



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2009

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

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 changeUse the IRS
label
Otherwise,
print
or type

Name of foundation

GRACE PEPPER SMITH FOUNDATION

See Specific
Instructions

Number and street (or P O box number if mail is not delivered to street address)

PO BOX 93

City or town, state, and ZIP code

BALBOA ISLAND, CA 92662

H Check type of organization

 Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year
(from Part II, col. (c), line 16)

► \$ 930568.

(Part I, column (d) must be on cash basis)

J Accounting method: Cash Accrual Other (specify) _____

A Employer identification number

95-6052292

B Telephone number

(805) 642-3801

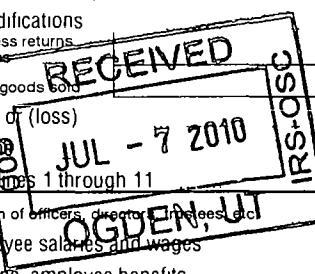
C If exemption application is pending, check here ► D 1 Foreign organizations, check here ► 2 Foreign organizations meeting the 85% test,
check here and attach computation ► E If private foundation status was terminated
under section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination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

Part I Analysis of Revenue and Expenses

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received	25810.			
2	Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	258.	258.	258.	STATEMENT 1
4	Dividends and interest from securities	1576.	1576.	1576.	STATEMENT 2
5a	Gross rents	14400.	14400.	14400.	STATEMENT 3
b	Net rental income or (loss)	7264.			STATEMENT 4
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a	99302.			
7	Capital gain net income (from Part IV, line 2)			37554.	
8	Net short-term capital gain			37554.	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	7208.	0.	7208.	STATEMENT 5
12	Total Add lines 1 through 11	86806.	53788.	23442.	
13	Compensation of officers, directors, employees, etc.	0.	0.	0.	0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees	STMT 6	3600.	0.	0.
c	Other professional fees				3600.
17	Interest				
18	Taxes	STMT 7	3404.	2.	2.
19	Depreciation and depletion		2496.	2496.	2496.
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	STMT 8	9882.	5484.	5484.
24	Total operating and administrative expenses Add lines 13 through 23		19382.	7982.	12244.
25	Contributions, gifts, grants paid		261384.		261384.
26	Total expenses and disbursements Add lines 24 and 25		280766.	7982.	273628.
27	Subtract line 26 from line 12		-193960.		
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		45806.		
c	Adjusted net income (if negative, enter -0-)			15460.	

SCANNED JUL 10 2010



Assets	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
1	Cash - non-interest-bearing				
2	Savings and temporary cash investments		4430.	3924.	3924.
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	STMT 9	4978.	4980.	5004.
b	Investments - corporate stock	STMT 10	86364.	24566.	40791.
c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment basis ►	571155.			
	Less accumulated depreciation	STMT 11 ►	21736.	551040.	549419.
12	Investments - mortgage loans				
13	Investments - other				
14	Land, buildings, and equipment basis ►	7136.			
	Less accumulated depreciation	STMT 12 ►	7136.		
15	Other assets (describe ►	STATEMENT 13)	6098.	849.	849.
16	Total assets (to be completed by all filers)		652910.	583738.	930568.
Liabilities					
17	Accounts payable and accrued expenses				
18	Grants payable				
19	Deferred revenue				
20	Loans from officers, directors, trustees, and other disqualified persons		473929.	603679.	STATEMENT 14
21	Mortgages and other notes payable				
22	Other liabilities (describe ► DUE TO UBS)	4962.	0.	
23	Total liabilities (add lines 17 through 22)		478891.	603679.	
Net Assets or Fund Balances					
24	Unrestricted				
25	Temporarily restricted				
26	Permanently restricted				
27	Capital stock, trust principal, or current funds		174019.	-19941.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
30	Total net assets or fund balances		174019.	-19941.	
31	Total liabilities and net assets/fund balances		652910.	583738.	

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	174019.
2	Enter amount from Part I, line 27a	2	-193960.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	-19941.
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	-19941.

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	99302.	61748.	37554.		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
b					
c					
d					
e					37554.
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	37554.	
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	0.	

