Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , and ending

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return
[ ] Amended return [ ] Address change [ ] Name change

Use the IRS label Otherwise, print or type. See Specific Instructions.

Name of foundation
SMS FOUNDATION, INC.

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
PO BOX 5324

City or town, state, and ZIP code
MADISON, WI 53705-0324

A Employer identification number
20-1878599

B Telephone number
608-577-8260

C If exemption application is pending, check here ▶ [ ]
D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation
[ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,786,399.

J Accounting method: [X] Cash [ ] Accrual
[ ] Other (specify)
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(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	342,944.		N/A	
	2 Check ▶ [ ] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	76,655.	76,655.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-115,085.			STATEMENT 1
	b Gross sales price for all assets on line 6a 1,248,706.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	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	304,514.	76,655.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	447.	0.		0.
	b Accounting fees STMT 4	1,560.	1,560.		0.
	c Other professional fees STMT 5	8,328.	8,328.		0.
	17 Interest				
	18 Taxes STMT 6	750.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	11,085.	9,888.		0.
	25 Contributions, gifts, grants paid	140,000.			140,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	151,085.	9,888.		140,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	153,429.			
	b **Net investment income** (if negative, enter -0-)		66,767.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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02-02-10 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the instructions.**

Form **990-PF** (2009)

11050217 727132 41793 2009.02050 SMS FOUNDATION, INC. 417931

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	13,997.	11,240.	11,240.
	2 Savings and temporary cash investments	206,412.	142,402.	142,402.
	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			
	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	2,609,115.	3,632,757.	3,632,757.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	2,829,524.	3,786,399.	3,786,399.
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 ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2,829,524.	3,786,399.	
	30 **Total net assets or fund balances**	2,829,524.	3,786,399.	
	31 **Total liabilities and net assets/fund balances**	2,829,524.	3,786,399.	

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	2,829,524.
2 Enter amount from Part I, line 27a	2	153,429.
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED GAIN ON INVESTMENTS	3	803,446.
4 Add lines 1, 2, and 3	4	3,786,399.
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	3,786,399.

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				
b	SEE ATTACHED STATEMENT			
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	1,248,706.		1,350,252.	-101,546.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				-101,546.

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 -101,546.

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 does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	113,537.	2,838,393.	.040000
2007	59,872.	2,319,297.	.025815
2006	15,000.	1,290,827.	.011620
2005	12,834.	540,356.	.023751
2004	0.	507,654.	.000000

2	**Total** of line 1, column (d)	2	.101186
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.020237
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,948,417.
5	Multiply line 4 by line 3	5	59,667.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	668.
7	Add lines 5 and 6	7	60,335.
8	Enter qualifying distributions from Part XII, line 4	8	140,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

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		1	668.
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	668.
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	668.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a 1,499.		
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	1,499.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	831.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 831. **Refunded** ▶		11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*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?	1c		X
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.*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ WI			
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*	8b	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THOMAS G. TIERNEY, CPA Telephone no. ▶ 608-577-8260

Located at ▶ 1010 HARRISON ST., MADISON, WI ZIP+4 ▶ 53711

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

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?	☐ 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 page 20 of the instructions)?	N/A	1b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ 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	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. ▶ ____, ____, ____, ____				
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 2009 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 2009.)*	N/A	3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

		Yes	No
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 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53 4945-5(d).			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		X
If "Yes" to 6b, file Form 8870.			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 8		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.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,960,770.
b	Average of monthly cash balances	1b	32,547.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	2,993,317.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,993,317.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	44,900.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,948,417.
6	**Minimum investment return** Enter 5% of line 5	6	147,421.

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	147,421.
2a	Tax on investment income for 2009 from Part VI, line 5 2a 668.		
b	Income tax for 2009. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	668.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	146,753.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	146,753.
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	146,753.

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	140,000.
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	140,000.
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	668.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	139,332.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				146,753.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			138,489.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 140,000.				
a Applied to 2008, but not more than line 2a			138,489.	
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 2009 distributable amount				1,511.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				145,242.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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 2009, 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			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
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 the 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).)

MATTHEW D. SILVERSTEIN

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 ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE STATEMENT 9				140,000.
Total			▶ 3a	140,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

923611 02-02-10

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	76,655.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-115,085.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		-38,430.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 -38,430.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: Mark E. Alpern — Date: 3/12/10 — Title: PRESIDENT

Paid Preparer's Use Only

Preparer's signature	JAMES E. ROSE James E. Rose	Date 02/17/10
Check if self-employed ☒		Preparer's identifying number P00089463
Firm's name (or yours if self-employed), address, and ZIP code	BAKER TILLY VIRCHOW KRAUSE, LLP PO BOX 7398 MADISON, WI 53707-7398	EIN
		Phone no. (608)249-6622

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2009

Name of the organization

SMS FOUNDATION, INC.

