

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

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

OMB No 1545-0052

2017

Open to Public Inspection

▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

For calendar year 2017, or tax year beginning 01-01-2017, and ending 12-31-2017

Name of foundation THE MORGAN FOUNDATION INC		A Employer identification number 56-1790979	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 1167		Room/suite	
		B Telephone number (see instructions) (910) 462-2016	
City or town, state or province, country, and ZIP or foreign postal code LAUREL HILL, NC 28351			
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		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) ▶ \$ 2,481,402		J Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other (specify) <u>modified cash</u> (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"/>	

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</small>		(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	2,911	2,911		
	4 Dividends and interest from securities	46,178	46,178		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	149,116			
	b Gross sales price for all assets on line 6a	340,538			
	7 Capital gain net income (from Part IV, line 2)		149,116		
	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)	1,452	1,452			
12 Total. Add lines 1 through 11	199,657	199,657			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	2,995	0		2,995
	c Other professional fees (attach schedule)	11,800	11,800		0
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,428	801		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	10,792	177		1,900
	24 Total operating and administrative expenses. Add lines 13 through 23	27,015	12,778		4,895
	25 Contributions, gifts, grants paid	86,600			86,600
26 Total expenses and disbursements. Add lines 24 and 25	113,615	12,778		91,495	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	86,042				
b Net investment income (if negative, enter -0-)		186,879			
c Adjusted net income (if negative, enter -0-)					

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	99,159	74,437	74,437
	3 Accounts receivable ▶ <u>855</u>			
	Less allowance for doubtful accounts ▶ _____	54,778	855	855
	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 ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	4,727	4,100	4,100
	10a Investments—U S and state government obligations (attach schedule)	46,915	37,390	40,376
	b Investments—corporate stock (attach schedule)	1,128,622	1,311,113	2,111,634
	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)	232,439	224,787	250,000	
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)	1,566,640	1,652,682	2,481,402	
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 ▶ <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	6,813,958	6,813,958	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0	0	
29 Retained earnings, accumulated income, endowment, or other funds	-5,247,318	-5,161,276		
30 Total net assets or fund balances (see instructions)	1,566,640	1,652,682		
31 Total liabilities and net assets/fund balances (see instructions) .	1,566,640	1,652,682		

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	1,566,640
2 Enter amount from Part I, line 27a	2	86,042
3 Other increases not included in line 2 (itemize) ▶ _____	3	0
4 Add lines 1, 2, and 3	4	1,652,682
5 Decreases not included in line 2 (itemize) ▶ _____	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	1,652,682

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 CAPITAL GAINS DIVIDENDS	P		
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 323,383		191,422	131,961
b 17,155			17,155
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			131,961
b			17,155
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	149,116
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 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))
2016	128,654	2,240,798	0 057414
2015	619,673	2,206,676	0 280817
2014	587,047	2,688,273	0 218373
2013	732,596	3,395,278	0 215769
2012	641,607	3,703,587	0 173239

2 Total of line 1, column (d)	2	0 945612
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 189122
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	2,400,307
5 Multiply line 4 by line 3	5	453,951
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,869
7 Add lines 5 and 6	7	455,820
8 Enter qualifying distributions from Part XII, line 4	8	91,495

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)

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits and payments. Total amount owed is 0, and amount overpaid is 362.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, 'Yes', and 'No' responses. Questions cover political activities, tax returns, and asset reporting.

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).
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of JAMES L MORGAN JR Telephone no (910) 462-2016
Located at PO BOX 1167 LAUREL HILL NC ZIP+4 28351
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
16 At any time during calendar year 2017, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes," enter the name of the foreign country

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.
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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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).
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.
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 2017?
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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If "Yes," list the years 20, 20, 20, 20
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)
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?
b If "Yes," did it have excess business holdings in 2017 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 2017).
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2017?

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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?			5b
	Organizations relying on a current notice regarding disaster assistance check here.			<input type="checkbox"/>
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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>			6b
				No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?			7b

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

Part VIII

Table with 5 columns: (a) Name and address, (b) Title and average hours per week, (c) Compensation, (d) Contributions to employee benefit plans, (e) Expense account. Includes entries for James L Morgan Jr, Elizabeth E Morgan, Tammy C Ivey, and Susan M Farrell.

Table with 5 columns: (a) Name and address of each employee paid more than \$50,000, (b) Title and average hours per week, (c) Compensation, (d) Contributions to employee benefit plans, (e) Expense account. Includes a 'Total' row at the bottom.

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

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

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. Includes a 'Total' row at the bottom.

Total number of others receiving over \$50,000 for professional services. 0

Part IX-A Summary of Direct Charitable Activities

Table with 2 columns: Description of activities and Expenses. Includes a header row and four numbered rows for activities.

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

Table with 2 columns: Description of investments and Amount. Includes a header row and three numbered rows for investments, plus an 'All other' row.

