

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



Form **990-PF**

Department of the Treasury
Internal Revenue Service (77)

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning 6/1/2009 **, and ending** 5/31/2010

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: MARGUERITE CARL SMITH FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): WOODLANDS BANK 2450 E THIRD STREET — Room/suite:

City or town, state, and ZIP code: WILLIAMSPORT PA 17701

A Employer identification number: 23-2564406

B Telephone number (see page 10 of the instructions): 570-320-2468

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 2,259,106

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of 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 (attach schedule)	0			
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	112	112		
	4 Dividends and interest from securities	73,241	73,241		
	5 a Gross rents		0		
	b Net rental income or (loss) 0				
	6 a Net gain or (loss) from sale of assets not on line 10	0			
	b Gross sales price for all assets on line 6a 0				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances 0				
	b Less Cost of goods sold 0				
	c Gross profit or (loss) (attach schedule)	0			
	11 Other income (attach schedule)	0	0	0	
	12 **Total.** Add lines 1 through 11	73,353	73,353	0	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	2,411	0	0	2,411
	b Accounting fees (attach schedule)	0	0	0	0
	c Other professional fees (attach schedule)	9,801	9,801	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	812	812	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
	21 Travel, conferences, and meetings	3,077	0		3,077
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,416	0	0	1,416
	24 **Total operating and administrative expenses.** Add lines 13 through 23	17,517	10,613	0	6,904
	25 Contributions, gifts, grants paid	118,000			118,000
	26 **Total expenses and disbursements.** Add lines 24 and 25	135,517	10,613	0	124,904
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-62,164			
	b **Net investment income** (if negative, enter -0-)		62,740		
	c **Adjusted net income** (if negative, enter -0-)			0	

RECEIVED JUN 2 8 2010 OGDEN, UT IRS-OSC

SCANNED JUL 0 1 2010

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

(HTA)

Form **990-PF** (2009)

20

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
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	127,327	32,522	32,522
	3 Accounts receivable ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
	4 Pledges receivable ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	399,342	349,592	363,748
	b Investments—corporate stock (attach schedule)	1,177,409	1,211,704	1,434,271
	c Investments—corporate bonds (attach schedule)	383,678	409,078	428,565
	11 Investments—land, buildings, and equipment basis ▶ 0			
	Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	0	0	0
	14 Land, buildings, and equipment basis ▶ 0			
	Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	15 Other assets (describe ▶)	0	0	0
	16 **Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,087,756	2,002,896	2,259,106
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe ▶)	0	0	
	23 **Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	2,087,756	2,002,896	
	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** (see page 17 of the instructions)	2,087,756	2,002,896	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,087,756	2,002,896	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,087,756
2	Enter amount from Part I, line 27a	2	-62,164
3	Other increases not included in line 2 (itemize) ▶ Decrease in MV of securities sold	3	-22,696
4	Add lines 1, 2, and 3	4	2,002,896
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,002,896

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	See Attached Statement			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	0	0	0	0
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0

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

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

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	-22,680
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	-419

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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	131,367	2,231,951	0 058857
2007	147,570	2,646,950	0 055751
2006	140,570	2,617,739	0 053699
2005	124,906	2,538,942	0 049196
2004	130,384	2,532,356	0 051487

2	**Total** of line 1, column (d)	2	0 268990
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 053798
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,222,052
5	Multiply line 4 by line 3	5	119,542
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	627
7	Add lines 5 and 6	7	120,169
8	Enter qualifying distributions from Part XII, line 4	8	124,904

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		1	627
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3	Add lines 1 and 2		3	627
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	627
6	Credits/Payments			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 700		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 0		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	700
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	73
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 73 **Refunded** ▶		11	0

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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ _____ (2) On foundation managers ▶ $ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ PA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b		
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 on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶

