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

2009

Department of the Treasury
Internal Revenue Service

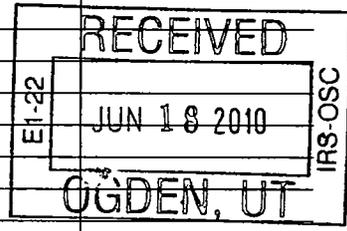
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning **APR 1, 2009**, and ending **MAR 31, 2010**

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 THE HORACE SMITH FUND	A Employer identification number 04-2235130
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 1441 MAIN STREET	B Telephone number (413) 739-4222
	City or town, state, and ZIP code SPRINGFIELD, MA 01103	C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 6,388,831. (Part I, column (d) must be on cash basis.)		

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(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	12,046.			
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	163,352.	163,352.	163,352.	STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	<138,593.>			
b Gross sales price for all assets on line 6a	1,346,030.			
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			N/A	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	77,248.	9,464.	77,248.	STATEMENT 2
12 Total. Add lines 1 through 11	114,053.	172,816.	240,600.	
13 Compensation of officers, directors, trustees, etc	63,869.	22,353.	0.	41,516.
14 Other employee salaries and wages	6,540.	2,289.	0.	4,251.
15 Pension plans, employee benefits	5,302.	0.	0.	5,302.
16a Legal fees				
b Accounting fees STMT 3	18,926.	6,624.	0.	12,302.
c Other professional fees STMT 4	25,915.	9,070.	0.	16,845.
17 Interest				
18 Taxes STMT 5	2,839.	0.	0.	2,839.
19 Depreciation and depletion	3,318.	0.	3,318.	
20 Occupancy	10,143.	0.	0.	10,143.
21 Travel, conferences, and meetings				
22 Printing and publications	682.	0.	0.	682.
23 Other expenses STMT 6	26,091.	<1,325.>	0.	27,416.
24 Total operating and administrative expenses. Add lines 13 through 23	163,625.	39,011.	3,318.	121,296.
25 Contributions, gifts, grants paid	223,000.			223,000.
26 Total expenses and disbursements. Add lines 24 and 25	386,625.	39,011.	3,318.	344,296.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<272,572.>			
b Net investment income (if negative, enter -0-)		133,805.		
c Adjusted net income (if negative, enter -0-)			237,282.	



SCANNED JUN 23 2010

2009

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		6,696.	5,267.	5,267.
	2	Savings and temporary cash investments		112,208.	152,992.	152,992.
	3	Accounts receivable ▶	119,413.			
		Less: allowance for doubtful accounts ▶	15,000.	171,776.	104,413.	104,413.
	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		1,466.	1,597.	1,597.
	10a	Investments - U.S. and state government obligations STMT 7		217,225.	229,238.	235,996.
	b	Investments - corporate stock STMT 8		4,274,614.	4,257,603.	4,634,887.
	c	Investments - corporate bonds STMT 9		1,471,180.	1,178,702.	1,228,552.
	11	Investments - land, buildings, and equipment, basis ▶				
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment, basis ▶	51,137.				
	Less: accumulated depreciation STMT 10 ▶	49,042.	5,414.	2,095.	2,095.	
15	Other assets (describe ▶ STATEMENT 11)		33,668.	23,032.	23,032.	
16	Total assets (to be completed by all filers)		6,294,247.	5,954,939.	6,388,831.	
Liabilities	17	Accounts payable and accrued expenses		5,953.	2,162.	
	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 ▶ STATEMENT 12)		3,532.	11,394.	
23	Total liabilities (add lines 17 through 22)		9,485.	13,556.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		6,284,762.	5,941,383.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
28	Paid-in or capital surplus, or land, bldg., and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances		6,284,762.	5,941,383.		
31	Total liabilities and net assets/fund balances		6,294,247.	5,954,939.		

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	6,284,762.
2	Enter amount from Part I, line 27a	2	<272,572.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	6,012,190.
5	Decreases not included in line 2 (itemize) ▶ ACCRUAL TO CASH ADJUSTMENT	5	70,807.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,941,383.

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 STATEMENTS				
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	1,346,030.	1,484,623.	<138,593.>	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e			<138,593.>	
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 <138,593.>
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 17,968.

