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

OMB No 1545 0052

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 May 1, 2009, and ending Apr 30, 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 C. LYMAN SMITH & INGRID L. SMITH FOUNDATION		A Employer identification number 32-6041572
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite FIRST OPTION BANK, PO BOX B		B Telephone number (see the instructions) (913) 294-3811
	City or town State ZIP code PAOLA KS 66071		C If exemption application is pending, check here <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		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 534,288.		J Accounting method <input checked="" type="checkbox"/> Cash <input 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"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc., received (att sch)				
	2 Check <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	102.	102.	102.	
	4 Dividends and interest from securities	18,170.	18,170.	18,170.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		7.		
	8 Net short-term capital gain				
	9 Income modifications				
ADMINISTRATIVE AND OPERATING EXPENSES	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	18,272.	18,279.	18,272.	
	13 Compensation of officers, directors, trustees, etc.	3,824.	3,727.	3,727.	1,597.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)	975.	0.	0.	975.
	c Other-prof fees (attach sch)				
17 Interest					
18 Taxes (attach schedule) (see instr) EXCISE TAX	0.	0.	0.	0.	
19 Depreciation (attach sch) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses. Add lines 13 through 23	6,299.	3,727.	3,727.	2,572.	
25 Contributions, gifts, grants paid	23,800.			23,800.	
26 Total expenses and disbursements. Add lines 24 and 25	30,099.	3,727.	3,727.	26,372.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-11,827.				
b Net investment income (if negative, enter -0-)		14,552.			
c Adjusted net income (if negative, enter -0-)			14,545.		

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	63,632.	13,455.	13,455.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	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 (attach schedule)	250,935.	289,134.	286,345.
	b Investments — corporate stock (attach schedule)	254,357.	254,356.	234,330.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe <u>ACCRUED INTEREST PURCHASED</u>)	0.	158.	158.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	568,924.	557,103.	534,288.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe _____)			
	23 Total liabilities (add lines 17 through 22)			
N E T A S S E T S O R F U N D B A L A N C E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	568,688.	557,103.	
	28 Paid-in or capital surplus, or land, building, and equipment fund	236.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	568,924.	557,103.	
	31 Total liabilities and net assets/fund balances (see the instructions)	568,924.	557,103.	

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	568,924.
2 Enter amount from Part I, line 27a	2	-11,827.
3 Other increases not included in line 2 (itemize) <u>CAPITAL GAINS</u>	3	7.
4 Add lines 1, 2, and 3	4	557,104.
5 Decreases not included in line 2 (itemize) <u>ROUNDING</u>	5	1.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	557,103.

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 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1a SCHEDULE - SHORT TERM	P	05/23/08	05/20/09
b SCHEDULE - LONG TERM	P	05/23/08	07/20/09
c SCHEDULE - SHORT TERM	P	02/01/10	04/20/10
d SCHEDULE - LONG TERM	P	04/19/04	08/16/09
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 17,643.		17,652.	-9.
b 62,267.		62,244.	23.
c 3,432.		3,432.	0.
d 78,426.		78,433.	-7.
e			

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			-9.
b			23.
c			0.
d			-7.
e			

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

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) (see the instructions). If (loss), enter -0-
in Part I, line 8

3

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

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

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

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

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	29,186.	520,535.	0.056069
2007	26,511.	580,672.	0.045656
2006	29,573.	571,647.	0.051733
2005	453.	552,728.	0.000820
2004			

2 Total of line 1, column (d)

2

0.154278

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

0.038570

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

4

521,431.

5 Multiply line 4 by line 3

5

20,112.

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

6

146.

7 Add lines 5 and 6

7

20,258.

8 Enter qualifying distributions from Part XII, line 4

8

26,372.

