

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

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

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning

, and ending

Name of foundation SOUTHERN BANK FOUNDATION		A Employer identification number 56-2002871
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 729		B Telephone number (919) 658-7007
City or town, state or province, country, and ZIP or foreign postal code MOUNT OLIVE, NC 28365-0729		C If exemption application is pending, check here ☐
G Check all that apply. ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		2 Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 15,651,080.		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B Interest on savings and temporary cash investments					
3 Dividends and interest from securities		860,349.	860,349.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		421,469.			
b Gross sales price for all assets on line 6a		2,023,562.			
7 Capital gain net income (from Part IV, line 2)			421,469.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		1,281,818.	1,281,818.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 2		998.	0.		0.
b Accounting fees STMT 3		160.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes STMT 4		12,000.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 5		1,500.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		14,658.	0.		0.
25 Contributions, gifts, grants paid		717,175.			717,175.
26 Total expenses and disbursements. Add lines 24 and 25		731,833.	0.		717,175.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		549,985.			
b Net investment income (if negative, enter -0-)			1,281,818.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing			150,185.	1,143,736.	1,143,736.
	2 Savings and temporary cash investments					
	3 Accounts receivable	-90.				
	Less: allowance for doubtful accounts				-90.	
	4 Pledges receivable					
	Less: allowance for doubtful accounts					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable					
	Less: allowance for doubtful accounts					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock	STMT 7		7,223,890.	7,180,870.	8,112,075.
	c Investments - corporate bonds					
	11 Investments - land, buildings, and equipment basis					
Less: accumulated depreciation						
12 Investments - mortgage loans						
13 Investments - other	STMT 8		6,285,995.	5,885,684.	6,395,269.	
14 Land, buildings, and equipment, basis						
Less: accumulated depreciation						
15 Other assets (describe)						
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			13,660,070.	14,210,200.	15,651,080.	
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					
	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	☐				
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here	☒				
	27 Capital stock, trust principal, or current funds		4,631,719.	4,631,719.		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds		9,028,351.	9,578,481.		
30 Total net assets or fund balances		13,660,070.	14,210,200.			
31 Total liabilities and net assets/fund balances			13,660,070.	14,210,200.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	13,660,070.
2 Enter amount from Part I, line 27a	2	549,985.
3 Other increases not included in line 2 (itemize) SEE STATEMENT 6	3	145.
4 Add lines 1, 2, and 3	4	14,210,200.
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	14,210,200.

Part IV Capital Gains and Losses for Tax on Investment Income SEE ATTACHED STATEMENT

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))
a			
b			
c			
d			
e 2,023,562.		1,602,093.	421,469.

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			421,469.

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	421,469.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

If "Yes," the foundation doesn't 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))
2016	656,361.	12,467,103.	.052647
2015	588,934.	11,852,231.	.049690
2014	550,675.	11,790,029.	.046707
2013	573,411.	10,129,039.	.056611
2012	596,243.	11,179,560.	.053333

2 Total of line 1, column (d)	2	.258988
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	.051798
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	14,924,247.
5 Multiply line 4 by line 3	5	773,046.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12,818.
7 Add lines 5 and 6	7	785,864.
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	717,175.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1.
Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)

5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2017 estimated tax payments and 2016 overpayment credited to 2017

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached

9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be credited to 2018 estimated tax

736. Refunded

Part VII-A Statements Regarding Activities

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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the 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.

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation \$ 0. (2) On foundation managers \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

If "Yes," attach a detailed description of the activities

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

N/A

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T

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?

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

8a Enter the states to which the foundation reports or with which it is registered See instructions.

NC

b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

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 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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?

	Yes	No
11		X
12		X
13	X	

Website address ► N/A

- 14 The books are in care of ► GENETTA GOODMAN

Telephone no ► 919-658-7007

Located at ► 121 EAST MAIN STREET, MOUNT OLIVE, NC

ZIP+4 ► 28365

- 15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year

► 15 N/A

- 16 At any time during calendar year 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?

	Yes	No
16		X

See the instructions for exceptions and filing requirements for FinCEN Form 114. 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? ☐ Yes ☒ No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No
- (6) Agree to pay money or property to a government official? (Exception: Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No

- b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance, check here

N/A
►

- c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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?
- ☐
- Yes
- ☒
- No

If "Yes," list the years ►

- b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)

N/A

- c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.

