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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

2017

Department of the Treasury
Internal Revenue Service

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.

Open to Public Inspection

For calendar year 2017 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. <table style="display: inline-table; vertical-align: top;"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<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"/>
<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							
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) \$ 23,111,980	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	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		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			33,711	33,711			
	4	Dividends and interest from securities			304,496	304,496			
	5a	Gross rents							
	b	Net rental income or (loss)							
	6a	Net gain or (loss) from sale of assets not on line 10	STMT 1		2,900,609				
	b	Gross sales price for all assets on line 6a		3,881,225					
	7	Capital gain net income (from Part IV line 2)				68,816			
	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 2		67,274				
	12	Total. Add lines 1 through 11			3,306,090	407,023	0		
	13	Compensation of officers, directors, trustees, etc			50,000	25,000			25,000
	14	Other employee salaries and wages							
	15	Pension plans, employee benefits							
	16a	Legal fees (attach schedule)							
	b	Accounting fees (attach schedule)	STMT 3		29,273	29,273			
	c	Other professional fees (attach schedule)	STMT 4		13,000				13,000
	17	Interest							
	18	Taxes (attach schedule) (see instructions)	STMT 5		5,670	5,670			
	19	Depreciation (attach schedule) and depletion							
	20	Occupancy							
	21	Travel, conferences, and meetings			3,143				3,143
	22	Printing and publications							
	23	Other expenses (att sch)	STMT 6		93,193	93,193			
	24	Total operating and administrative expenses. Add lines 13 through 23			194,279	153,136	0		41,143
25	Contributions, gifts, grants paid	SEE STATEMENT 7		4,028,614				4,028,614	
26	Total expenses and disbursements. Add lines 24 and 25			4,222,893	153,136	0		4,069,757	
27	Subtract line 26 from line 12								
a	Excess of revenue over expenses and disbursements			-916,803					
b	Net investment income (if negative, enter -0-)				253,887				
c	Adjusted net income (if negative, enter -0-)					0			

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2017)

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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	1,391,299	1,039,283	1,039,283
	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 428,550			
	Less allowance for doubtful accounts ▶ 0	611,069	428,550	428,550
	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 8	3,835,477	4,149,785	15,207,242
	c Investments – corporate bonds (attach schedule) SEE STMT 9	126,321	79,955	77,828
	11 Investments – land, buildings, and equipment basis ▶ 951,102			
Liabilities	Less accumulated depreciation (attach sch) ▶ STMT 10	1,604,052	951,102	5,007,607
	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 11)	-541,475	-538,735	1,351,470
	16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	7,026,743	6,109,940	23,111,980
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	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	
	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	7,026,743	6,109,940	
	30 Total net assets or fund balances (see instructions)	7,026,743	6,109,940	
	31 Total liabilities and net assets/fund balances (see instructions)	7,026,743	6,109,940	

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	7,026,743
2 Enter amount from Part I, line 27a	2	-916,803
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	6,109,940
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	6,109,940

Part IV Capital Gains and Losses for Tax on Investment Income

(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 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> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	68,816
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div> <div>If gain, also enter in Part I, line 8, column (c). See instructions</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	3	32,883

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))
2016	279,315	20,419,021	0.013679
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

2 Total of line 1, column (d)	2	0.290687
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	0.058137
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	21,776,764
5 Multiply line 4 by line 3	5	1,266,036
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,539
7 Add lines 5 and 6	7	1,268,575
8 Enter qualifying distributions from Part XII, line 4	8	4,069,757

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

Form 990-PF (2017) **THE YEARGAN FOUNDATION CHARITABLE** **58-1846281**
Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

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1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	2,539
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	2,539
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	2,539
6 Credits/Payments:			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	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		79
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		2,618
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 2018 estimated tax	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 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		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? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions 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? If "No," attach explanation		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the taxable year beginning in 2017? See instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

SEE STMT 12

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	
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 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 2017?	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 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	<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 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	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?		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

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

☐

c

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

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

N/A

☐ Yes ☐ No

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.