Employer identification number

20-1878599

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year. ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization: SMS FOUNDATION, INC.

Employer identification number: 20-1878599

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	$ 147,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	$ 195,444.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
SMS FOUNDATION, INC.	20-1878599

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	7,320 SHARES OF FIRST EAGLE GOLD	$ 195,444.	12/31/09

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

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	FHLM REDEMPTIONS AND BANK CDS-ST	P		
b	FHLM REDEMPTIONS AND BANK CDS -LT	P		
c	PUBLICLY TRADED SECURITIES-ACQUIRED BY PURCHASE-S	P		
d	PUBLICLY TRADED SECURITIES-ACQUIRED BY PURCHASE-L	P		
e	PUBLICLY TRADED SECURITIES-ACQUIRED BY DONATION-L	D		
f	CAPITAL GAINS DIVIDENDS			
g				
h				
i				
j				
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	25,000.		25,193.	-193.
b	225,000.		227,215.	-2,215.
c	354,753.		321,385.	33,368.
d	153,655.		233,868.	-80,213.
e	490,150.		542,591.	-52,441.
f	148.			148.
g				
h				
i				
j				
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				-193.
b				-2,215.
c				33,368.
d				-80,213.
e				-52,441.
f				148.
g				
h				
i				
j				
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	-101,546.
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

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04-24-09

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FHLM REDEMPTIONS AND BANK CDS-ST	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
25,000.	25,193.	0.	0.	-193.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FHLM REDEMPTIONS AND BANK CDS -LT	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
225,000.	227,215.	0.	0.	-2,215.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES-ACQUIRED BY PURCHASE-ST	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
354,753.	321,385.	0.	0.	33,368.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES-ACQUIRED BY PURCHASE-LT	PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
153,655.	233,868.	0.	0.	-80,213.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES-ACQUIRED BY DONATION-LT	DONATED		

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
490,150.	556,130.	0.	0.	-65,980.

CAPITAL GAINS DIVIDENDS FROM PART IV	148.
TOTAL TO FORM 990-PF, PART I, LINE 6A	-115,085.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
INVESTMENTS	76,803.	148.	76,655.
TOTAL TO FM 990-PF, PART I, LN 4	76,803.	148.	76,655.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SOLHEIM BILLING & GRIMMER, S.C. - LEGAL/RESEARCH QUALIFYING DONEES	447.	0.		0.
TO FM 990-PF, PG 1, LN 16A	447.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BAKER TILLY VIRCHOW KRAUSE, LLP - 2008 TAX RETURN PREPARATION	1,560.	1,560.		0.
TO FORM 990-PF, PG 1, LN 16B	1,560.	1,560.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUTTONWOOD PARTNERS, INC. - INVESTMENT MANAGEMENT FEES	8,328.	8,328.		0.
TO FORM 990-PF, PG 1, LN 16C	8,328.	8,328.		0.

FORM 990-PF	TAXES	STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INTERNAL REVENUE SERVICE - 2009 ESTIMATE PAID	750.	0.		0.
TO FORM 990-PF, PG 1, LN 18	750.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
INVESTMENTS	3,632,757.	3,632,757.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,632,757.	3,632,757.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SARAH E. SPENCER PO BOX 5157 MADISON, WI 53705	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	VICE PRESIDENT, DIRECTOR 1.00	0.	0.	0.
THOMAS G. TIERNEY 1010 HARRISON ST. MADISON, WI 53711	TREASURER 1.00	0.	0.	0.
DAVID B. BILLING 1 S. PINCKNEY ST. MADISON, WI 53701	SECRETARY 1.00	0.	0.	0.
MARK SPENCER PO BOX 5157 MADISON, WI 53705	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 9