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	355,132.	5,789,595.	.061340
2007	347,271.	7,013,880.	.049512
2006	316,640.	6,566,512.	.048220
2005	301,717.	6,330,966.	.047657
2004	396,811.	6,002,479.	.066108
2 Total of line 1, column (d)			2 .272837
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 .054567
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 5,729,426.
5 Multiply line 4 by line 3			5 312,638.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,338.
7 Add lines 5 and 6			7 313,976.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 344,296.

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. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,338.
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	1,338.
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	1,338.
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,720.
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	1,720.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	382.
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> 382. Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
d		
e		
2		X
3		X
4a		X
4b	N/A	
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

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 ► <u>WWW.HORACESMITHFUND.ORG</u>	13	X	
14	The books are in care of ► <u>THE HORACE SMITH FUND</u> Telephone no. ► <u>413-739-4222</u> Located at ► <u>1441 MAIN STREET, SPRINGFIELD, MA</u> ZIP+4 ► <u>01101</u>			
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		<input type="checkbox"/>

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> 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. <input type="checkbox"/> _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 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.) <input type="checkbox"/> 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)

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)? Yes No
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? Yes No
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**

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
JEAN M. MORIARTY 1441 MAIN STREET SPRINGFIELD, MA 01103	TREASURER 1.00	500.	0.	0.
PATRICIA A. SANTANIELLO 1441 MAIN STREET SPRINGFIELD, MA 01103	ASST. TREAS. 1.00	1,130.	0.	0.
BENJAMIN BUMP 1441 MAIN STREET SPRINGFIELD, MA 01103	EXEC. SECRETARY 13.00	19,232.	0.	0.
ANNE MAHONEY 1441 MAIN STREET SPRINGFIELD, MA 01103	VP FUND ADMINISTRATION 35.00	43,007.	0.	5,302.

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

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

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

Part VIII

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (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	5,660,668.
b	Average of monthly cash balances	1b	134,880.
c	Fair market value of all other assets	1c	21,128.
d	Total (add lines 1a, b, and c)	1d	5,816,676.
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	5,816,676.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	87,250.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,729,426.
6	Minimum investment return. Enter 5% of line 5	6	286,471.

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	286,471.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,338.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,338.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	285,133.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	285,133.
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	285,133.

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	344,296.
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	344,296.
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	1,338.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	342,958.

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				285,133.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	100,181.			
b From 2005				
c From 2006				
d From 2007	8,805.			
e From 2008	68,920.			
f Total of lines 3a through e	177,906.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	344,296.			
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				285,133.
e Remaining amount distributed out of corpus	59,163.			
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:	237,069.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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				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	100,181.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	136,888.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007	8,805.			
d Excess from 2008	68,920.			
e Excess from 2009	59,163.			

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

NONE

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

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (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:
SEE ATTACHED

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

c Any submission deadlines:
SEE ATTACHED

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

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
<i>a Paid during the year</i> NUMEROUS INDIVIDUALS - DETAILS AVAILABLE UPON REQUEST	N/A	N/A	SCHOLARSHIP	180,000.
NUMEROUS INDIVIDUALS - DETAILS AVAILABLE UPON REQUEST	N/A	N/A	FELLOWSHIP	43,000.
Total				223,000.
<i>b Approved for future payment</i>				
NONE				
Total				0.

THE HORACE SMITH FUND

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 DIAGEO PLC ADR	P	06/17/08	09/28/09
b COGNIZANT TECHNOLOGY SOLUTIONS	P	02/29/08	09/28/09
c CISCO SYSTEMS	P	10/04/07	09/28/09
d GALLAGHER ARTHUR J & CO	P	09/02/08	09/28/09
e XTO ENERGY INC	P	VARIOUS	12/21/09
f FASTENAL CO	P	VARIOUS	01/14/10
g PETSMA RT INC	P	VARIOUS	01/14/10
h ABERCROMB & FITCH CO CL A	P	VARIOUS	01/14/10
i EXXON MOBIL	P	VARIOUS	01/14/10
j CHEVRON CORP	P	VARIOUS	01/14/10
k PETSMA RT INC	P	VARIOUS	01/15/10
l COGNIZANT TECHNOLOGY SOLUTIONS	P	VARIOUS	02/23/10
m PNC FUNDING CORP	P	VARIOUS	03/05/10
n AT&T INC	P	VARIOUS	03/18/10
o MEDTRONIC INC	P	VARIOUS	03/19/10