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 the instructions)

1 a 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 instr.)		1	146.
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, column (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	146.
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	146.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	89.	
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	89.	
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	57.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	0.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <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: o By language in the governing instrument, or o 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, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) KS - Kansas		
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? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 <u>N/A</u>	13	X	
14	The books are in care of <u>FIRST OPTION BANK</u> Telephone no <u>(913) 294-3811</u> Located at <u>702 BAPTISTE</u> <u>PAOLA,</u> <u>KS</u> ZIP + 4 <u>66071</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			

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
1 a 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	
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?	1 c	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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 the instructions)	2 b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a 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)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

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Form 990-PF (2009)

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)? (see instructions)

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

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?☐ 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

If 'Yes' to 6b, file Form 8870

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

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 (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FIRST OPTION BANK P.O. BOX B PAOLA KS 66071	TRUSTEE	0.50	5,324.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

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

None

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

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

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

None

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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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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	448,874.
b	Average of monthly cash balances	1b	80,498.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	529,372.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	529,372.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	7,941.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	521,431.
6	Minimum investment return. Enter 5% of line 5	6	26,072.

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	26,072.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	146.
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	146.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	25,926.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	25,926.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	25,926.

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	26,372.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	26,372.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	146.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	26,226.

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				25,926.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			23,747.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2009				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 26,372.				
a Applied to 2008, but not more than line 2a			23,747.	
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				2,625.
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))				
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				
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 instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				23,301.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	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	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	0.			
e Excess from 2009	0.			

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			(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 organization had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

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

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (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

FIRST OPTION BANK, TRUSTEE

PO BOX B

PAOLA

KS

66071

(913) 294-3811

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

NONE

- c Any submission deadlines

NONE

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

NONE; GRANTOR PROVIDED LIST OF PREFERRED CHARITABLE RECIPIENTS.

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				
USD # 368 202 EAST WEA PAOLA KS 66071 CITY OF PAOLA COMMUNITY CENTER 905 E WEA PAOLA KS 66071 EAST CENTRAL KS SPECIAL ED COOP 302 NORTH OAK PAOLA KS 66071 PAOLA ASSN FOR CHURCH ACTION 401 E. PIANKISHAW PAOLA KS 66071 FIRST BAPTIST CHURCH 207 E WEA, PAOLA, KS 66071 FREEMONT LUTHERAN CHURCH 2511 8TH AVE, LINDSBORG, KS 67456 USD # 368 ENDOWMENT ASSN 202 EAST WEA PAOLA KS 66071 KANSAS UNIVERSITY ENDOWMENT 1120 W 11TH ST, LAWRENCE, KS 66044		N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE CHARITABLE	5,000. 2,500. 2,610. 2,690. 1,000. 1,000. 8,000. 1,000.
Total			3a	23,800.
b Approved for future payment				
Total			3b	

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 (see the instructions)
	(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	102.	
4	Dividends and interest from securities			14	18,170.	
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					
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)				18,272.	
13	Total. Add line 12, columns (b), (d), and (e)				18,272.	

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

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

[illegible]

C. Lyman Smith & Ingrid L. Smith
Foundation
32-6041572

Balance Sheet
April 30, 2010

Schedule 1

Description	Book Value Beginning of Year	End of Year	Market Value
CASH	\$ 0	\$ -	\$ -
<u>SAVINGS & TEMPORARY CASH INVESTMENTS</u>			
Great Southern Bank /Northern Instl	\$ 63,632	\$ 13,455	\$ 13,455
<u>BONDS</u>			
FHLB 4.2% due 1-28-20	\$ 0	\$ 25,188	\$ 25,535
FHLMC 5.5% due 8-15-34	9,915	0	0
FNMA DEB 5.0%, due 2-22-23	75,075	75,075	74,162
FNMA 5.05% due 6-18-2024	0	75,000	75,071
GNMA CMO 5.0% due 4-20-2032	63,508	0	0
GNMA 4.5% due 6-20-39	0	96,373	94,540
GNMA CMO 5.25% due 4-16-34	4,651	2,168	2,160
GNMA 5.0% due 8-20-2034	24,490	0	0
GNMA CMO 5.5% due 12-16-34	21,933	15,330	14,877
GNRM 5.5% due 11-20-36	14,528	0	0
GNMA 5.5% due 7-20-37	19,059	0	0
GNMA 5.5%, due 9-20-38	10,753	0	0
GNMA 6.0% due 6-16-37	7,023	0	0
	\$ 250,935	\$ 289,134	\$ 286,345
<u>INVESTMENTS - CORPORATE STOCKS</u>			
CHEVRON CORPORATION	10,166	10,166	8,958
EXXON MOBIL CORP	23,305	23,305	16,943
SPECTRA ENERGY CORP	7,394	7,394	9,336
GENERAL ELEC CO	28,742	28,742	15,088
MCDONALDS CORP	31,563	31,562	38,825
COCA COLA CO	26,513	26,513	24,052
PROCTER & GAMBLE CO	28,638	28,638	24,864
WALGREEN CO	26,061	26,061	22,848
JOHNSON & JOHNSON	26,563	26,563	25,720
AT&T Inc	\$ 20,472	\$ 20,472	\$ 20,848
DUKE ENERGY CORP	24,940	24,940	26,848
	\$ 254,357	\$ 254,356	\$ 234,330
<u>OTHER ASSETS</u>			
Accrued interest purchased	\$ 0	158	158
GRAND TOTAL	\$ 568,924	\$ 557,103	\$ 534,288