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
Foundation for Madison Public Schools 455 Science Drive Ste 130 Madison, WI	N/A Educational purposes at the discretion of the charity	Public Charity	17,500
Hodan Center, Inc 941 W. Fountain Street Mineral Point WI 53565-0212	N/A To be used at the discretion of the organization for their community community rehabilitation programs for adults with disabilities	Public Charity	15,000
WORT 89 9 FM 118 S. Bedford St Madison, WI 53703	N/A To assist in financing listener sponsored community radio.	Public Charity	5,000
Arts Horizons One Grand Ave Suite 7 Englewood, New Jersey 07631	N/A Support for arts programs for children	Public Charity	10,000
Dane County Humane Society 5132 Voges Road Madison, WI 53718	N/A Care of homeless animals	Public Charity	7,500
Domestic Abuse Intervention Services PO Box 1761 Madison, WI 53701	N/A Provide assistance to people who have experienced domestic abuse	Public Charity	8,000
Kansas City Art Institute 4415 Warwick Boulevard Kansas City, MO 64111	N/A To educate the artists and designers of tomorrow	Public Charity	5,000
Second Harvest Food Bank of Southern Wisconsi 2802 Dairy Drive Madison, WI 53718	N/A Acquire and distribute food to people in need	Public Charity	5,000
Samuel's House 1614 Truesdell Court Key West, FL 33040	N/A Provide housing for homeless women	Public Charity	3,500
Spelman Medical Foundation 5830 NW Barry Rd , Suite 270 Kansas City, MO 64154	N/A Support, assistance and improvement of the total health care of the individual, family and community	Public Charity	5,000
Wisconsin Early Childhood Association 744 Williamson St Madison, WI 53703	N/A Promote excellence in early education programs, support professionalism, call for greater public investment in early education	Public Charity	4,000

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 9

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
The Smile Train PO Box 96231 Washington, DC 20090-6231	N/A Provide free treatment for poor children with cleft palate and other medical problems	Public Charity	3,000
Urban League of Greater Madison 151 East Gorham St Madison, WI 53703	N/A Improve the social and economic conditions of African Americans and other peoples of color and the economically disadvantaged	Public Charity	5,000
United Nations Foundation 1800 Massachusetts Ave NW Washington, DC 20036	N/A Prevention and control of malaria	Public Charity	7,500
Independence Community College PO Box 708 Independence, KS 67301	N/A Education	Public Charity	2,500
KIVA 3180 18th Street San Francisco, CA 94110	N/A Connecting people through lending for the sake of alleviating poverty	Public Charity	7,500
Added Value 370 Van Brunt Street Brooklyn, NY 11231	N/A Promote sustainable development by nurturing a new generation of young leaders	Public Charity	7,000
Keshena Animal Help and Rescue N1420 Wood Duck Way Keshena, WI 54135-9539	N/A Provide animal protection and welfare	Public Charity	5,000
Chief Blackbird Center 1 Maple Lane Odanah, WI 54861	N/A Provide government services to tribal members.	Public Charity	10,000
The Resonance Project Foundation PO Box 764 Holualoa, HI 96725	N/A Unify science and philosophies in applied physics and nature.	Public Charity	7,000
TOTAL TO FORM 990-PF, PART XV, LINE 3A			140,000

FIXED INCOME 4.93%

For an explanation of fixed income pricing, please see the last page Redemption schedule(s), bond rating(s), and other information are provided where available If information does not appear regarding a particular investment, it is not available The ratings on this statement are provided by Standard & Poor's and/or Moody's to rate the quality based on the respective rating agency's assessment

Accrued Interest - Represents interest accumulated since the last coupon date on certain fixed income securities which may not yet have been paid by the issuer or received by NFS There is no guarantee that the accrued interest will be paid by the issuer

Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 12/31/09	Estimated Current Market Value	Estimated Prior Market Value	Estimated Annual Income
FEDERAL NATIONAL MORTGAGE ASSO 5.00000% 02/04/2028 CALL STEP MOODY'S Aaa /S&P AAA CPN PMT SEMI-ANNUAL ON AUG 04, FEB 04 Next Interest Payable: 02/04/10 CONTINUOUSLY CALLABLE FROM 02/04/2009 STEP COUPON RESET FREQUENCY EVERY 5 YEARS NEXT RESET 02/04/2013 @ 5.25000 Accrued Interest $816.67	3135A1CS4 CASH	40,000	$95.094	$38,037.60	$39,475.20	$2,000 00
Total U.S. Treasury / Agency Securities		160,000		$155,589.10		$8,255.00
Total Fixed Income		190,000		$185,915.50		$9,495.50

MUTUAL FUNDS 91.30%

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/09	Current Market Value	Prior Market Value	Estimated Annual Income
Equity						
AMERICAN CAPITAL WORLD GRTH & INC A Estimated Yield 2.34% Dividend Option Reinvest Capital Gain Option Reinvest	CWGIX CASH	8,849.692	$34.08	$301,597.50	$297,546.20	$7,079.75
AMERICAN GROWTH FUND OF AMERICA CLASS A Estimated Yield 0 77% Dividend Option Reinvest Capital Gain Option Reinvest	AGTHX CASH	6,331.755	$27.33	$173,046 86	$168,509.31	$1,334.73
AMERICAN INCOME FUND OF AMERICA CLASS C Estimated Yield 3.76% Dividend Option Reinvest Capital Gain Option Reinvest	IFACX CASH	6,874.725	$15.35	$105,527 03	$103,798.63	$3,975.00