- 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
- ☐
- Yes
- ☒
- No

- b If "Yes," did it have excess business holdings in 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.)

N/A

- 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?

	Yes	No
1a		
1b		
1c		X
2a		
2b		
3a		
3b		
4a		X
4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions

N/A

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

▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

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

☐ Yes ☒ No

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

If "Yes" to 6b, file Form 8870

☐ Yes ☒ No

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

N/A

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, and foundation managers and their compensation.**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		0.	0.	0.

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2017)

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	14,847,714.
b	Average of monthly cash balances	1b	303,806.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	15,151,520.
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	15,151,520.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	227,273.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	14,924,247.
6	Minimum investment return. Enter 5% of line 5	6	746,212.

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	746,212.
2a	Tax on investment income for 2017 from Part VI, line 5	2a	25,636.
b	Income tax for 2017 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	25,636.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	720,576.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	720,576.
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	720,576.

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	717,175.
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	717,175.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	717,175.

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				720,576.
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2017:				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016	15,099.			
f Total of lines 3a through e	15,099.			
4 Qualifying distributions for 2017 from Part XII, line 4: ▶ \$				717,175.
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				717,175.
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))	3,401.			3,401.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	11,698.			
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 instr.			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	0.			
9 Excess distributions carryover to 2018 Subtract lines 7 and 8 from line 6a	11,698.			
10 Analysis of line 9				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016	11,698.			
e Excess from 2017				

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

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

b 85% of line 2a

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

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

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

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))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or email address of the person to whom applications should be addressed

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

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

SOUTHERN BANK FOUNDATION REQUEST FOR GRANT

c Any submission deadlines

NONE

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

NONE

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

Recipient 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				
ADLA OIC OF WAYNE COUNTY CDC 801-A POPLAR ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
AHOSKIE FOOD PANTRY 209 NC-42 AHOSKIE, NC 27910	NONE	NON-PROFIT	DONATION	5,000.
ALBEMARLE DEVELOPMENT CORPORATION 144 N 2ND ST ALBEMARLE, NC 28001	NONE	NON-PROFIT	DONATION	2,000.
APPALACHIAN STATE UNIVERSITY FOUNDATION 438 ACADEMY STREET BOONE, NC 28608	NONE	NON-PROFIT	DONATION	5,000.
ARTS COUNCIL OF WAYNE COUNTY 102 N JOHN ST. GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,000.
Total	SEE CONTINUATION SHEET(S)			717,175.
b Approved for future payment				
NONE				
Total				0.

SOUTHERN BANK FOUNDATION

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	BNC BANCORP COM	P	VARIOUS	VARIOUS
b	TOWNEBANK PORTSMOUTH VA	P	VARIOUS	VARIOUS
c	SOUTH ST CORP COM	P	VARIOUS	VARIOUS
d	VANGUARD	P	VARIOUS	VARIOUS
e	TRINITY CAPITAL CORP SERIES A	P	VARIOUS	VARIOUS
f	KEYCORP NEW PFD SER C	P	VARIOUS	VARIOUS
g	FIDELITY FINANCIAL CORPORATION	P	VARIOUS	VARIOUS
h	SYNOVUS FINL CORP	P	VARIOUS	VARIOUS
i	PRIVATE BANCORP INC	P	VARIOUS	VARIOUS
j	SCHWAB CHARLES CORP	P	VARIOUS	VARIOUS
k				
l				
m				
n				
o				

(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	126,687.		105,225.	21,462.
b	203,700.		200,000.	3,700.
c	164,942.		60,500.	104,442.
d	757,390.		594,623.	162,767.
e	135,418.		75,525.	59,893.
f	132,500.		149,755.	-17,255.
g	106,000.		95,004.	10,996.
h	225,000.		146,250.	78,750.
i	47,625.		50,078.	-2,453.
j	124,300.		125,133.	-833.
k				
l				
m				
n				
o				

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			21,462.
b			3,700.
c			104,442.
d			162,767.
e			59,893.
f			-17,255.
g			10,996.
h			78,750.
i			-2,453.
j			-833.
k			
l			
m			
n			
o			