6b

☐ Yes ☒ No

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?

7b

N/A

☐ Yes ☐ No

5b

X

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. 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	50,000	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	13,999,728
b	Average of monthly cash balances	1b	1,005,427
c	Fair market value of all other assets (see instructions)	1c	7,103,235
d	Total (add lines 1a, b, and c)	1d	22,108,390
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	22,108,390
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	331,626
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	21,776,764
6	Minimum investment return. Enter 5% of line 5	6	1,088,838

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	1,088,838
2a	Tax on investment income for 2017 from Part VI, line 5	2a	2,539
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,539
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,086,299
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,086,299
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	1,086,299

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	4,069,757
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	4,069,757
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	2,539
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	4,067,218

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				1,086,299
2 Undistributed income, if any, as of the end of 2017:				
a Enter amount for 2016 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2017				
a From 2012				
b From 2013				
c From 2014				
d From 2015				176,712
e From 2016				
f Total of lines 3a through e	176,712			
4 Qualifying distributions for 2017 from Part XII, line 4: \$ 4,069,757				
a Applied to 2016, 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 2017 distributable amount				1,086,299
e Remaining amount distributed out of corpus	2,983,458			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,160,170			
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 2016 Subtract line 4a from line 2a Taxable amount – see instructions				
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)				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	3,160,170			
10 Analysis of line 9:				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				176,712
d Excess from 2016				
e Excess from 2017				2,983,458

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 foundation 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 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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email 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>	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 <i>Paid during the year</i> SEE STATEMENT 13				4,028,614
b <i>Approved for future payment</i> N/A				
Total			3a	4,028,614
Total			3b	

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (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]☐ Yes ☒ No

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

May the IRS discuss this return with the preparer shown below?

See instructions ☒ Yes ☐ No

Signature of officer or trustee

Date _____

Title

Print/Type preparer's name

Preparer's signature

Date _____

Check ☒ if self-employed

J. KELLY LANTER

05/12/18

Firm's name ► **ROMEO, WIGGINS & COMPANYX, 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**
2017

For calendar year 2017, 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) 1910 SHS MEAD JOHNSON	P	01/18/17	03/21/17
(2) LEHMAN BROTHERS HOLDINGS	P		04/06/17
(3) 465 SHS SCHLUMBERGER LTD	P	05/08/09	06/14/17
(4) 435 SHS SCHLUMBERGER LTD	P	06/08/09	06/14/17
(5) 700 SHS SCHLUMBERGER LTD	P	10/13/08	06/14/17
(6) EQUIFAX	P	01/07/09	07/03/17
(7) 1000 SHS AMERICAN EXPRESS	P	06/16/16	08/11/17
(8) KIMBERLY CLARK	P	03/19/10	08/01/17
(9) LEHMAN BROTHER HOLDINGS	P		10/05/17
(10) UNITED COMMUNITY BANK	P	11/09/17	11/09/17
(11) 806 SHS FOUR OAKS FINCORP	P	01/07/11	11/09/17
(12) LEHMAN BROTHERS HOLDING	P		12/07/17
(13) WELLS FARGO			
(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) 168,244		136,402	31,842
(2) 394			394
(3) 31,881		26,197	5,684
(4) 29,824		25,049	4,775
(5) 47,993		44,254	3,739
(6) 20,000		19,717	283
(7) 84,341		60,736	23,605
(8) 25,000		28,405	-3,405
(9) 266			266
(10) 25			25
(11) 1,531		13,085	-11,554
(12) 356			356
(13) 12,806			12,806
(14)			
(15)			

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))
(1)			31,842
(2)			394
(3)			5,684
(4)			4,775
(5)			3,739
(6)			283
(7)			23,605
(8)			-3,405
(9)			266
(10)			25
(11)			-11,554
(12)			356
(13)			12,806
(14)			
(15)			

Other Notes and Loans Receivable

Form **990-PF****2017**

For calendar year 2017, 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)	611,069	428,550	428,550
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	611,069	428,550	428,550