(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 6,369.		7,534.	<1,165.>
b 5,856.		4,574.	1,282.
c 4,588.		6,448.	<1,860.>
d 4,926.		5,377.	<451.>
e 73,208.		73,403.	<195.>
f 61,896.		61,708.	188.
g 38,531.		46,166.	<7,635.>
h 48,308.		36,133.	12,175.
i 4,911.		5,268.	<357.>
j 6,458.		7,416.	<958.>
k 35,450.		31,378.	4,072.
l 34,966.		20,013.	14,953.
m 79,042.		73,125.	5,917.
n 37,334.		37,417.	<83.>
o 55,798.		64,517.	<8,719.>

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			<1,165.>
b			1,282.
c			<1,860.>
d			<451.>
e			<195.>
f			188.
g			<7,635.>
h		**	12,175.
i			<357.>
j			<958.>
k		**	4,072.
l			14,953.
m			5,917.
n		**	<83.>
o			<8,719.>

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 }

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

2

3

THE HORACE SMITH FUND

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 HOUSEHOLD FIN CO 4.75%	P	03/16/06	05/15/09
b CATERPILLAR	P	03/16/06	06/15/09
c SBC COMMUNICATIONS	P	12/21/06	09/15/09
d FED NATL MTG ASSN	P	VARIOUS	03/12/10
e FNMA POOL	P	08/19/05	04/27/09
f GNMA POOL	P	10/06/03	04/15/09
g FNMA POOL	P	08/19/05	05/26/09
h GNMA POOL	P	10/06/03	05/15/09
i FNMA POOL	P	08/19/05	06/25/09
j GNMA POOL	P	10/06/03	06/15/09
k FNMA POOL	P	08/19/05	07/27/09
l GNMA POOL	P	10/06/03	07/15/09
m FNMA POOL	P	08/19/05	08/25/09
n GNMA POOL	P	10/06/03	08/17/09
o FNMA POOL	P	08/19/05	09/25/09

(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 49,353.		49,353.	0.
b 49,073.		49,073.	0.
c 48,796.		48,796.	0.
d 50,000.		52,105.	<2,105.>
e 4,932.		4,920.	12.
f 64.		71.	<7.>
g 50.		50.	0.
h 74.		82.	<8.>
i 52.		52.	0.
j 66.		73.	<7.>
k 53.		53.	0.
l 66.		73.	<7.>
m 6,871.		6,854.	17.
n 76.		84.	<8.>
o 4,104.		4,093.	11.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			** 0.
b			** 0.
c			** 0.
d			<2,105.>
e			12.
f			<7.>
g			0.
h			<8.>
i			0.
j			<7.>
k			0.
l			<7.>
m			17.
n			<8.>
o			11.

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	
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	

THE HORACE SMITH FUND

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 GNMA POOL	P	10/06/03	09/15/09
b FNMA POOL	P	08/19/05	10/26/09
c GNMA POOL	P	10/06/03	10/15/09
d FNMA POOL	P	08/19/05	11/25/09
e GNMA POOL	P	10/06/03	11/15/09
f FNMA POOL	P	08/19/05	12/28/09
g GNMA POOL	P	10/06/03	12/15/09
h FNMA POOL	P	VARIOUS	01/25/10
i GNMA POOL	P	VARIOUS	01/15/10
j FNMA POOL	P	VARIOUS	02/25/10
k GNMA POOL	P	VARIOUS	02/15/10
l FNMA POOL	P	VARIOUS	03/25/10
m GNMA POOL	P	VARIOUS	03/15/10
n FIDELITY CLASS 1 FUND	P	VARIOUS	12/07/09
o T ROWE FUND	P	VARIOUS	12/17/09

(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 64.		71.	<7.>
b 9,082.		9,059.	23.
c 71.		79.	<8.>
d 24.		24.	0.
e 85.		94.	<9.>
f 28.		28.	0.
g 64.		71.	<7.>
h 24.		24.	0.
i 71.		79.	<8.>
j 23.		23.	0.
k 65.		72.	<7.>
l 24.		24.	0.
m 69.		77.	<8.>
n 572.			572.
o 116.			116.

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			<7.>
b			23.
c			<8.>
d			0.
e			<9.>
f			0.
g			<7.>
h			0.
i			<8.>
j			0.
k			<7.>
l			0.
m			<8.>
n			** 572.
o			** 116.