ACCOUNT 45-T003-01-6 C. LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KAL
 INV OFFICER KAL

FEDERAL LOSS CARRYOVER
 ST 00
 LT 00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD	DATE ACQ	NET PROCEEDS	GAIN/LOSS			
				FEDERAL TAX COST	FEDERAL SHORT TERM	FEDERAL LONG TERM	STATE LONG TERM
						FEDERAL 5 YR GAIN	STATE 5 YR GAIN

INVESTED PRINCIPAL ASSETS

=====

PRIN PAYMENT OF 270.560	08/16/09		270.56				
GNMA REMIC SERIES 2004-26 CL DA	04/19/04		270.56				
5.250% DUE 04/16/2034			270.56				
PRIN PAYMENT OF 835.560	08/16/09		835.56				
GNMA REMIC SERIES 2004-105 CK KA	05/01/07		835.56				
5.000% DUE 12/16/2034			835.56				
PRIN PAYMENT OF 7,532.510	08/20/09		7,532.51				
GNMA REMIC SERIES 2005-51 CL DA	08/29/05		7,532.51				
5.000% DUE 04/20/2032			7,532.51				
PRIN PAYMENT OF 1,621.720	08/20/09		1,621.72				
GNMA REMIC SERIES 2006-62 CL KC	12/18/06		1,621.72				
5.500% DUE 11/20/2036			1,621.72				
PRIN PAYMENT OF 2,498.780	08/20/09		2,498.78				
GNMA REMIC SERIES 2005-18 CL JA	02/25/05		2,498.78				

ACCOUNT 45-T003-01-6 C. LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KAL
 INV OFFICER KAL

FEDERAL LOSS CARRYOVER
 ST .00
 LT 00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	GAIN/LOSS		
			FEDERAL SHORT TERM STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN
5.000% DUE 08/20/2034		2,498.78			
PRIN PAYMENT OF 279.09	08/20/09	279.09			
GNMA REMIC SERIES 2008-41 CL UA	05/23/08	279.44			.35- FL
5.500% DUE 07/20/2037		279.44			35- SL
PRIN PAYMENT OF 134.360	09/16/09	134.36			
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	134.36			
5.000% DUE 12/16/2034		134.36			
PRIN PAYMENT OF 2,417.290	09/20/09	2,417.29			
GNMA REMIC SERIES 2005-18 CL JA	02/25/05	2,417.29			
5.000% DUE 08/20/2034		2,417.29			
PRIN PAYMENT OF 4,079.360	09/20/09	4,079.36			
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	4,079.36			
5.000% DUE 04/20/2032		4,079.36			
PRIN PAYMENT OF 167.650	10/16/09	167.65			
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	167.65			
5.000% DUE 12/16/2034		167.65			
PRIN PAYMENT OF 2,136.860	10/20/09	2,136.86			
GNMA REMIC SERIES 2005-18 CL JA	02/25/05	2,136.86			
5.000% DUE 08/20/2034		2,136.86			
PRIN PAYMENT OF 7,613.360	10/20/09	7,613.36			
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	7,613.36			
5.000% DUE 04/20/2032		7,613.36			
PRIN PAYMENT OF 96.850	11/16/09	96.85			
GNMA REMIC SERIES 2004-26 CL DA	04/19/04	96.85			

ACCOUNT 45-T003-01-6 C. LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KAL
 INV OFFICER KAL