14 The books are in care of ▶ WOODLANDS BANK Telephone no ▶ 570-320-2468

Located at ▶ 2450 E THIRD STREET WILLIAMSPORT PA ZIP+4 ▶ 17701

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

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	N/A	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No			
	If "Yes," list the years ▶ 20_____, 20_____, 20_____, 20_____			
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 page 20 of the instructions)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20_____, 20_____, 20_____, 20_____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)*	3b	N/A	
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)? (see page 22 of the 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			5b	N/A
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? *If "Yes," attach the statement required by Regulations section 53 4945–5(d)*	☐ Yes	☐ No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? *If "Yes" to 6b, file Form 8870*			6b	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 page 22 of the 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
See Attached Statement	.00	0	0	0
	00	0	0	0
	00	0	0	0
	00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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 page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0

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

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions 3	0
Total. Add lines 1 through 3 . . . . ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 24 of the instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	2,255,890
b	Average of monthly cash balances		1b	
c	Fair market value of all other assets (see page 24 of the instructions)		1c	
d	**Total** (add lines 1a, b, and c)		1d	2,255,890
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	2,255,890
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)		4	33,838
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	2,222,052
6	**Minimum investment return.** Enter 5% of line 5		6	111,103

Part XI Distributable Amount (see page 25 of the 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	111,103
2a	Tax on investment income for 2009 from Part VI, line 5	2a	627		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	627
3	Distributable amount before adjustments Subtract line 2c from line 1			3	110,476
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	110,476
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	110,476

Part XII Qualifying Distributions (see page 25 of the 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	124,904
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	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	124,904
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 page 26 of the instructions)	5	627
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	124,277

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				110,476
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			49,058	
b Total for prior years 20 05 , 20 06 , 20 07		71,093		
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 ▶ $ 124,904				
a Applied to 2008, but not more than line 2a			49,058	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				75,846
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		71,093		
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 page 27 of the instructions		71,093		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				34,630
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the 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 page 27 of the instructions and Part VII-A, question 9)

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	0	0	0		0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0	0	0		0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0	0	0		0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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 page 28 of 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Student Scholarships--22 students		Exempt	Scholarship awards	110,000
James V Brown Library E Fourth Street Williamsport PA 17701		Exempt	Bookmobile	2,500
Jersey Shore YMCA 826 Allegheny Street Jersey Shore PA 17740		Exempt	General Purposes	1,500
Jersey Shore Summer Recreation Program 503 S. Broad Street Jersey Shore PA 17740		Exempt	General Purposes	2,000
Jersey Shore Library 110 Oliver Street Jersey Shore PA 17740		Exempt	General Purposes	2,000
Total			▶ 3a	118,000
b *Approved for future payment*				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	112	
4 Dividends and interest from securities			14	73,241	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	0	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		73,353	0
13 Total. Add line 12, columns (b), (d), and (e)				13	73,353

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
	N/A

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

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

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		

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

b If "Yes," complete the following schedule.

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

Sign Here

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

W Dee Smith — Signature of officer or trustee | 6-19-10 — Date | Trustee Chairman — Title

Paid Preparer's Use Only

Preparer's signature: Thomas B. Buckholder | Date: 6/17/2010 | Check if self-employed ▶ ☐ | Preparer's identifying number (see **Signature** on page 30 of the instructions)

Firm's name (or yours if self-employed), address, and ZIP code: Woodlands Bank, 2450 E. Third Street, Williamsport, PA 17701 | EIN ▶ | Phone no (570) 320-2468

Line 16a (990-PF) - Legal Fees

		2,411	0	0	2,411
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	McCormick Law Firm	2,411	0		2,411
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

		9,801	9,801	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Woodlands Bank	9,801	9,801		
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		812	812	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Foreign Tax withheld	90	90		
2	Tax on investment income	722	722		
3					
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

		1,416	0	0	1,416
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization See attached statement	0	0	0	0
2	Insurance premium	1,416	0		1,416
3					
4					
5					
6					
7					
8					
9					
10					