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 }

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

2

3

THE HORACE SMITH FUND

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 VANGUARD FUND #36	P	VARIOUS	12/31/09
b VANGUARD FUND #37	P	VARIOUS	03/30/10
c POWERSHARES DB CMDTY IDX TRA	P	VARIOUS	09/28/09
d AMGEN INC	P	05/31/07	11/05/09
e RESEARCH IN MOTION LIMITED	P	03/11/09	11/05/09
f AMGEN INC	P	01/08/09	11/05/09
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 188.			188.
b 115.			115.
c 59,101.		55,936.	3,165.
d 52,500.		56,550.	<4,050.>
e 24,010.		17,863.	6,147.
f 7,875.		8,826.	<951.>
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			(l) 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			188.
b			115.
c			** 3,165.
d			<4,050.>
e			** 6,147.
f			** <951.>
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	<138,593.>
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	17,968.

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-8 PORT ETHERNET HUB	121597SL		5.00	16	150.			150.	150.		0.
2	TELEPHONE	081198SL		7.00	16	300.			300.	300.		0.
3	PLAIN PAPER FAX LOAN PROCESSING	070998SL		5.00	16	230.			230.	230.		0.
4	SOFTWARE	013199SL		3.00	16	28,026.			28,026.	28,026.		0.
5	WEB SITE DESIGN	070102SL		3.00	16	7,229.			7,229.	7,229.		0.
6	WEB SITE DESIGN	011007SL		3.00	16	5,320.			5,320.	3,989.		1,330.
7	FIRE PROOF FILING CABINET	050405SL		5.00	16	670.			670.	525.		145.
8	FIRE PROOF FILING CABINET	123005SL		5.00	16	480.			480.	312.		96.
9	COMPUTERS	042106SL		5.00	16	8,123.			8,123.	4,739.		1,625.
10	PRINTER- XEROX * TOTAL 990-PF PG 1 DEPR	052107SL		5.00	16	609.		0.	609.	224.		122.
						51,137.			51,137.	45,724.	0.	3,318.

928102 06-24-09 (D) - Asset disposed * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BANKNORTH	163,352.	0.	163,352.
TOTAL TO FM 990-PF, PART I, LN 4	163,352.	0.	163,352.

FORM 990-PF	OTHER INCOME	STATEMENT	2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
STUDENT LOAN PRINCIPAL COLLECTED	67,363.	0.	67,363.
STUDENT LOAN INTEREST	9,464.	9,464.	9,464.
MISCELLANEOUS	421.	0.	421.
TOTAL TO FORM 990-PF, PART I, LINE 11	77,248.	9,464.	77,248.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PROFESSIONAL SERVICES	18,926.	6,624.	0.
TO FORM 990-PF, PG 1, LN 16B	18,926.	6,624.	0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
AGENT FEES	25,915.	9,070.	0.
TO FORM 990-PF, PG 1, LN 16C	25,915.	9,070.	0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL INCOME TAX PAID	2,263.	0.	0.	2,263.	
FOREIGN TAXES PAID	436.	0.	0.	436.	
OTHER MISCELLANEOUS TAXES	140.	0.	0.	140.	
TO FORM 990-PF, PG 1, LN 18	2,839.	0.	0.	2,839.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MEALS AND ENTERTAINMENT	835.	0.	0.	835.	
INSURANCE	11,184.	0.	0.	11,184.	
OFFICE SUPPLIES	10,544.	0.	0.	10,544.	
LOAN RECOVERIES	<2,650.>	<2,650.>	0.	0.	
MISCELLANEOUS	79.	0.	0.	79.	
ADVERTISING	267.	0.	0.	267.	
CREDIT BUREAU FEES	1,325.	1,325.	0.	0.	
DUES	385.	0.	0.	385.	
BAD DEBT EXPENSE	4,122.	0.	0.	4,122.	
TO FORM 990-PF, PG 1, LN 23	26,091.	<1,325.>	0.	27,416.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	7
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
20112 UNITS GNMA POOL 6%	X		22,277.	21,817.	
100000 UNITS FEDERAL HME LN BK	X				
4.10% 11/02/2009 CHARTER BK SANTA FE			100,020.	108,625.	
13935 UTS FNMA POOL #750809 5.067% 11/01/33	X		13,900.	14,595.	