FEDERAL LOSS CARRYOVER
 ST 00
 LT .00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	GAIN/LOSS		
			FEDERAL SHORT TERM	STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM FEDERAL 5 YR GAIN STATE 5 YR GAIN
5.250% DUE 04/16/2034		96.85			
PRIN PAYMENT OF 1,338.130	11/16/09	1,338.13			
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	1,338.13			
5.000% DUE 12/16/2034		1,338.13			
PRIN PAYMENT OF 3,951.050	11/20/09	3,951.05			
GNMA REMIC SERIES 2005-18 CL JA	02/25/05	3,951.05			
5.000% DUE 08/20/2034		3,951.05			
PRIN PAYMENT OF 9,184.390	11/20/09	9,184.39			
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	9,184.39			
5.000% DUE 04/20/2032		9,184.39			
PRIN PAYMENT OF 872.080	12/16/09	872.08			
GNMA REMIC SERIES 2004-26 CL DA	04/19/04	872.08			
5.250% DUE 04/16/2034		872.08			
PRIN PAYMENT OF 27.130	12/16/09	27.13			
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	27.13			
5.000% DUE 12/16/2034		27.13			
PRIN PAYMENT OF 3,011.730	12/20/09	3,011.73			
GNMA REMIC SERIES 2005-18 CL JA	02/25/05	3,011.73			
5.000% DUE 08/20/2034		3,011.73			
PRIN PAYMENT OF 7,257.920	12/20/09	7,257.92			
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	7,257.92			
5.000% DUE 04/20/2032		7,257.92			
PRIN PAYMENT OF 661.440	01/16/10	661.44			
GNMA REMIC SERIES 2004-26 CL DA	04/19/04	661.44			

ACCOUNT 45-T003-01-6 C LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KAL
 INV OFFICER KAL

FEDERAL LOSS CARRYOVER
 ST .00
 LT .00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	GAIN/LOSS				
			FEDERAL SHORT TERM STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN		
5.250% DUE 04/16/2034		661.44					
PRIN PAYMENT OF 14,320.580	01/20/10	14,320.58					
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	14,320.58					
5.000% DUE 04/20/2032		14,320.58					
PRIN PAYMENT OF 2,250.040	01/20/10	2,250.04					
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	2,250.04					
5.000% DUE 12/16/2034		2,250.04					
PRIN PAYMENT OF 131.470	02/16/10	131.47					
GNMA REMIC SERIES 2004-26 CL DA	04/19/04	131.47					
5.250% DUE 04/16/2034		131.47					
REVERSED ON 03/10/2010 TO CORRECT PAYMENT	02/16/10	227.86					
PRIN PAYMENT OF 227.860	05/01/07	227.86					
GNMA REMIC SERIES 2004-105 CK KA		227.86					
5.000% DUE 12/16/2034							
PRIN PAYMENT OF 209.530	02/16/10	209.53					
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	212.26					
5.000% DUE 12/16/2034		212.26					
PRIN PAYMENT OF 3,276.760	02/20/10	3,276.76					
GNMA REMIC SERIES 2005-51 CL DA	08/29/05	3,276.76					
5.000% DUE 04/20/2032		3,276.76					
PRIN PAYMENT OF 82.060	03/16/10	82.06					
GNMA REMIC SERIES 2004-105 CK KA	05/01/07	83.13					
5.000% DUE 12/16/2034		83.13					

2.73- FL
 2.73- SL

1.07- FL
 1.07- SL

ACCOUNT 45-T003-01-6 C. LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KAL
 INV OFFICER KAL

FEDERAL LOSS CARRYOVER
 ST .00
 LT 30

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	----- GAIN/LOSS -----			
			FEDERAL SHORT TERM STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN	
PRIN PAYMENT OF 1,544.230 GNMA REMIC SERIES 2005-51 CL DA 5.000% DUE 04/20/2032	03/20/10 08/29/05	1,544.23 1,544.23 1,544.23				
PRIN PAYMENT OF 194.920 GNMA REMIC TRUST 2010-14 CL GA 4.500% DUE 06/20/2039	03/20/10 02/01/10	194.92 194.92 194.92				
PRIN PAYMENT OF 342.370 GNMA REMIC SERIES 2004-26 CL DA 5.250% DUE 04/16/2034	04/16/10 04/19/04	342.37 341.60 341.60			.77 FL .77 SL	
PRIN PAYMENT OF 314.130 GNMA REMIC SERIES 2004-105 CK KA 5.000% DUE 12/16/2034	04/16/10 05/01/07	314.13 318.22 318.22			4 09- FL 4 09- SL	
PRIN PAYMENT OF 3,431.640 GNMA REMIC TRUST 2010-14 CL GA 4.500% DUE 06/20/2039	04/20/10 02/01/10	3,431.64 3,431.64 3,431.64				
INVESTED PRINCIPAL ASSETS TOTAL		152,479.05 152,486.52 152,486.52			7.47- FL 7.47- SL	