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	421,469.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

SOUTHERN BANK FOUNDATION

56-2002871

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BARTON COLLEGE 800 VANCE ST. NE WILSON, NC 27893	NONE	NON-PROFIT	DONATION	55,000.
BOY SCOUTS OF AMERICA - TUSCARORA COUNCIL PO BOX 1436 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	4,500.
BOYS & GIRLS CLUB OF THE COASTAL PLAIN 621 W FIRE TOWER ROAD WINTERVILLE, NC 28590	NONE	NON-PROFIT	DONATION	5,000.
BUSINESS CONSORTIUM FOR ARTS SUPPORT 101 WEST MAIN STREET, STE 4500 NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	6,000.
C S BROWN AUDITORIUM RESTORATION ASSOCIATION, INC PO BOX 435 WINTON, NC 27986	NONE	NON-PROFIT	DONATION	950.
CAMPBELL UNIVERSITY PO BOX 116 BUIES CREEK, NC 27506	NONE	NON-PROFIT	DONATION	20,000.
CAROLINA GATEWAY PARTNERSHIP INC 427 FALLS ROAD ROCKY MOUNT, NC 27804-4808	NONE	NON-PROFIT	DONATION	20,000.
CHOANOKE AREA DEVELOPMENT ASSN 120 SESSOMS DR RICH SQUARE, NC 27869	NONE	NON-PROFIT	DONATION	10,000.
CHOWAN UNIVERSITY 1 UNIVERSITY PLACE MURFREESBORO, NC 27855	NONE	NON-PROFIT	DONATION	20,000.
COASTAL CHRISTIAN HIGH SCHOOL 1150 THE KING'S HIGHWAY WILMINGTON, NC 28409	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				699,175.

SOUTHERN BANK FOUNDATION

56-2002871

Part XV, Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
COUNTY OF WAYNE 224 E WALNUT ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	20,000.
EAST CAROLINA COUNCIL BSA 313 BOY SCOUT BLVD KINSTON, NC 28501	NONE	NON-PROFIT	DONATION	1,000.
EAST CAROLINA UNIVERSITY FOUNDATION 2200 S CHARLES BLVD GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	1,000.
FLYNN CHRISTIAN FELLOWSHIP HOUSES OF GOLDSBORO NC INC 209 GOLDSBORO ST WILSON, NC 27893	NONE	NON-PROFIT	DONATION	1,000.
FOOD BANK OF CENTRAL & EASTERN NC INC 3808 TARHEEL DR RALEIGH, NC 27609	NONE	NON-PROFIT	DONATION	5,000.
FOR KIDS INC 4200 COLLEY AVE #A NORFOLK, VA 23508	NONE	NON-PROFIT	DONATION	6,000.
FRIENDS OF THE PARK FOUNDATION PO BOX 953 MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	5,000.
GREENFIELD SCHOOL 3351 NC-42 WILSON, NC 27893	NONE	NON-PROFIT	DONATION	25,000.
HABITAT FOR HUMANITY GOLDSBORO 124 E MULBERRY ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	10,000.
HALIFAX COMMUNITY COLLEGE PO BOX 809 WELDON, NC 27890	NONE	NON-PROFIT	DONATION	2,500.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
HAMPTON ROADS COUNCIL OF VETERANS ORGANIZATIONS PO BOX 55366 VIRGINIA BEACH, VA 23471	NONE	NON-PROFIT	DONATION	2,500.
JAMES SPRUNT COMMUNITY COLLEGE 133 JAMES SPRUNT DR KENANSVILLE, NC 28349	NONE	NON-PROFIT	DONATION	10,000.
JUNIOR ACHIEVEMENT OF EASTERN NC 4904 WATERS EDGE DR, STE 155 RALEIGH, NC 27606	NONE	NON-PROFIT	DONATION	5,000.
KRAMDEN INSTITUTE 4915-PROSPECTUS-DR, STE-J DURHAM, NC 27713	NONE	NON-PROFIT	DONATION	9,000.
LOG A LOAD FOR KIDS 773 SEAFOOD HOUSE ROAD SELMA, NC 27576	NONE	NON-PROFIT	DONATION	1,000.
MOUNT OLIVE HISTORICAL SOCIETY 137 E MAIN ST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	10,000.
NANSEMOND-SUFFOLK ACADEMY ASSOCIATION INC 3373 PRUDEN BLVD SUFFOLK, VA 23434	NONE	NON-PROFIT	DONATION	5,000.
NASH COMMUNITY COLLEGE FOUNDATION INC 522 N OLD CARRIAGE RD ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
NC AGRICULTURAL FOUNDATION NCSU BOX 7207 RALEIGH, NC 27695-7207	NONE	NON-PROFIT	DONATION	1,000.
NC AQUARIUM SOCIETY 3125 POPLARWOOD CT, SUITE 160 RALEIGH, NC 27604	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