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	310163.	1141806.	.271642
2007	220809.	1474915.	.149710
2006	231645.	1510766.	.153330
2005	197744.	1345882.	.146925
2004	110936.	1076140.	.103087

2 Total of line 1, column (d)

2 .824694

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 .164939

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 968226.

5 Multiply line 4 by line 3

5 159698.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 458.

7 Add lines 5 and 6

7 160156.

8 Enter qualifying distributions from Part XII, line 4

8 273628.

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 ► <input type="checkbox"/> and enter "N/A" on line 1	1	458.
	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		
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	458.
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	458.
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	374.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	600.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	974.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	516.
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ►	11	0.

Part VII-A | Statements Regarding Activities

		Yes	No
1a		X	
1b		X	
1c		X	
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	X	
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year? b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	X	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either. • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	CA		
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 <i>General Instruction G</i> ? If "No," attach explanation	SEE STATEMENT 15	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	X	
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

Form 990-PF (2009)

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 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? Website address ► **NONE** 13 X

14 The books are in care of ► **MARKLE C. SMITH** Telephone no. ► **805-642-3801**
Located at ► **3696 SHELDON DRIVE, VENTURA, CA** ZIP+4 ► **93003**

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

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? 1a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? 1a <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? 1a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? 1a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X 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)? 1a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X 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.) 1a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X 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)? Organizations relying on a current notice regarding disaster assistance check here 1b <input type="checkbox"/> N/A <input checked="" type="checkbox"/> X		
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 <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 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)): 2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No		
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? 2a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X 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.) 2b <input type="checkbox"/> N/A		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 2c <input type="checkbox"/> N/A		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? 3a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X 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) 3b <input type="checkbox"/> N/A		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 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 <input type="checkbox"/> N/A <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/>	
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A	
<i>If "Yes," attach the statement required by Regulations section 53.4945-5(d)</i>		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<i>If "Yes" to 6b, file Form 8870</i>		
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	

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.

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

Form 990-PE (2000)

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 <u>TRINITY COMMUNITY CHURCH-FUNDS PAID FOR THE CHURCH GENERAL OPERATING NEEDS, DAY CAMP, AND SCHOLARSHIP FUNDING</u>	222650.
2 <u>LATIN AMERICAN MISSION-FUNDS PAID FOR MISSIONARY SERVICES</u>	11110.
3 <u>CHRIST FOR THE CITY INTL-FUNDS PAID FOR MISSIONARY SERVICES</u>	2100.
4 <u>CAMPUS CRUSADE INTL-FUNDS PAID FOR MISSIONARY SERVICES</u>	750.

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

Form 990-PF (2009)

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	95436.
b	Average of monthly cash balances	1b	4061.
c	Fair market value of all other assets	1c	883474.
d	Total (add lines 1a, b, and c)	1d	982971.
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	982971.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	14745.
5	Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	968226.
6	Minimum investment return Enter 5% of line 5	6	48411.

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	48411.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	458.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	458.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	47953.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	47953.
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	47953.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	1a	273628.
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1b	0.
b	Program-related investments - total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	273628.
b	Cash distribution test (attach the required schedule)	5	458.
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	273170.
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		
6	Adjusted qualifying distributions Subtract line 5 from line 4		

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				47953.
2 Undistributed income, if any, as of the end of 2008			0.	
a Enter amount for 2008 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	57431.			
b From 2005	132036.			
c From 2006	158133.			
d From 2007	149166.			
e From 2008	253821.			
f Total of lines 3a through e	750587.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 273628.			0.	
a Applied to 2008, but not more than line 2a				
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				47953.
e Remaining amount distributed out of corpus	225675.			
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:	976262.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		0.		
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		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				0.
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	57431.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	918831.			
10 Analysis of line 9:				
a Excess from 2005	132036.			
b Excess from 2006	158133.			
c Excess from 2007	149166.			
d Excess from 2008	253821.			
e Excess from 2009	225675.			