Statement of Assets

Account: 23-0004

MARGUERITE CARL SMITH FOUNDATION

As of 05/31/10

Symbol	Asset Description	Maturity Date	Units/Shares or Face Value	Total Cost	Market Price	Market Value
010 Common Stock						
T	AT& T INC		1,200 0000	$26,022.87	$24 30	$29,160 00
AMGN	AMGEN INC		500 0000	$13,234 38	$51 78	$25,890 00
APC	ANADARKO PETROLEUM CORP		600 0000	$15,489.00	$52 33	$31,398.00
CAT	CATERPILLAR INC		1,000 0000	$37,920.00	$60 76	$60,760 00
CVX	CHEVRON CORP		225 0000	$15,303 94	$73 87	$16,620.75
CSCO	CISCO SYSTEMS INC		1,200.0000	$15,019 00	$23 16	$27,792.00
KO	COCA COLA COMPANY		650.0000	$27,982 50	$51 40	$33,410 00
GLW	CORNING INC		1,500 0000	$29,535.00	$17 43	$26,145 00
DVN	DEVON ENERGY CORPORATION NEW		500 0000	$12,782 50	$63 85	$31,925.00
DIS	DISNEY (WALT) COMPANY		800 0000	$17,581.76	$33.42	$26,736 00
XOM	EXXON MOBIL CORP		800 0000	$12,812 50	$60 46	$48,368 00
GE	GENERAL ELECTRIC CO		3,300.0000	$28,348 83	$16 35	$53,955.00
GIS	GENERAL MILLS		500 0000	$22,420 00	$71 23	$35,615 00
HOG	HARLEY DAVIDSON INC		750 0000	$36,904 68	$30 21	$22,657 50
HD	HOME DEPOT INC		1,150 0000	$30,402 90	$33 86	$38,939 00
HON	HONEYWELL INC		500 0000	$8,488 75	$42 77	$21,385 00
INTC	INTEL CORP		2,000 0000	$62,295 08	$21 42	$42,840 00
IBM	INT'L BUSINESS MACHINES		300 0000	$7,470 00	$125 26	$37,578 00
JNJ	JOHNSON & JOHNSON		500 0000	$29,325 00	$58 30	$29,150 00
K	KELLOGG COMPANY		600 0000	$26,634 00	$53 43	$32,058 00
KFT	KRAFT FOODS		1,500 0000	$41,235 00	$28 60	$42,900 00
MDT	MEDTRONIC INC		500 0000	$21,371 00	$39 18	$19,590.00
MSFT	MICROSOFT CORP		2,000 0000	$56,539 50	$25 80	$51,600 00
FPL	NEXTERA ENERGY INC (FORMERLY FPL GROUP)		800 0000	$23,700 00	$49 93	$39,944 00
NKE	NIKE INC CL B		600 0000	$25,305 00	$72 38	$43,428 00
PFE	PFIZER INC		1,492 0000	$40,921 84	$15 23	$22,723 16
PX	PRAXAIR INC		500 0000	$18,186 50	$77 60	$38,800 00
PG	PROCTER & GAMBLE CO		500 0000	$27,171 00	$61 09	$30,545 00
SO	SOUTHERN CO		600 0000	$17,904 00	$32 70	$19,620 00
TEVA	TEVA PHARMACEUTICAL INDS LTD ADR		800 0000	$2,605 00	$54 82	$43,856 00
TXN	TEXAS INSTRUMENTS		700 0000	$21,385 00	$24 42	$17,094 00