SOUTHERN BANK FOUNDATION

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
NC FOUNDATION FOR SOIL & WATER CONSERVATION 5171 GLENWOOD AVE RALEIGH, NC 27612	NONE	NON-PROFIT	DONATION	5,000.
NORTH CAROLINA HOUSING COALITION 118 ST MARYS ST RALEIGH, NC 27605	NONE	NON-PROFIT	DONATION	2,000.
NORTH CAROLINA SYMPHONY SOCIETY 3700 GLENWOOD AVE STE 130 RALEIGH, NC 27612	NONE	NON-PROFIT	DONATION	5,000.
PEACEMAKERS OF ROCKY MOUNT INC 1725 DAVIS ST ROCKY MOUNT, NC 27803	NONE	NON-PROFIT	DONATION	5,000.
PITT COUNTY SHERIFF DEPARTMENT 1862 100 W 3RD ST. GREENVILLE, NC 27858	NONE	NON-PROFIT	DONATION	1,800.
PLYMOUTH MUSEUM COUNCIL 302 EAST WATER ST. PLYMOUTH, NC 27962	NONE	NON-PROFIT	DONATION	1,000.
RONES CHAPEL AREA COMMUNITY 126 NC HIGHWAY 403 WEST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	1,000.
SHENANDOAH BAPTIST CHURCH FOOD PANTRY 3894 SHENANDOAH CT ROCKY MOUNT, NC 27803	NONE	NON-PROFIT	DONATION	1,200.
SNACKS AND MORE LLC 174 ROPING HORN WAY WILLOW SPRING, NC 27592-7653	NONE	NON-PROFIT	DONATION	12,000.
ST. JUDES CHILDREN'S RESEARCH HOSPITAL 262 DANNY THOMAS PLACE MEMPHIS, TN 38105	NONE	NON-PROFIT	DONATION	7,500.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
TAR RIVER CHORAL & ORCHESTRAL SOCIETY INC PO BOX 8255 ROCKY MOUNT, NC 27804	NONE	NON-PROFIT	DONATION	5,000.
THE ELIZABETHAN GARDENS INC 1411 NATIONAL PARK DR MANTEO, NC 27954	NONE	NON-PROFIT	DONATION	8,000.
THE GOOD SHEPHERD FOOD PANTRY 1008 NORTH KING ST WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
THE HURRAH PLAYERS INC 485 ST. PAUL'S BLVD NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	3,000.
THE NEW BIZ-DUPLIN COUNTY 133 JAMES SPRUNT DR, PO BOX 398 KENANSVILLE, NC 28349	NONE	NON-PROFIT	DONATION	2,500.
THE SOUTHEASTERN PARTNERSHIP 707 WEST BROAD ST, PO BOX 2556 ELIZABETHTOWN, NC 28337	NONE	NON-PROFIT	DONATION	5,000.
TOWN OF JACKSON 100 W JEFFERSON ST. JACKSON, NC 27845	NONE	NON-PROFIT	DONATION	850.
UNITED WAY OF WAYNE COUNTY 301 E ASH ST #310 GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
UNIVERSITY OF MOUNT OLIVE COLLEGE 634 HENDERSON ST MOUNT OLIVE, NC 28365	NONE	NON-PROFIT	DONATION	101,000.
VIDANT MEDICAL CENTER FOUNDATION 690 MEDICAL DR GREENVILLE, NC 27835	NONE	NON-PROFIT	DONATION	50,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
VIRGINIA BEACH EDUCATION FOUNDATION 2512 GEORGE MASON DR VIRGINIA BEACH, VA 23456	NONE	NON-PROFIT	DONATION	5,000.
VIRGINIA STAGE COMPANY 110 E TAZEWEEL ST NORFOLK, VA 23510	NONE	NON-PROFIT	DONATION	5,000.
VOLLIS SIMPSON WHIRLIGIG PARK & MUSEUM 301 GOLDSBORO ST S WILSON, NC 27893	NONE	NON-PROFIT	DONATION	5,000.
WAYNE CHARITABLE PARTERSHIP INC 308 N WILLIAM ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	5,000.
WAYNE COUNTRY DAY SCHOOL 480 COUNTRY DAY ROAD GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	10,000.
WAYNE COUNTY 4H 208 W CHESTNUT ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	2,500.
WAYNE COUNTY DEVELOPMENT ALLIANCE PO BOX 1280 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	10,000.
WAYNE HEALTH FOUNDATION PO BOX 8001 GOLDSBORO, NC 27533	NONE	NON-PROFIT	DONATION	5,000.
WRIGHT FLIGHT OF MARTIN COUNTY NC INC PO BOX 2105 KILL DEVIL HILLS, NC 27948-2105	NONE	NON-PROFIT	DONATION	1,000.