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
SEE STATEMENT 16				
Total			► 3a	261384.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments				14	258.
4 Dividends and interest from securities				14	1576.
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property				16	7264.
6 Net rental income or (loss) from personal property					
7 Other investment income					7208.
8 Gain or (loss) from sales of assets other than inventory				14	37554.
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.		46652.	7208.
13 Total Add line 12, columns (b), (d), and (e)					53860.
(See worksheet in line 13 instructions to verify calculations.)					

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

Relationship of Activities to the Accomplishment of Exempt Purposes

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

Employer identification number

GRACE PEPPER SMITH FOUNDATION**95-6052292**

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 foundationCheck 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)

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions
for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

GRACE PEPPER SMITH FOUNDATION

Employer identification number

95-6052292

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JUNE MACADAM 3696 SHELDON DRIVE VENTURA, CA 93003	\$ 16335.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	MARKLE C. SMITH 3696 SHELDON DRIVE VENTURA, CA 93003	\$ 4475.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

GRACE PEPPER SMITH FOUNDATION

CONTINUATION FOR 990-PF, PART IV
95-6052292 PAGE 1 OF 1

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	628.141 GLOBAL GOLD		P	02/17/00	03/20/09
b	104 CHEVRON		D	04/06/01	06/10/09
c	163 CHEVRON		D	04/06/01	05/27/09
d	220 CHEVRON		D	04/06/01	05/13/09
e	150 CHEVRON		D	04/06/01	04/29/09
f	150 CHEVRON		D	04/06/01	04/15/09
g	118 CHEVRON		D	04/06/01	04/01/09
h	80 CHEVRON		D	04/06/01	02/18/09
i	125 CHEVRON		D	04/06/01	02/04/09
j	140 CHEVRON		D	04/06/01	01/21/09
k	70 CHEVRON		D	04/06/01	01/07/09
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	10000.	3235.			6765.
b	7286.	4610.			2676.
c	10458.	7225.			3233.
d	14904.	9752.			5152.
e	10015.	6649.			3366.
f	9823.	6649.			3174.
g	7992.	5232.			2760.
h	5185.	3546.			1639.
i	8893.	5541.			3352.
j	9696.	6206.			3490.
k	5050.	3103.			1947.
l					
m					
n					
o					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					6765.
b					2676.
c					3233.
d					5152.
e					3366.
f					3174.
g					2760.
h					1639.
i					3352.
j					3490.
k					1947.
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		37554.
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		0.

2009 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	COMPUTER EQUIPMENT	0501000200DB5.00	17	7136.	7136.	7136.	7136.	7136.	7136.	0.	0.	0.
	* TOTAL 990-PF PG 1											
	DEPR					0.	7136.	7136.	7136.	0.	0.	0.

928102
06-24-08

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CITIBANK	6.
MORGAN STANLEY ACCOUNT	0.
UBS: DISCOUNT AMORTIZATION	2.
UBS: T/E	250.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	258.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
AMERICAN CENTURY-GLOBAL GOLD	36.	0.	36.
MORGAN STANLEY ACCOUNT	725.	0.	725.
UBS	814.	0.	814.
WFB ACCOUNT	1.	0.	1.
TOTAL TO FM 990-PF, PART I, LN 4	1576.	0.	1576.

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
SINGLE FAMILY RESIDENCE, 26 GLEN ELLEN, VENTURA, CA-NOT RENTED	1	
SINGLE FAMILY RESIDENCE, 41 GLEN ELLEN, VENTURA, CA	2	14400.
	3	
TOTAL TO FORM 990-PF, PART I, LINE 5A		14400.

FORM 990-PF

RENTAL EXPENSES

STATEMENT 4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		2496.	
REPAIRS		421.	
PROPERTY TAXES		3383.	
INSURANCE		574.	
UTILITIES		262.	
- SUBTOTAL -	2		7136.
TOTAL RENTAL EXPENSES			7136.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			7264.

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
J HUNTER & CLARINDA CORBIN SMITH TRUST EXCESS ACCOUNTING INCOME	5852.	0.	5852.
EXCISE TAX REFUND	1356.	0.	1356.
TOTAL TO FORM 990-PF, PART I, LINE 11	7208.	0.	7208.

