
(3) CDK GLOBAL HOLDINGS	P		07/19/16
(4) DU PONT EI DE NEMOURS	P	01/15/09	07/16/16
(5) LEHMAN BROTHERS	P		
(6) SEE ATTACHED - RBC S/T COVERED	P		
(7) SEE ATTACHED - RBC L/T COVERED	P		
(8) SEE ATTACHED - RBC L/T NONCOVERED	P		
(9) WELLS FARGO			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 6,073		7,053	-980
(2) 187,281		213,372	-26,091
(3) 62,258		14,196	48,062
(4) 74,105		28,200	45,905
(5) 1,015			1,015
(6) 77,094		83,813	-6,719
(7) 283,540		313,423	-29,883
(8) 895,459		908,040	-12,581
(9) 5,985			5,985
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

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))
(1)			-980
(2)			-26,091
(3)			48,062
(4)			45,905
(5)			1,015
(6)			-6,719
(7)			-29,883
(8)			-12,581
(9)			5,985
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Other Notes and Loans Receivable

Form **990-PF****2016**

For calendar year 2016, or tax year beginning

, and ending

Name

**THE YEARGAN FOUNDATION CHARITABLE
TRUST**

Employer Identification Number

58-1846281**FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION**

Name of borrower	Relationship to disqualified person
(1) INSTALLMENT NOTES	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value
(1)	636,138	611,069	611,069
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	636,138	611,069	611,069

Federal Statements

58-1846281

FYE: 12/31/2016

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
LC YEARGAN SR HEIRS	\$ 33,829	\$	\$
LEIGH VENTURES, LLC	-796		
WINTERS YOUNG, LLC	-117		
SPRINGHILL VENTURES, LLC	438		
WHITE OAK NE ASSOCIATES, LLC	4,719		
WHITE OAK NW ASSOCIATES, LLC	-1,907		
TOTAL	\$ 36,166	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 26,694	\$ 26,694	\$	\$
TOTAL	\$ 26,694	\$ 26,694	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
2015 INVESTMENT INCOME TAX	\$ 4,619	\$ 4,619	\$	\$
FOREIGN TAXES PAID	940	940		
TOTAL	\$ 5,559	\$ 5,559	\$ 0	\$ 0

Federal Statements

58-1846281

FYE: 12/31/2016

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
BANK/ INVESTMENT CHARGES	85,280	85,280		
TOTAL	<u>85,280</u>	<u>85,280</u>	<u>0</u>	<u>0</u>

Statement 5 - Form 990-PF, Part I, Line 25 - Noncash Contributions, Gifts, Grants

Amount	Noncash Description	FMV Explanation	Book Value Amount	Book Value Explanation	Date
25,000					3/14/16
25,000					10/24/16
25,000					1/11/16
2,000					1/11/16
50,000					6/28/16
10,000					6/28/16
100,000					3/14/16
12,500					3/14/16
100					2/08/16
100					2/29/16
1,500					8/08/16

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
RBC DAIN RAUSCHER	\$ 1,357,352		COST	
WELLS FARGO	3,475,295	3,835,477	COST	12,381,120
TOTAL	<u>4,832,647</u>	<u>3,835,477</u>		<u>12,381,120</u>

58-1846281

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Federal Statements**Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
WELLS FARGO	\$ 126,321	\$ 126,321	COST	\$ 124,903
TOTAL	\$ 126,321	\$ 126,321		\$ 124,903

Statement 8 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
REAL ESTATE	\$ 1,216,767	\$ 1,604,052	\$	\$ 5,456,003
TOTAL	\$ 1,216,767	\$ 1,604,052	\$ 0	\$ 5,456,003

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
INCOME DISTRIBUTIONS RECEIVABLE	\$ -454,669	\$ -995,100	\$
OTHER INVESTMENTS	-55,079	453,625	1,351,769
TOTAL	\$ -509,748	\$ -541,475	\$ 1,351,769

Statement 10 - Form 990-PF, Part VII-A, Line 8b - Not Filing with Attorney General
Explanation

Description

NOT REQUIRED IN NORTH CAROLINA.