50000 UNITS U.S. TREAS. BONDS	X		
5.000%		54,898.	53,020.
35000 UNITS US TREAS. BOND 4.25%	X	38,143.	37,939.
TOTAL U.S. GOVERNMENT OBLIGATIONS		229,238.	235,996.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			
TOTAL TO FORM 990-PF, PART II, LINE 10A		229,238.	235,996.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
1240 SHS PROCTOR & GAMBLE CO.	48,159.	78,455.
1570 SHS JOHNSON & JOHNSON	82,941.	102,364.
1000 SHS APACHE CORP	44,855.	101,500.
1670 SHS COGNIZANT TECHNOLOGY SOLUTIONS	37,899.	85,137.
3210 SHS WELLS FARGO & CO	64,264.	99,895.
2630 SHS AMERICAN EXPRESS CO	116,393.	108,514.
1920 SHS ILLINOIS TOOL WORKS INC	84,821.	90,931.
1060 SHS QUEST DIAGNOSTICS INC COM	53,669.	61,787.
4380 CISCO SYSTEMS	104,045.	114,011.
1710 SHS WALT DISNEY CO	50,681.	59,696.
1110 SHS EXXON MOBIL CORP	83,000.	74,348.
1580 SHS HEWLETT PACKARD CO	60,983.	83,977.
0 IMS HEALTH INC	0.	0.
0 SHS I-SHARES TR RUSSELL MCP VL	0.	0.
0 SHS I-SHARES RUSSELL MID CAP GROWTH	0.	0.
1800 SHS I-SHARES CHOEN & STEERS RLTY	131,190.	103,104.
0 SHS I-SHARES TR RUSSELL 2000 VALUE	0.	0.
0 SHS TR RUSSELL 2000 GROWTH	0.	0.
2390 SHS JP MORGAN CHASE & CO	113,333.	106,952.
1300 SHS PEPSICO INCORPORATED	81,556.	86,008.
1700 SHS NOVARTIS AG SPONSORED ADR	97,002.	91,970.
1400 SHS SOUTHERN CO	51,489.	46,424.
1300 SHS 3M CO	101,820.	108,641.
0 RENAISSANCE RE HOLDINGS LTD	0.	0.
0 AMGEN INC	0.	0.
3220 AUTODESK INC	95,468.	94,604.
990 CHEVRON CORP	86,819.	75,072.
1600 CIMAREX ENERGY CO	54,876.	95,008.
5750 EMC CORP/MASS	87,441.	103,730.
0 FASTENAL CO	0.	0.
3870 MICROSOFT CORP	109,075.	113,343.
565 MONSANTO CO NEW	51,986.	40,352.
0 PETSMART INC	0.	0.
720 SIGMA-ALDRICH CORP COMMON	30,674.	38,635.
3085 TEXAS INSTRUMENTS	98,397.	75,490.
1260 UNITED TECHNOLOGIES	78,447.	92,749.

0 XTO ENERGY INC	0.	0.
1030 ZIMMER HLDGS	81,691.	60,976.
810 TRANSOCEAN LTD ZUG NAMEN AKT	61,410.	69,968.
2350 AT&T INC	72,904.	60,724.
0 ABERCROMB & FITCH CO	0.	0.
880 BHP BILLITON LTD	41,565.	70,682.
1320 CLOROX CO	73,371.	84,665.
880 COLGATE PALMOLIVE CO	53,849.	75,029.
1370 DIAGEO PLC ADR	99,139.	92,406.
1890 EXPEDITORS INTL WASH INC	65,017.	69,779.
4300 FIDELITY ADVISOR EMERGING MARKET CLASS I FUND #1290	59,745.	92,622.
2300 GALLAGHER ARTHUR J & CO	54,944.	56,465.
2560 HOME DEPOT	73,135.	82,816.
0 KEELEY SMALL CAP VALUE FUND - A	0.	0.
14376 MFS RESEARCH INTERNATIONAL FUND I FUND #899	222,412.	207,014.
0 MEDTRONIC INC.	0.	0.
2880 PAYCHEX INC	85,109.	88,474.
0 POWERSHARES DB CMDTY IDX TRA UNIT BEN INT	0.	0.
0 RESEARCH IN MOTION LIMITED	0.	0.
0 SEMPRA ENERGY COMMON	0.	0.
1270 STATE STREET CORP	53,061.	57,328.
1530 THERMO FISHER SCIENTIFIC INC	80,941.	78,703.
4000 US BANCORP DEL NEW	107,220.	103,520.
10749 VANGUARD MID-CAP INDEX FUND #859	171,882.	191,010.
1610 VERIZON COMMUNICATIONS	51,184.	49,942.
0 WALGREEN CO	0.	0.
2540 YUM BRANDS INC	84,505.	97,358.
1450 UNITS EXELON CORP	69,840.	63,524.
1070 UNITS ACE LTD	47,916.	55,961.
2164 UNITS BARON GROWTH FUND #587	75,762.	95,302.
1690 UNITS STRYKER CORP	79,144.	96,702.
1790 UNITS EMERSON ELECTRIC CO	80,225.	90,109.
1250 UNITS APOLLO GROUP INC	74,709.	76,612.
1447 UNITS T ROWE PRICE NEW ERA	58,922.	64,088.
1510 UNITS ULTRA PETROLEUM CORP	76,718.	70,411.
TOTAL TO FORM 990-PF, PART II, LINE 10B	<u>4,257,603.</u>	<u>4,634,887.</u>