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3600.	0.	0.	3600.
TO FORM 990-PF, PG 1, LN 16B	3600.	0.	0.	3600.

FORM 990-PF

TAXES

STATEMENT

7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROPERTY TAXES	3402.	0.	0.	3402.
FOREIGN TAXES	2.	2.	2.	0.
TO FORM 990-PF, PG 1, LN 18	3404.	2.	2.	3402.

FORM 990-PF

OTHER EXPENSES

STATEMENT

8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
UTILITIES	2167.	0.	0.	2167.
INSURANCE	746.	0.	0.	746.
REPAIRS	1172.	0.	0.	1172.
BANK CHARGES	584.	584.	584.	584.
FILING FEES	90.	0.	0.	90.
OFFICE EXPENSES	223.	0.	0.	223.
BROKER FEES	175.	175.	175.	175.
INVESTMENT FEES	85.	85.	85.	85.
REPAIRS	421.	421.	421.	0.
PROPERTY TAXES	3383.	3383.	3383.	0.
INSURANCE	574.	574.	574.	0.
UTILITIES	262.	262.	262.	0.
TO FORM 990-PF, PG 1, LN 23	9882.	5484.	5484.	5242.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	9
-------------	--	-----------	---

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
\$5000 CA WATER BOND		X	4980.	5004.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			4980.	5004.
TOTAL TO FORM 990-PF, PART II, LINE 10A			4980.	5004.

FORM 990-PF	CORPORATE STOCK	STATEMENT	10
-------------	-----------------	-----------	----

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
AMERICAN GOLD COMMON STOCK	2662.	5512.
WACHOVIA-EVERGREEN US GOVT FUND	2260.	2260.
DIEBOLD COMMON STOCK	6886.	7113.
QUALCOMM COMMON STOCK	12758.	25906.
TOTAL TO FORM 990-PF, PART II, LINE 10B	24566.	40791.

FORM 990-PF	DEPRECIATION OF ASSETS HELD FOR INVESTMENT	STATEMENT	11
-------------	--	-----------	----

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDING	68640.	21736.	46904.
BUILDING-NOT RENTED	141357.	0.	141357.
LAND	261360.	0.	261360.
LAND-NOT RENTED	98923.	0.	98923.
WATER HEATER-NOT RENTED	875.	0.	875.
TOTAL TO FM 990-PF, PART II, LN 11	571155.	21736.	549419.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 12

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER EQUIPMENT	7136.	7136.	0.
TOTAL TO FM 990-PF, PART II, LN 14	7136.	7136.	0.

FORM 990-PF OTHER ASSETS STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DUE FROM HAMILTON TRUST	849.	849.	849.
DUE FROM UBS	5249.	0.	0.
TO FORM 990-PF, PART II, LINE 15	6098.	849.	849.

LENDER'S NAME AND TITLE

MARKLE C. SMITH, PRESIDENT

DATE OF NOTE	MATURITY DATE	INTEREST RATE	TERMS OF REPAYMENT		
10/27/03		.00%	REPAYABLE ON DEMAND		
SECURITY PROVIDED BY BORROWER			PURPOSE OF LOAN		
NONE			CASH FLOW NEEDS		
DESCRIPTION OF CONSIDERATION			FMV OF CONSIDERATION	ORIGINAL LOAN AMOUNT	BALANCE DUE
			0.	10000.	484079.

LENDER'S NAME AND TITLE

MC SMITH & JUNE MACADAM TRUST

DATE OF NOTE	MATURITY DATE	INTEREST RATE	TERMS OF REPAYMENT		
10/27/03		.00%	REPAYABLE ON DEMAND		
SECURITY PROVIDED BY BORROWER			PURPOSE OF LOAN		
NONE			CASH FLOW NEEDS		
DESCRIPTION OF CONSIDERATION			FMV OF CONSIDERATION	ORIGINAL LOAN AMOUNT	BALANCE DUE
			0.	14000.	117100.