STATEMENT REPORTING DISTRIBUTION OF PROPERTY VALUED AT FAIR MARKET VALUE

Organization: THE YEARGAN FOUNDATION CHARITABLE TRUST
EIN: 58-1846281
Tax Year Ended: 12/31/2017

Attachment to Form 990-PF, Part I, Line 25, Column (a)

Distributions of property valued at fair market value at date of distribution

- | | |
|---|---|
| 1. Date of Distribution. | 9/27/2017 |
| 2. Description of Property. | (71/171 interest) 350 US 70 East, Garner NC |
| 3. Book Value of Property. | \$ 247,265.00 |
| Method for determining book value | Value at date of inheritance or cost basis |
| 4. Fair Market Value | \$ 2,208,314.00 |
| Method for determining fair market value: | Appraisal |
-

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price					
PEACE COLLEGE DONATION		10/24/86	7/21/17	PURCHASE \$ 1,241,500		370,756	\$	\$	870,744
WAKEMED DONATION		1/29/98	9/27/17	PURCHASE 2,208,314		247,265			1,961,049
LAND SALE - RIGHT OF WAY		1/01/88	7/24/17	PURCHASE 8,750		8,750			
TOTAL				\$ 3,458,564		\$ 626,771	\$ 0	\$ 0	\$ 2,831,793

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
LC YEARGAN SR HEIRS	\$ 28,698		
LEIGH VENTURES, LLC	2,820		\$
WINTERS YOUNG, LLC	-118		
SPRINGHILL VENTURES, LLC	126		
WHITE OAK NE ASSOCIATES, LLC	35,711		
WHITE OAK NW ASSOCIATES, LLC	37		
TOTAL	\$ 67,274	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 29,273	\$ 29,273	\$	\$
TOTAL	\$ 29,273	\$ 29,273	\$ 0	\$ 0

58-1846281

FYE: 12/31/2017

Federal Statements**Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
APPRAISAL	\$ 6,500	\$	\$	\$ 6,500
APPRAISAL - PEACE COLLEGE GIFT	2,500			2,500
APPRAISAL - WAKEMED GIFT	3,000			3,000
CONSULTING	4,000			4,000
REIMBURSEMENT FOR WAKE MED	-3,000			-3,000
TOTAL	\$ 13,000	\$ 0	\$ 0	\$ 13,000

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
2016 INVESTMENT INCOME TAX	\$ 4,050	\$ 4,050	\$	\$
FOREIGN TAXES PAID	1,620	1,620		
TOTAL	\$ 5,670	\$ 5,670	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES		\$	\$	\$
BANK/INVESTMENT CHARGES	93,193	93,193		
TOTAL	\$ 93,193	\$ 93,193	\$ 0	\$ 0

Federal Statements

Statement 7 - Form 990-PF, Part I, Line 25 - Noncash Contributions, Gifts, Grants

Amount	Noncash Description	FMV Explanation	Book Value Amount	Book Value Explanation	Date
1,241,500	LAND	APPRAISAL	370,756	COST	7/24/17
2,208,314	LAND	APPRAISAL	247,265	COST	9/27/17

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
WELLS FARGO	\$ 3,835,477	\$ 4,149,785	COST	\$ 15,207,242
TOTAL	\$ 3,835,477	\$ 4,149,785		\$ 15,207,242

Statement 9 - 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	\$ 79,955	COST	\$ 77,828
TOTAL	\$ 126,321	\$ 79,955		\$ 77,828

Statement 10 - 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	\$ 1,604,052	\$ 951,102	\$	\$ 5,007,607
TOTAL	\$ 1,604,052	\$ 951,102	\$ 0	\$ 5,007,607

58-1846281

Federal Statements

FYE: 12/31/2017

Statement 11 - 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	\$ -995,100	\$ -992,360	\$
OTHER INVESTMENTS	453,625	453,625	1,351,470
TOTAL	<u>\$ -541,475</u>	<u>\$ -538,735</u>	<u>\$ 1,351,470</u>

Statement 12 - Form 990-PF, Part VII-A, Line 8b - Not Filing with Attorney General
ExplanationDescription

NOT REQUIRED IN NORTH CAROLINA.