FORM 990-PF CORPORATE BONDS STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
100000 UNITS GENERAL ELECTRIC CAP 5% 2007	103,643.	107,797.
0 UNITS AM GENL FIN	0.	0.
50000 UNITS MORGAN STANLEY	50,284.	50,180.
50000 UNITS KRAFT FOODS INC 5.625% 11/01/2011	52,992.	53,105.
50000 UNITS VERIZON NJ INC 5.875% 1/17/2012	53,323.	53,258.
0 UTS CATERPILLAR 4.50% 6/15/06	0.	0.

0 UTS HOUSEHOLD FIN CO 4.75% 5/15/09	0.	0.
0 UTS SBC COMMUNICATIONS 4.125%	0.	0.
75000 UTS BANK OF AMERICA CRP	75,910.	78,832.
100000 UTS BANK OF AMERICA	101,857.	102,527.
100000 UTS CONOCOPHILLIPS	103,584.	111,317.
100000 UTS FED HOME LN BK	106,072.	108,922.
50000 FED HOME LN BK	49,903.	51,164.
50000 UTS FED HOME LN BK	49,335.	55,172.
50000 UTS FED HOME LN BK	46,882.	53,820.
0 UTS FED NATL MTG ASSN	0.	0.
0 UTS PNC FUNDING CORP	0.	0.
100000 UTS SBC COMMUNICATIONS	99,640.	108,194.
50000 UTS VERIZON COMM	53,783.	55,572.
50000 UNITS CATERPILLAR FIN 5.125%	49,836.	52,955.
100000 UNITS GOLDMAN SACHS GRP	100,245.	100,746.
5746 UNITS PIMCO HIGH YLD FUND INSTL #108	49,789.	52,059.
3072 UNITS VANGUARD GNMA FUND #36	31,624.	32,932.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,178,702.	1,228,552.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER-8 PORT ETHERNET HUB	150.	150.	0.
TELEPHONE	300.	300.	0.
PLAIN PAPER FAX	230.	230.	0.
LOAN PROCESSING SOFTWARE	28,026.	28,026.	0.
WEB SITE DESIGN	7,229.	7,229.	0.
WEB SITE DESIGN	5,320.	5,319.	1.
FIRE PROOF FILING CABINET	670.	670.	0.
FIRE PROOF FILING CABINET	480.	408.	72.
COMPUTERS	8,123.	6,364.	1,759.
PRINTER- XEROX	609.	346.	263.
TOTAL TO FM 990-PF, PART II, LN 14	51,137.	49,042.	2,095.

FORM 990-PF OTHER ASSETS STATEMENT 11

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST - INVESTMENTS	18,860.	22,320.	22,320.
ACCRUED INTEREST - STUDENT LOANS	364.	712.	712.
REFUNDABLE EXCISE TAXES	14,444.	0.	0.
TO FORM 990-PF, PART II, LINE 15	33,668.	23,032.	23,032.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	12
DESCRIPTION	BOY AMOUNT	EOY AMOUNT	
ACCRUED EXPENSES	3,532.	9,833.	
ACCRUED TAXES - FEDERAL	0.	1,561.	
TOTAL TO FORM 990-PF, PART II, LINE 22	3,532.	11,394.	