MUTUAL FUNDS 91.30%

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/09	Current Market Value	Prior Market Value	Estimated Annual Income
AMERICAN NEW WORLD FUND CLASS A Estimated Yield 1 20% Dividend Option Reinvest Capital Gain Option Reinvest	NEWFX CASH	4,821.101	$47.20	$227,555.97	$223,328 16	$2,738 39
AMERICAN NEW WORLD CLASS C Estimated Yield 0.72% Dividend Option Reinvest Capital Gain Option Reinvest	NEWCX CASH	1,862 866	$45.95	$85,598.69	$84,081.53	$623.87
AMERICAN WASHNTN MUTUAL INVESTRS CL A Estimated Yield 2.86% Dividend Option Reinvest Capital Gain Option Reinvest	AWSHX CASH	11,488 314	$24.64	$283,072 06	$278,893 91	$8,099.26
APPLETON GROUP PLUS FUND Dividend Option Reinvest Capital Gain Option Reinvest	AGPLX CASH	8,571.429	$9.63	$82,542 86	$79,971.43	
FIRST AMERICAN GL INFRASTRUCTURE CL C Estimated Yield 1.13% Dividend Option Reinvest Capital Gain Option Reinvest	FGNCX CASH	16,389 162	$8 29	$135,866.15	$131,748.19	$1,540.58
FIRST EAGLE FUND OF AMERICA CLASS C Dividend Option Reinvest Capital Gain Option Reinvest	FEAMX CASH	6,788.899	$18 83	$127,834.97	$122,064 40	
FIRST EAGLE GLOBAL CLASS C Estimated Yield 0.93% Dividend Option Reinvest Capital Gain Option Reinvest	FESGX CASH	6,925 593	$39 43	$273,076 13	$269,692.08	$2,541.69
FIRST EAGLE GOLD CLASS A Estimated Yield 1.43%	SGGDX CASH	7,320	$26.70	$195,444.00	unavailable	$2,796 24
FRANKLIN BALANCE SHEET INVESTMENT A Estimated Yield 0.99% Dividend Option Reinvest Capital Gain Option Reinvest	FRBSX CASH	2,936 237	$42 71	$125,406.68	$120,232.20	$1,249.08
FRANKLIN FLEX CAP GROWTH CL A Dividend Option Reinvest Capital Gain Option Reinvest	FKCGX CASH	3,362.517	$41.45	$139,376.33	$133,895.43	

MUTUAL FUNDS 91.30%

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/09	Current Market Value	Prior Market Value	Estimated Annual Income
FRANKLIN FLEX CAP GROWTH CLASS C Dividend Option Reinvest Capital Gain Option Reinvest	FCIIX CASH	4,280.89	$38.24	$163,701.23	$157,365.52	
FRANKLIN SMALL CAP VALUE CLASS C Dividend Option Reinvest Capital Gain Option Reinvest	FRVFX CASH	3,280 97	$33.39	$109,551.59	$105,089.47	
HARBOR INTERNATIONAL INSTITUTIONAL FD Estimated Yield 1.28% Dividend Option Reinvest Capital Gain Option Reinvest	HAINX CASH	3,624.928	$54.87	$198,899.80	$195,704.29	$2,554.99
MUTUAL SERIES MUTUAL SHARES CLASS C Estimated Yield 1.34% Dividend Option Reinvest Capital Gain Option Reinvest	TEMTX CASH	7,996.527	$18.89	$151,054 40	$145,565 49	$2,035.92
PERMANENT PORTFOLIO FAMILY OF FDS Estimated Yield 0.72% Dividend Option Reinvest Capital Gain Option Reinvest	PRPFX CASH	2,786.838	$38.67	$107,767.03	$109,453.98	$780.31
ROYCE MICROCAP INVESTMENT CLASS Estimated Yield 1.34% Dividend Option Reinvest Capital Gain Option Reinvest	RYOTX CASH	9,760.326	$13.72	$133,911.67	$127,064.52	$1,797.85
Total Equity				$3,120,830.95		$39,147.66
Fixed Income						
FRANKLIN US GOV'T CLASS A Estimated Yield 4.31% Dividend Option Reinvest Capital Gain Option Reinvest	FKUSX CASH	16,851.567	$6.64	$111,894.40	$113,711.70	$4,826 29
TEMPLETON GLOBAL BOND CLASS A Estimated Yield 4.24% Dividend Option Reinvest Capital Gain Option Reinvest	TPINX CASH	16,833.013	$12.72	$214,115.93	$211,679.61	$9,089 83
Total Fixed Income				$326,010.33		$13,916.12
Total Mutual Funds				$3,446,841.28		$53,063.78

Statement Date: 12/01/2009 to 12/31/2009

Total Securities	$3,632,756.78	$62,559.28