Total. Add lines 1 through 3 0

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	2,397,652
b	Average of monthly cash balances.	1b	34,081
c	Fair market value of all other assets (see instructions).	1c	5,127
d	Total (add lines 1a, b, and c).	1d	2,436,860
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	2,436,860
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	36,553
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	2,400,307
6	Minimum investment return. Enter 5% of line 5.	6	120,015

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	120,015
2a	Tax on investment income for 2017 from Part VI, line 5.	2a	3,738
b	Income tax for 2017 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	3,738
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	116,277
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	116,277
6	Deduction from distributable amount (see instructions).	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	116,277

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	91,495
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	91,495
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	91,495

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				116,277
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2017				
a From 2012.	461,305			
b From 2013.	566,428			
c From 2014.	456,269			
d From 2015.	511,743			
e From 2016.	17,241			
f Total of lines 3a through e.	2,012,986			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ <u>91,495</u>				
a Applied to 2016, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2017 distributable amount.				91,495
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))	24,782			24,782
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,988,204			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see instructions		0		
e Undistributed income for 2016 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				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).		0		
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions).	436,523			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	1,551,681			
10 Analysis of line 9				
a Excess from 2013.	566,428			
b Excess from 2014.	456,269			
c Excess from 2015.	511,743			
d Excess from 2016.	17,241			
e Excess from 2017.				

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 2017, enter the date of the ruling. ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
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 organization 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
 JAMES L MORGAN JR
 PO BOX 1167
 LAUREL HILL, NC 28351
 (910) 462-2016

b The form in which applications should be submitted and information and materials they should include
 NO SPECIFIC FORM

c Any submission deadlines
 NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
 NONE - GENERALLY AWARDED TO SUPPORT EDUCATION AND COMMUNITY SERVICE

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> See Additional Data Table				
Total			▶ 3a	86,600
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
AMERICAN CANCER SOCIETY 13291 WESLEYAN DRIVE LAURINBURG, NC 28352	N/A	PC	RELAY FOR LIFE	2,500
DOMESTIC VIOLENCE AND RAPE CRISIS CENTER PO BOX 2130 LAURINBURG, NC 28353	N/A	PC	OPERATING FUNDS	12,000
HABITAT FOR HUMANITY 12340 MCCOLL ROAD LAURINBURG, NC 28352	N/A	PC	BIKE TO BUILD	3,000
Total ▶ 3a				86,600

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
HOSPICE OF SCOTLAND COUNTY PO BOX 1033 LAURINBURG, NC 28353	N/A	PC	RICHARD L BYRNE MEMORIAL GOLF TOURNAMENT	3,000
MONROE CAMP & RETREAT CENTER 24501 CAMP ROAD LAUREL HILL, NC 28351	N/A	PC	OPERATING FUNDS	4,100
PRESBYTERY OF COASTAL CAROLINA 807 WEST KING STREET ELIZABETHTOWN, NC 28337	N/A	PC	YOUTH MINISTRY PASTOR	10,000
Total ▶ 3a				86,600

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
SCOTLAND COUNTY FAMILY COUNSELING CENTER INC 1603-A MEDICAL DRIVE LAURINBURG, NC 28352	N/A	PC	FAITH-BASED COUNSELING CENTER	25,000
SCOTLAND COUNTY LITERACY COUNCIL PO BOX 922 LAURINBURG, NC 28353	N/A	PC	OPERATING FUNDS	2,000
SCOTLAND COUNTY PARTNERSHIP FOR CHILDREN AND FAMILIES - SMART START PROGRAM PO BOX 586 LAURINBURG, NC 28353	N/A	PC	DAY CARE ASSISTANCE PROGRAM	5,000
Total 3a				86,600

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
SCOTLAND HIGH SCHOOL 1000 WEST CHURCH STREET LAURINBURG, NC 28352	N/A	PC	BAND PROGRAM	15,000
SCOTLAND MEMORIAL FOUNDATION INC 500 LAUCHWOOD DRIVE LAURINBURG, NC 28352	N/A	PC	CARDIAC CENTER CONSTRUCTION/"PUTTIN ON THE RITZ" FUNDRAISER	2,500
SCOTS FOR YOUTH INC 303 ATKINSON STREET LAURINBURG, NC 28352	N/A	PC	MENTORING PROGRAM FOR AT RISK YOUTH	2,500
Total ▶ 3a				86,600

TY 2017 Accounting Fees Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979**Accounting Fees Schedule**

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	2,995	0		2,995

TY 2017 Investments Corporate Stock Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CORPORATE STOCKS	1,311,113	2,111,634

TY 2017 Investments Government Obligations Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979**US Government Securities - End
of Year Book Value:**

37,390

**US Government Securities - End
of Year Fair Market Value:**

40,376

**State & Local Government
Securities - End of Year Book
Value:**

0

**State & Local Government
Securities - End of Year Fair
Market Value:**

0

TY 2017 Investments - Other Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979**Investments Other Schedule 2**

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
SPORTS MENAGERIE STADIUM, LLC	AT COST	224,787	250,000

TY 2017 Other Expenses Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK CHARGES	322	0		322
OTHER FEES	177	177		0
TRAVEL	1,578	0		1,578
MISCELLANEOUS	8,715	0		0

TY 2017 Other Income Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS INCOME	1,452	1,452	1,452

TY 2017 Other Professional Fees Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CUSTODIAN/MANAGEMENT FEES	11,800	11,800		0

TY 2017 Taxes Schedule**Name:** THE MORGAN FOUNDATION INC**EIN:** 56-1790979

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	801	801		0
EXCISE TAXES	627	0		0