Federal Statements

Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the

Year

Name		Address		Purpose	Amount
Address	Relationship	Status			
DUKE UNIVERSITY	BOX 90581	PUBLIC		ENDOWMENT	200,000
DURHAM NC 27708	208 WEST FRANKLIN ST	PUBLIC		ENDOWMENT	133,200
UNIVERSITY OF NC	PO BOX 3537	PUBLIC		CONTRIBUTION	50,000
CHAPEL HILL NC 27599	PO BOX 797	PUBLIC		CONTRIBUTION	25,000
DURHAM NATIVITY SCHOOL	801 CORPORATE CENTER DRIV	PUBLIC		CONTRIBUTION	50,000
DURHAM NC 27702	PO BOX 888	PUBLIC		CONTRIBUTION	10,000
GARNER AREA MINISTRIES	250 HOSPICE CIRCLE	PUBLIC		MEMORIAL	100,000
GARNER NC 27529	34 DEFENSE ST #200	PUBLIC		MEMORIAL	50
YMCA OF THE TRIANGLE	125 NASHUA ST, SUITE 540	PUBLIC		MEMORIAL	100
RALEIGH NC 27607	2110 AVERSBORO RD	PUBLIC		MEMORIAL	100
WOMENS RESOURCE CENTER OF DILLON	100 E JEFFERSON ST	PUBLIC		CONTRIBUTION	250
DILLON MT 59725	1777 N KENT ST, SUITE 100	PUBLIC		CONTRIBUTION	10,000
TRANSITIONS LIFECARE	PO BOX 309	PUBLIC		MEMORIAL	100
RALEIGH NC 27607	15 E PEACE STREET	PUBLIC		LAND CONTRIBUTION	1,241,500
DUCKS UNLIMITED	3000 NEW BERN AVE	PUBLIC		LAND CONTRIBUTION	2,208,314
ANNAPOLIS MD 21401					
MASSACHUSETTS GENERAL HOSPITAL					
BOSTON MA 02114-1101					
YMCA OF GARNER					
GARNER NC 27529					
TOWN OF JACKSON					
JACKSON NC 27845					
TROUT UNLIMITED					
ARLINGTON VA 22209					
UNC HOSPICE HOUSE					
CHAPEL HILL NC 27514					
PEACE COLLEGE OF RALEIGH FOUNDATION					
RALEIGH NC 27604					
WAKEMED FOUNDATION					
RALEIGH NC 27610					

Federal Statements

**Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)**

Name		Address		Relationship	Status	Purpose	Amount
Address							
TOTAL							
							4,028,614

Federal Statements

Statement 14 - 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	\$ 28,698	\$
LEIGH VENTURES, LLC			16	2,820	
WINTERS YOUNG, LLC			16	-118	
SPRINGHILL VENTURES, LLC			16	126	
WHITE OAK NE ASSOCIATES, LL			16	35,711	
WHITE OAK NW ASSOCIATES, LL			16	37	
TOTAL		\$ 0		\$ 67,274	\$ 0

STATEMENT REPORTING DISTRIBUTION OF PROPERTY VALUED AT FAIR MARKET VALUE

Organization: THE YEARGAN FOUNDATION CHARITABLE TRUST
EIN: 58-1846281
Tax Year Ended: 12/31/2017

Attachment to Form 990-PF, Part I, Line 25, Column (a)

Distributions of property valued at fair market value at date of distribution

1	Date of Distribution	7/21/2017
2.	Description of Property	605 Halifax Street, Raleigh, NC 27604
3.	Book Value of Property	\$ 370,456 00
	Method for determining book value.	Value at date of inheritance or cost basis
4	Fair Market Value	\$ 1,241,500 00
	Method for determining fair market value:	Appraisal