LENDER'S NAME AND TITLE

J HUNTER & CLARINDA CORBIN SMITH TRUST A

DATE OF NOTE	MATURITY DATE	INTEREST RATE	TERMS OF REPAYMENT
		.00%	SHORT TERM LOAN

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	CASH FLOW NEEDS

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	ORIGINAL LOAN AMOUNT	BALANCE DUE
	0.	2500.	2500.

TOTAL TO FORM 990-PF, PART II, LINE 20, COLUMN B	603679.
--	---------

FORM 990-PF	EXPLANATION CONCERNING PART VII-A, LINE 8B	STATEMENT 15
-------------	--	--------------

EXPLANATION

STATE HAS INDICATED TO THE TAXPAYER IN WRITING THAT NO FILING IS REQUIRED.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 16

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CHRISTIAN BROADCASTING NETWORK 977 CENTERVILLE TURNPIKE VIRGINIA BEACH, VA 23465-9989	NONE MISSIONARY SERVICES	RELIGIOUS	500.
CAMPUS CRUSADE INTL P.O. BOX 628222 ORLANDO, FL 32862-9841	NONE MISSIONARY SERVICES	RELIGIOUS	750.
CHRIST FOR THE CITY INTERNATIONAL P.O. BOX 390395 OMAHA, NE 68139-0395	NONE MISSIONARY SERVICES	RELIGIOUS	2100.
DAYSPRING P.O. BOX 3309 VIRGINIA BEACH, VA 23454-9966	NONE MISSIONARY SERVICES	RELIGIOUS	500.
SAMARITAN'S PURSE P.O. BOX 3000 BOONE, NC 28607	NONE MISSIONARY SERVICES	RELIGIOUS	550.
LATIN AMERICAN MISSIONS P.O. BOX 52-7900 MIAMI, FL 33152-7900	NONE MISSIONARY SERVICES	RELIGIOUS	11110.
TRINITY COMMUNITY CHURCH 3645 TELEGRAPH ROAD VENTURA, CA 93003	NONE GENERAL FUND, DAY CAMP, SCHOLARSHIP PROGRAM	CHURCH	222650.
RUSSIA FOR CHRIST, INC. P.O. BOX 30000 SANTA BARBARA, CA 93130-9954	NONE MISSIONARY SERVICES	RELIGIOUS	500.

GRACE PEPPER SMITH FOUNDATION

95-6052292

SPORTS OUTREACH INSTITUTE, INC
P.O. BOX 11855 LYNCHBURG, VA
24506

NONE
MISSIONARY SERVICES

RELIGIOUS

500.

STEVE WRIGHT
3906 WYNWOOD CR HIGHLANDS
RANCH, CO 80126

NONE
SCHOLARSHIP

N/A

4550.

ALICIA WILSON
304 ANGELINA AVE CARMICHAEL, CA
95608

NONE
SCHOLARSHIP

N/A

8624.

TRACY ROBERTS
9409 LAUREL OAK WAY
BAKERSFIELD, CA 93311

NONE
SCHOLARSHIP

N/A

5000.

VARIOUS LESS THAN \$500
VARIOUS ADDRESSES

NONE
MISSIONARY SERVICES

RELIGIOUS

3050.

CHRISTIE WOLFE
261 EMMA AVE VENTURA, CA 93003

NONE
SCHOLARSHIP

N/A

1000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

261384.

PROOF OF PUBLICATION

STATE OF CALIFORNIA))
COUNTY OF ORANGE) ss.

I am a Citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the below entitled matter. I am a principal clerk of the NEWPORT BEACH - COSTA MESA DAILY PILOT, a newspaper of general circulation, printed and published in the City of Costa Mesa, County of Orange, State of California, and that attached Notice is a true and complete copy as was printed and published on the following dates:

January 1, 2010

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on January 5, 2010 at
Costa Mesa, California.

Signature

**NOTICE OF AVAILABILITY
OF ANNUAL REPORT**

The annual report of the Grace Pepper Smith Foundation is available for inspection at 126 Sapphire Ave., Balboa Island, upon appointment by any citizen who requests it within 180 days after this publication.
Phone: (949) 673-8242 or (805) 642-3801.
Published Newport Beach/Costa Mesa Daily Pilot January 1, 2010 F411