GRAND TOTALS

81,857.69
 81,865.16
 81,865.16

RECAP:

	SALES PRICE	COST	GAIN/LOSS
SHORT TERM	\$ 3,431.64	\$ 3,431.64	\$ -
LONG TERM	78,426.05	78,433.52	(7.47)
	<u>\$ 81,857.69</u>	<u>\$ 81,865.16</u>	<u>\$ (7.47)</u>

REPORT PTR140 8J TEAMBANK N.A.

TAX YEAR APR 30

08/19/09 PAGE 166

ACCOUNT 47-4708-00-5 C LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KL
 INV OFFICER AAA

FEDERAL LOSS CARRYOVER
 ST .00
 LT .00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	GAIN/LOSS		
			FEDERAL SHORT TERM	STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN
PRIN PMT FOR 05/02/09 GNMA 05-18 JA REMIC MULTICLASS CMO 5.000% DTD 02/01/05 DUE 08/20/2034 AVERAGE LIFE 2.61 YRS FROM 2/25/05	05/01/09 02/25/05	1,812.02 1,812.02 1,812.02			
PRIN PMT FOR 05/01/09 FHLMC SERIES 2841 CL KB 5.500% DUE 08/15/2034	05/15/09 03/14/06	381.77 379.86 379.86			1.91 FL 1.91 SL
PRIN PMT FOR 05/01/09 GNMA 07-35 BD REMIC MULTICLASS CMO 6.000% DTD 06/01/07 DUE 06/16/2037 AVERAGE LIFE 2.09 YRS FROM 06/29/07	05/16/09 06/28/07	4,073.47 4,073.47 4,073.47			
PRIN PMT FOR 05/01/09 GNMA 08-41 UA REMIC MULTICLASS CMO 5.500% DTD 05/01/08 DUE 07/20/2037 AVERAGE LIFE 2.9 YRS FROM 05/29/08	05/20/09 05/23/08	6,890.50 6,899.11 6,899.11			8.61- 8.61-
PRIN PMT FOR 05/01/09 GNRM 361120 BE#REMIC FIXED RATE 5.500% DTD 12/18/06 DUE 11/20/2036 AVERAGE LIFE 3 YRS FROM 12/21/06	05/20/09 12/18/06	4,365.12 4,365.12 4,365.12			
PRIN PMT FOR 05/01/09 GNMA 08-83 UA REMIC MULTICLASS CMO 5.500% DTD 09/01/08 DUE 09/20/2038	05/20/09 09/15/08	5,428.33 5,428.33 5,428.33			
PRIN PMT FOR 06/01/09 FHLMC SERIES 2841 CL KB 5.500% DUE 08/15/2034	06/15/09 03/14/06	9,583.32 9,535.40 9,535.40			47.92 FL 47.92 SL

ACCOUNT 47-4708-00-5 C LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KL
 INV OFFICER AAA