ARTS COUNCIL OF WILSON 124 NASH ST. NE WILSON, NC 27893	NONE	NON-PROFIT	DONATION	5,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
ARTS OF THE ALBEMARLE INC 516 E MAIN ST. ELIZABETH CITY, NC 27909	NONE	NON-PROFIT	DONATION	3,500.
HISTORIC HOPE FOUNDATION INC 132 HOPE HOUSE ROAD WINDSOR, NC 27983	NONE	NON-PROFIT	DONATION	1,000.
MARTIN COUNTY UNITED FUND INC 214 E MAIN ST. #1 WILLIAMSTON, NC 27892	NONE	NON-PROFIT	DONATION	1,000.
BATH HIGH SCHOOL PO BOX 149 BATH, NC 27808	NONE	NON-PROFIT	DONATION	1,000.
BEAUFORT COUNTY COMM COLLEGE 5337 US-264 WASHINGTON, NC 27889	NONE	NON-PROFIT	DONATION	375.
BELHAVEN MEMORIAL MUSEUM INC 210 E MAIN ST. BELHAVEN, NC 27810	NONE	NON-PROFIT	DONATION	1,000.
BOYS & GIRLS CLUB OF EDENTON/CHOWAN 131 MORRISTOWN RD EDENTON, NC 27932	NONE	NON-PROFIT	DONATION	5,000.
CARE PO BOX 610 PITTSBORO, NC 27312	NONE	NON-PROFIT	DONATION	5,000.
CAT RESCUE INC 2966 S CHURCH ST SUITE 164 BURLINGTON, NC 27215	NONE	NON-PROFIT	DONATION	1,000.
DOWNTOWN GOLDSBORO ASSOCIATION INC 219 N JOHN ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	1,500.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
FAITH COMMUNITY OUTREACH INC 106 N MONROE ST ALBANY, GA 31701	NONE	NON-PROFIT	DONATION	1,500.
FELLOWSHIP OF CHRISTIAN ATHLETES 4600 MARRIOTT DR #120 RALEIGH, NC 27612	NONE	NON-PROFIT	DONATION	6,000.
FRIENDS OF HYDE COUNTY HISTORIC 10 OYSTER CREEK ST SWANQUARTER, NC 27885	NONE	NON-PROFIT	DONATION	1,000.
FRIENDS OF WASHINGTON COUNTY LIBRARY 205 OAK HILL ST NE ABINGDON, VA 24210	NONE	NON-PROFIT	DONATION	2,500.
LAW OFFICE OF D. COLE PHELPS SCHOLARSHIP FUND 106 E WATER ST PLYMOUTH, NC 27962	NONE	NON-PROFIT	DONATION	1,000.
NORTH CAROLINA TOBACCO FOUNDATION NCSU BOX 7207 RALEIGH, NC 27695-7207	NONE	NON-PROFIT	DONATION	1,000.
PUBLIC ART VIRGINIA BEACH FOUNDATION PO BOX 61427 VIRGINIA BEACH, VA 23462	NONE	NON-PROFIT	DONATION	5,000.
RALEIGH-WAKE COUNTY DENTAL SOCIETY 6601 CROSS MEADOW CT FUQUAY VARINA, NC 27526	NONE	NON-PROFIT	DONATION	1,000.
ROBERSONVILLE IMPROVEMENT COMMITTEE 702 SOUTH BROAD ST ROBERSONVILLE, NC 27871	NONE	NON-PROFIT	DONATION	2,000.
ROCKY MOUNT ACADEMY 1313 AVONDALE AVE ROCKY MOUNT, NC 27803	NONE	NON-PROFIT	DONATION	25,000.
Total from continuation sheets				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
RONALD MCDONALD HOUSE OF EASTERN NC 529 MOYE BLVD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	10,000.
STAGESTRUCK 121 W CHESTNUT ST GOLDSBORO, NC 27530	NONE	NON-PROFIT	DONATION	500.
TAKE A KID FISHING PO BOX 1191 MOREHEAD CITY, NC 28557	NONE	NON-PROFIT	DONATION	500.
THE ACADEMY OF MUSIC 1411 SOUTH BROAD ST WINSTON SALEM, NC 27127	NONE	NON-PROFIT	DONATION	1,000.
THE OAKWOOD SCHOOL INC 400 MACGREGOR DOWNS RD GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	50,000.
THE RECREATION COMMISSION OF THE TOWN 114 W SYCAMORE ST LINCOLNTON, NC 28092	NONE	NON-PROFIT	DONATION	4,500.
THE SALVATION ARMY OF JOHNSTON COUNTY 306 N BRIGHTLEAF BLVD SMITHFIELD, NC 27577	NONE	NON-PROFIT	DONATION	5,000.
UNITED WAY CAPE FEAR AREA 5919 OLEANDER DR #115 WILMINGTON, NC 28403	NONE	NON-PROFIT	DONATION	2,500.
UNITED WAY OF PITT COUNTY 226 W 8TH ST SUITE B GREENVILLE, NC 27834	NONE	NON-PROFIT	DONATION	5,000.
VIRGINIA BANKERS ASSOCIATION EDUCATION 4490 COX ROAD GLEN ALLEN, VA 23060	NONE	NON-PROFIT	DONATION	1,000.
Total from continuation sheets				