Statement of Assets

Account: 23-0004

MARGUERITE CARL SMITH FOUNDATION

As of 05/31/10

Symbol	Asset Description	Maturity Date	Units/Shares or Face Value	Total Cost	Market Price	Market Value
USB	U S BANCORP (NEW)		1,200 0000	$29,436 92	$23 96	$28,752 00
UTX	UNITED TECHNOLOGIES CORP		800 0000	$23,418 00	$67 38	$53,904 00
VZ	VERIZON COMMUNICATIONS		1,100.0000	$44,147 81	$27 52	$30,272 00
WFC	WELLS FARGO & COMPANY		1,300 0000	$31,542 64	$28 69	$37,297 00
ZMH	ZIMMER HOLDINGS INC		1,000.0000	$63,162.26	$55 93	$55,930 00
			Total.	$964,004 16		$1,248,637.41
040 Equity Mutual Funds						
AVFIX	AMERICAN BEACON SMALL CAP VALUE FUND INSTITUTIONAL SHARES #370		2,546 7160	$47,700 00	$17 01	$43,319 64
DODFX	DODGE & COX INTERNATIONAL EQUITY FD # 0540		3,328 3250	$150,000 00	$28 93	$96,288 44
FKASX	FEDERATED KAUFMANN SMALL CAP FUND-A FUND #757		2,223 4910	$50,000 00	$20 70	$46,026 26
			Total	$247,700.00		$185,634.34
200 Corporate Bonds						
BECC11	BOEING CAP CORP BD 6.10% DUE 03/01/2011	03/01/11	25,000 0000	$24,805 00	$103 81	$25,951 75
BOTT12	BOTTLING GROUP LLC BD 4 625% DUE 11/15/2012	11/15/12	50,000 0000	$49,995 50	$107 82	$53,908 00
5.60 CORP	HSBC FINANCE CORP 5.60% DUE 02/15/2018 QTRLY PAY	02/15/18	50,000.0000	$50,000.00	$98 61	$49,305 00
564760CA2	MANUFACTURERS & TRADERS TRUST CO 6 625% DUE 12/04/2017	12/04/17	50,000 0000	$48,990 00	$109 83	$54,914 00
PPL 14	PENNSYLVANIA PWR & LT CO 1ST MTG 7 375% DUE 03/01/2014	03/01/14	50,000 0000	$49,760 89	$112 67	$56,336 50
5 30 CORP	SBC COMMUNICATIONS 5.30% DUE 11/15/2010	11/15/10	35,000 0000	$36,068.20	$101 94	$35,680 05
WFC 13	WELLS FARGO & COMPANY NEW BD 4 95% DUE 10/16/2013	10/16/13	50,000 0000	$49,458 14	$105 69	$52,842 50
			Total	$309,077 73		$328,937 80
305 Fixed Income Mutual Fund						
VFSTX	VANGUARD SHORT-TERM INVESTMENT-GRADE FUND # 39 (INVESTOR SHS)		9,328 3580	$100,000 00	$10 68	$99,626 86
			Total	$100,000.00		$99,626 86
440 U S Government Agency Obligations						
FHLMC 5 00	FEDERAL HOME LOAN MTG ASSOC 5 00% DUE 06/06/2018-11 @ PAR (QTRLY THEREAFTER)	06/06/18	50,000 0000	$50,000 00	$103 90	$51,949 50
4 45 FFCB	FEDERAL FARM CREDIT BANK 4 45% DUE 05/02/2016	05/02/16	50,000 0000	$49,960 00	$109 44	$54,719 00
FHLB 5 30	FEDERAL HOME LOAN BANK 5 30% DUE 10/22/2015-10 @ PAR	10/22/15	100,000 0000	$100,000 00	$101 81	$101,813 00