Federal Statements

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5/10/2017 9:59 AM

Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address	Relationship	Status	Purpose	Amount
DUKE UNIVERSITY	DURHAM NC 27708	BOX 90581	PUBLIC	ENDOWMENT	
UNIVERSITY OF NC	CHAPEL HILL NC 27599	208 WEST FRANKLIN ST	PUBLIC	ENDOWMENT	
DURHAM NATIVITY SCHOOL	DURHAM NC 27702	PO BOX 3537	PUBLIC	CONTRIBUTION	25,000
DURHAM NATIVITY SCHOOL	DURHAM NC 27702	PO BOX 3537	PUBLIC	CONTRIBUTION	25,000
GARNER AREA MINISTRIES	GARNER NC 27529	PO BOX 797	PUBLIC	CONTRIBUTION	25,000
YMCA OF THE TRIANGLE	RALEIGH NC 27607	801 CORPORATE CENTER DRIV	PUBLIC	CONTRIBUTION	2,000
YMCA OF THE TRIANGLE	RALEIGH NC 27607	801 CORPORATE CENTER DRIV	PUBLIC	CONTRIBUTION	50,000
WAKE TECH FOUNDATION	RALEIGH NC 27603	9101 FAYETTEVILLE ROAD	PUBLIC	CONTRIBUTION	
WOMENS RESOURCE CENTER OF DILLON	DILLON MT 59725	PO BOX 888	PUBLIC	CONTRIBUTION	10,000
GARNER UNITED METHODIST CHURCH	GARNER NC 27529	PO BOX 2179	PUBLIC	MEMORIAL	
TRANSITIONS LIFECARE	RALEIGH NC 27607	250 HOSPICE CIRCLE	PUBLIC	MEMORIAL	100,000
COMMUNITY OF HOPE MINISTRIES					
SAMARITANS PURSE	BOONE NC 28607	PO BOX 3000	PUBLIC	CONTRIBUTION	
GRACE PLACE FOR CHILDREN AND FAMILI	NAPLES FL 34116	4300 21ST AVENUE SW	PUBLIC	CONTRIBUTION	
THE REFUGE					
ECOLE BILINGLE DE LA LOUVELLE					
LYMPHOMA RESEARCH FOUNDATION	NEW YORK NY 10006	115 BROADWAY	PUBLIC	CONTRIBUTION	12,500

Federal Statements

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Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)

Name		Address		Relationship	Status	Purpose	Amount
MEREDITH COLLEGE							
HABITAT FOR HUMANITY					PUBLIC	CONTRIBUTION	
RALEIGH NC 27604				2420 RALEIGH BOULEVARD			
HABITAT FOR HUMANITY					PUBLIC	CONTRIBUTION	
RALEIGH NC 27604				2420 RALEIGH BOULEVARD			
HABITAT FOR HUMANITY					PUBLIC	CONTRIBUTION	
RALEIGH NC 27604				2420 RALEIGH BOULEVARD			
HABITAT FOR HUMANITY					PUBLIC	CONTRIBUTION	
RALEIGH NC 27604				2420 RALEIGH BOULEVARD			
NEW BETHEL BAPTIST CHURCH					PUBLIC	CONTRIBUTION	
GARNER NC 27529				2110 BENSON ROAD			100
ALZHEIMERS NORTH CAROLINA					PUBLIC	MEMORIAL	
RALEIGH NC 27609				1305 NAVAHO DRIVE			
CARROLLS KITCHEN INC					PUBLIC	MEMORIAL	100
RALEIGH NC 27610				209 LINCOLN COURT			
					PUBLIC	CONTRIBUTION	1,500
TOTAL							251,200

58-1846281

Federal Statements

FYE: 12/31/2016

Statement 12 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
LC YEARGAN SR HEIRS		\$	16	\$ 33,829	\$
LEIGH VENTURES, LLC			16	-796	
WINTERS YOUNG, LLC			16	-117	
SPRINGHILL VENTURES, LLC			16	438	
WHITE OAK NE ASSOCIATES, LL			16	4,719	
WHITE OAK NW ASSOCIATES, LL			16	-1,907	
TOTAL		\$ <u>0</u>		\$ <u>36,166</u>	\$ <u>0</u>

58-1846281

Federal Statements

FYE: 12/31/2016

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
MARSLENDER (#1137)	\$ 41		14		
MARSLENDER (#7407)	6,644		14		
RBC	4		14		
INSTALLMENT OBLIGATIONS	36,984		14		
TOTAL	\$ 43,673				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
WELLS FARGO	\$ 272,874		14		
TOTAL	\$ 272,874				