FORM 990-PF		DIVIDENDS AND INTEREST FROM SECURITIES			STATEMENT 1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
INTEREST - CORPORATES	860,349.	0.	860,349.	860,349.	
TO PART I, LINE 4	860,349.	0.	860,349.	860,349.	

FORM 990-PF		LEGAL FEES		STATEMENT 2	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL FEES	998.	0.		0.	
TO FM 990-PF, PG 1, LN 16A	998.	0.		0.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	160.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	160.	0.		0.

FORM 990-PF		TAXES		STATEMENT 4	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL INCOME TAX EXPENSE	12,000.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	12,000.	0.		0.	

FORM 990-PF

OTHER EXPENSES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS EXPENSES	1,500.	0.		0.
TO FORM 990-PF, PG 1, LN 23	1,500.	0.		0.

FORM 990-PF

OTHER INCREASES IN NET ASSETS OR FUND BALANCES

STATEMENT 6

DESCRIPTION	AMOUNT
PRIOR PERIOD ADJUSTMENT TO RETAINED EARNINGS	145.
TOTAL TO FORM 990-PF, PART III, LINE 3	145.

FORM 990-PF

CORPORATE STOCK

STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE SECURITIES	4,138,077.	4,130,894.
DUKE ENERGY	191,788.	322,394.
SOUTH STATE CORP	111,715.	224,498.
NORTH STATE TELECOMMUNICATION	131,310.	122,100.
ENBRIDGE INC COM (SPECTRA)	63,653.	192,421.
VIRGINIA BANK BANCSHARES	82,523.	69,735.
BANK OF AMERICA CORP	481,371.	926,100.
FIFTH THIRD BANK	10,989.	19,175.
US BANCORP DEL	149,328.	162,265.
HUNTINGTON BANCSHARES	150,135.	167,240.
BB&T CORP	387,826.	454,680.
CAPITAL ONE	100,132.	107,492.
SANTANDER FINANCIAL	75,384.	77,730.
PINNACLE FINL PARTNERS INC COM (BNC BANCORP)	210,481.	239,476.
ISHARES TR S&P US PFD	50,080.	48,730.
MET LIFE PFD SER A	24,980.	25,138.
PNC FIN'L SVCS GROUP INC	100,034.	103,935.
SAUL CENTERS INC	27,129.	26,651.
SUNTRUST BANKS INC	175,017.	179,083.
FELCOR LODGING TR INC	37,524.	40,515.
BLUEROCK RESIDENTIAL GROWTH	70,476.	72,538.
SOUTHERN CO COM	40,115.	41,117.
GENERAL ELECTRIC CO COM	29,961.	21,935.
EXXON MOBIL CORP COM	39,992.	41,485.
WELLS FARGO & CO NEW PRFD CONV CL A	300,850.	294,748.