Statement of Assets

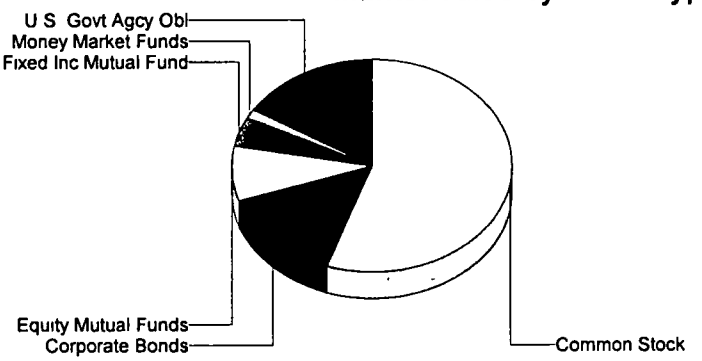
Account: 23-0004

MARGUERITE CARL SMITH FOUNDATION

As of 05/31/10

Symbol	Asset Description	Maturity Date	Units/Shares or Face Value	Total Cost	Market Price	Market Value
FNMA 5 375	FEDERAL NATIONAL MTG ASSOC 5 375% DUE 04/11/2022-12 @ PAR (1 TIME ONLY)	04/11/22	100,000 0000	$99,632.00	$105 19	$105,188 00
FNMA 3%	FNMA MULTI STEP COUPON 3% THRU 12/30/2012 THEN 6% THRU 12/30/2019 (CALL 06/30/10 @ PAR THEN QTRLY)	12/30/19	50,000 0000	$50,000 00	$100 16	$50,078 00
			Total	$349,592 00		$363,747 50
500 Money Market Funds						
MM GOTXX	FEDERATED GOVERNMENT OBLIGATIONS T/M FUND #636		32,522 5300	$32,522 53	$1 00	$32,522 53
			Total	$32,522.53		$32,522 53
Cash						
	Cash			$0.00		$0 00
Grand Total				$2,002,896 42		$2,259,106.44

Market Value by Asset Type



Common Stock	55 3%
Corporate Bonds	14 6%
Equity Mutual Funds	8 2%
Fixed Inc Mutual Fund	4 4%
Money Market Funds	1.4%
U S Govt Agcy Obl	16 1%
Total	100 0%

Excludes cash where applicable

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	0
Short Term CG Distributions	0

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
	Totals					359,184	0	381,864	-22,680	0	0	0	-22,680
1	American Genrl Finance 6 9% 12/15/17		P	12/26/2007	10/26/2009	34,900	0	49,612	-14,712			0	-14,712
2	EMC Corp 1500 shs		P	2/27/2001	7/29/2009	22,574	0	34,315	-11,741			0	-11,741
3	Pfizer 5 shs		P	7/2/2002	11/24/2009	9	0	14	-5			0	-5
4	SEI Small Cap Value Fd 3024 827 shs		P	3/31/2008	4/21/2010	49,818	0	50,000	-182			0	-182
5	US Treasury Note 4 5% 11/15/10		P	2/6/2006	1/21/2010	10,302	0	9,975	327			0	327
6	US Treasury Note 4 5% 11/15/10		P	2/6/2006	5/20/2010	91,802	0	89,755	2,047			0	2,047
7	Wyeth 500 shs		P	2/6/2006	10/15/2009	25,197	0	23,204	1,993			0	1,993
8	NationsBank Corp 6 6% 5/15/10		P	4/29/1998	5/17/2010	25,000	0	24,988	12			0	12
9	Vang Sht Trm Inv Grade Fd 944 287 shs		P	12/2/2009	12/24/2009	10,000	0	10,047	-47			0	-47
10	Vang Sht Trm Inv Grade Fd 7088 847 shs		P	12/2/2009	12/28/2009	75,000	0	75,428	-428			0	-428
11	Vang Sht Trm Inv Grade Fd 1310 861 shs		P	12/2/2009	1/19/2010	14,000	0	13,947	53			0	53
12	Vang Sht Trm Inv Grade Fd 54 501 shs		P	12/2/2009	1/21/2010	582	0	579	3			0	3
13						0	0	0	0			0	0
14						0	0	0	0			0	0
15						0	0	0	0			0	0
16						0	0	0	0			0	0
17						0	0	0	0			0	0
18						0	0	0	0			0	0
19						0	0	0	0			0	0
20						0	0	0	0			0	0
21						0	0	0	0			0	0
22						0	0	0	0			0	0
23						0	0	0	0			0	0
24						0	0	0	0			0	0
25						0	0	0	0			0	0
26						0	0	0	0			0	0
27						0	0	0	0			0	0
28						0	0	0	0			0	0
29						0	0	0	0			0	0
30						0	0	0	0			0	0
31						0	0	0	0			0	0

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours
1	Lee Smith		11 Monroe Street	Enfield	CT	06082		Trustee	
2	Lynne Smith		6138 Cinnamon Ct	Alexandria	VA	22310		Trustee	
3	Shirley Loud		118 Wayforest Drive	Venice	FL	34292		Trustee	
4	Sebastian Salvatori		2255 Spring Grove Dr	Williamsport	PA	17701		Trustee	
5	Sharon Sutkins		160 Carey Hill Rd	Montoursville	PA	17754		Trustee	
6								Trustee	
7									
8									
9									
10									