FEDERAL LOSS CARRYOVER
 ST .00
 LT .00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	----- GAIN/LOSS -----		
			FEDERAL SHORT TERM STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN
PRIN PMT FOR 06/01/09 GNMA 07-35 BD REMIC MULTICLASS CMO 6.000% DTD 06/01/07 DUE 06/16/2037 AVERAGE LIFE 2.09 YRS FROM 06/29/07	06/16/09 06/28/07	2,949.20 2,949.20 2,949.20			
PRIN PMT FOR 06/01/09 GNMA 08-41 UA REMIC MULTICLASS CMO 5.500% DTD 05/01/08 DUE 07/20/2037 AVERAGE LIFE 2.9 YRS FROM 05/29/08	06/20/09 05/23/08	7,024.05 7,032.83 7,032.83			8.78- FL 8.78- SL
PRIN PMT FOR 06/01/09 GNRM 361120 BE#REMIC FIXED RATE 5.500% DTD 12/18/06 DUE 11/20/2036 AVERAGE LIFE 3 YRS FROM 12/21/06	06/20/09 12/18/06	5,226.75 5,226.75 5,226.75			
PRIN PMT FOR 06/01/09 GNMA 08-83 UA REMIC MULTICLASS CMO 5.500% DTD 09/01/08 DUE 09/20/2038	06/20/09 09/15/08	4,367.56 4,367.56 4,367.56			
PRIN PMT FOR 06/01/09 GNMA 05-18 JA REMIC MULTICLASS CMO 5.000% DTD 02/01/05 DUE 08/20/2034 AVERAGE LIFE 2.61 YRS FROM 2/25/05	06/20/09 02/25/05	4,923.77 4,923.77 4,923.77			
PRIN PMT FOR 07/01/09 GNMA CMO 04-26 DA 5.250% DTD 04/01/04 DUE 04/16/2034 AVERAGE LIFE 2.26 YRS AS OF 4/30/04	07/16/09 04/19/04	109.59 109.45 109.45			.14 FL .14 SL
PRIN PMT FOR 07/01/09 GNMA 04-105 KA REMIC MULTICLASS CMO 5.500% DTD 12/09/04 DUE 12/16/2034	07/16/09 05/01/07	1,224.63 1,236.88 1,236.88			12.25- FL 12.25- SL

ACCOUNT 47-4708-00-5 C LYMAN & INGRID SMITH FOUNDATION
 TAX IDENT NO 32-6041572
 ADM OFFICER KL
 INV OFFICER AAA

FEDERAL LOSS CARRYOVER
 ST .00
 LT .00

SCHEDULE OF CAPITAL GAINS AND LOSSES FOR TAX PURPOSES

TRANSACTION DESCRIPTION	DATE SOLD DATE ACQ	NET PROCEEDS FEDERAL TAX COST STATE TAX COST	GAIN/LOSS		
			FEDERAL SHORT TERM STATE SHORT TERM	FEDERAL LONG TERM STATE LONG TERM	FEDERAL 5 YR GAIN STATE 5 YR GAIN
AVERAGE LIFE 2.45YRS FROM 12/30/04					
PRIN PMT FOR 07/01/09	07/20/09	4,841.51			6.05- FL
GNMA 08-41 UA REMIC MULTICLASS CMO	05/23/08	4,847.56			6.05- SL
5.500% DTD 05/01/08 DUE 07/20/2037		4,847.56			
AVERAGE LIFE 2.9 YRS FROM 05/29/08					
PRIN PMT FOR 07/01/09	07/20/09	3,738.58			
GNMA 05-18 JA REMIC MULTICLASS CMO	02/25/05	3,738.58			
5.000% DTD 02/01/05 DUE 08/20/2034		3,738.58			
AVERAGE LIFE 2.61 YRS FROM 2/25/05					
PRIN PMT FOR 07/01/09	07/20/09	8,698.66			
GNMA 05-51 DA REMIC CMO	08/29/05	8,698.66			
5.000% DTD 07/01/05 DUE 04/20/2032		8,698.66			
AVERAGE LIFE 2.88 YRS FROM 07/29/05					
PRIN PMT FOR 07/01/09	07/20/09	3,314.42			
GNRM 361120 BE#REMIC FIXED RATE	12/18/06	3,314.42			
5.500% DTD 12/18/06 DUE 11/20/2036		3,314.42			
AVERAGE LIFE 3 YRS FROM 12/21/06					
PRIN PMT FOR 07/01/09	07/20/09	957.01			
GNMA 08-83 UA REMIC MULTICLASS CMO	09/15/08	957.01			
5.500% DTD 09/01/08 DUE 09/20/2038		957.01			
TOTALS		79,910.26	8.61-	22.89 FL	
		79,895.98	8.61-	22.89 SL	
		79,895.98			
RECAP:					
SHORT TERM	SALES PRICE	COST	GAIN/LOSS		
	\$ 17,643.40	\$ 17,652.01	\$ (8.61)		
LONG TERM	62,266.86	62,243.97	22.89		
	\$ 79,910.26	\$ 79,895.98	\$ 14.28		