TOTAL TO FORM 990-PF, PART II, LINE 10B	7,180,870.	8,112,075.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
VANGUARD MONEY MARKET	COST	1,562,508.	2,010,124.
FNB CORP (VANTAGE SOUTH - YADKIN FINANCIAL)	COST	500,000.	500,000.
TARP SECURITIES	COST	1,048,443.	1,090,000.
FNB CORP (NEWBRIDGE - YADKIN FINANCIAL)	COST	500,000.	500,000.
KS BANCORP	COST	500,000.	500,000.
AMERISERVE FINANCIAL	COST	150,000.	150,000.
FIRST BANK	COST	200,000.	200,000.
EASTERN VA BANKSHARES	COST	100,000.	100,000.
BAY BANKS OF VIRGINIA, INC.	COST	250,000.	250,000.
MIDLAND STATES BANCORP, INC	COST	125,000.	125,000.
DUKE ENERGY CORP JR SUB DEBT	COST	99,539.	101,400.
HANCOCK HOLDING CO SUB NOTE	COST	200,194.	214,009.
WESTERN ALLIANCE	COST	200,000.	204,736.
HAPPY BANCSHARES, INC.	COST	50,000.	50,000.
STEWARDSHIP FINANCIAL	COST	100,000.	100,000.
OAK RIDGE FINANCIAL SERVICES NC	COST	100,000.	100,000.
MAIN STREET BANCSHARES INC	COST	100,000.	100,000.
JOHN MARSHALL BANCORP INC	COST	100,000.	100,000.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,885,684.	6,395,269.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HOPE H. BRYANT PO BOX 729 MT OLIVE, NV 28365	PRESIDENT & DIRECTOR 0.00	0.	0.	0.
WILLIAM H. BRYAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT & DIRECTOR 0.00	0.	0.	0.
J. GREY MORGAN PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT & DIRECTOR 0.00	0.	0.	0.
LISA R. SANDERSON PO BOX 729 MT OLIVE, NC 28365	ASSISTANT SECRETARY 0.00	0.	0.	0.
DAVID L. SAULS PO BOX 729 MT OLIVE, NC 28365	TREASURER 0.00	0.	0.	0.
JOHN L. HEEDEN PO BOX 729 MT OLIVE, NC 28365	SECRETARY 0.00	0.	0.	0.
GENETTA B. GOODMAN PO BOX 729 MT OLIVE, NC 28365	ASSISTANT TREASURER 0.00	0.	0.	0.
DREW M. COVERT PO BOX 729 MT OLIVE, NC 28365	VICE PRESIDENT 0.00	0.	0.	0.
DAN R ELLIS PO BOX 729 MT OLIVE, NC 28365	INVESTMENT OFFICER 0.00	0.	0.	0.
BYNUM R. BROWN PO BOX 729 MT OLIVE, NC 28365	DIRECTOR 0.00	0.	0.	0.

SOUTHERN BANK FOUNDATION

56-2002871

JULIAN R. AYCOCK
PO BOX 729
MT OLIVE, NC 28365

DIRECTOR
0.00

0. 0. 0.

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

0. 0. 0.