Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation: The Sim-Ayres Foundation, Inc.

A Employer identification number: 22-3513468

Number and street (or P O box number if mail is not delivered to street address): 210 Orchard Street | Room/suite

B Telephone number (see page 10 of the instructions): 9082322244

City or town, state, and ZIP code: Westfiled, NJ 07090

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)* ▶ $ 1,885,884

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)				
2	Check ▶ ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	74,268	74,268		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	553			
b	Gross sales price for all assets on line 6a 307,008				
7	Capital gain net income (from Part IV, line 2)		553		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	74,821	74,821		
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)	8,095	3,453		4,642
24	**Total operating and administrative expenses.** Add lines 13 through 23	8,845	3,453		4,642
25	Contributions, gifts, grants paid	82,600			82,600
26	**Total expenses and disbursements.** Add lines 24 and 25	90,695	3,453		87,242
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	-15,874			
b	**Net investment income** (if negative, enter -0-)		71,368		
c	**Adjusted net income** (if negative, enter -0-)				

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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	3,786	166,587	166,587
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 page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	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)	465,004	271,815	269,024
b	Investments—corporate stock (attach schedule)	433,239	433,192	875,674
c	Investments—corporate bonds (attach schedule)	84,440	82,012	81,316
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 ▶ Mutual Funds)	487,989	504,305	493,283
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,474,458	1,457,911	1,885 884
Liabilities				
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	1,474,458	1,480,761	
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)	1,474,458	1,480,761	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,474,458	1,457,9111	

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	1,474,458
2	Enter amount from Part I, line 27a	2	-15,874
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,458,584
5	Decreases not included in line 2 (itemize) ▶ Cost Basis Adjustment	5	-673
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,457,911

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 Schedule Attached			
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				
b				
c				
d				
e				

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	553

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))
2009	85,458	1,650,105	0.051789
2008	62,284	1,843,217	0.033793
2007	99,072	2,032,508	0.048743
2006	83,711	1,837,385	0 04559
2005	50,510	1,229,322	0.041095

2	**Total** of line 1, column (d)	2	0.220979
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 0441958
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,801,426
5	Multiply line 4 by line 3	5	79,615
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	714
7	Add lines 5 and 6	7	80,329
8	Enter qualifying distributions from Part XII, line 4	8	87,242

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)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	714	00
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		
3	Add lines 1 and 2	3	714	00
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	714	00
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a			
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	0	00
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	714	00
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10		
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ **Refunded** ▶	11		

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
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		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ______			
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶			
14	The books are in care of ▶ Nichols, Thomson, Peek & Phelan Telephone no. ▶ 908 232-2244 Located at ▶ 210 Orchard Street, Westfield, NJ ZIP+4 ▶ 07090			
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			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ▶			

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 22 of the instructions)?	1b		✓
	Organizations relying on a current notice regarding disaster assistance check here ▶☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		✓
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ 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 22 of the instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 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 2010 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 2010.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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 2010?	4b		✓

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

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)?	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.			
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
John Mellen P.O. Box 429, Mirror Lake, NH 03853	President/Treas/PT	0	0	0
Carol A. Mellen P.O. Box 429, Mirror Lake, NH 03853	VP/Secretary/PT	0	0	0
Gayle A. Partain P.O. Box 281, Berea, KY 40403	Trustee/PT	0	0	0
Scott Mellen P.O. Box 429, Mirror Lake, NH 03853	Trustee/PT	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		

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	
Total. Add lines 1 through 3 . . . . ▶	

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	1,673,316
b	Average of monthly cash balances	1b	155,543
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,628,859
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	1,628,859
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	27,433
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,801,426
6	**Minimum investment return.** Enter 5% of line 5	6	90,071

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	90,071
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,428		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,428
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	88,643
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	88,643
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	88,643

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	87,242
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	87,242
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	714
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	86,529

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 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				88,643
2	Undistributed income, if any, as of the end of 2010:				
a	Enter amount for 2009 only			75,594	
b	Total for prior years: 20___,20___,20___				
3	Excess distributions carryover, if any, to 2010:				
a	From 2005				
b	From 2006				
c	From 2007				
d	From 2008				
e	From 2009				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 87,242				
a	Applied to 2009, but not more than line 2a			75,594	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d	Applied to 2010 distributable amount				11,649
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2010 *(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				
b	Prior years' undistributed income Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e	Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				76,994
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2006				
b	Excess from 2007				
c	Excess from 2008				
d	Excess from 2009				
e	Excess from 2010				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling . . . ▶ N/A

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see 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).)

John Mellen

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				
Ducks Unlimited, Laconia, NH 03246	N/A	501C-3	General Operating Expense	11,800
American Friends Service Committee, Phil., PA	N/A	501C-3	General Operating Expense	11,800
Hospice of Southern Carroll Co., Wolfeboro, NH	N/A	501C-3	General Operating Expense	11,800
NH Assoc. For the Blind, Concord, NH	N/A	501C-3	General Operating Expense	11,800
The Salvation Army, Laconia, NH	N/A	501C-3	General Operating Expense	11,800
Society Protection of NH Forests, Concord, NH	N/A	501C-3	General Operating Expense	11,800
Jarrets Toy Cart	N/A	501C-3	General Operating Expense	11,800
Total . . . . . . ▶ 3a				82,600
b Approved for future payment				
NONE				
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) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion 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					
4 Dividends and interest from securities			14	74,268	
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			18	553	
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				74,821	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 74,821

(See worksheet in line 13 instructions on page 29 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 29 of the instructions.)
	NONE

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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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

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

▶ [signature] 4/22/2011 ▶ PRESIDENT

Signature of officer or trustee Date Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Thomas C. Phelan	[signature]	4/11/11		P00783791
Firm's name ▶ Nichols, Thomson, Peek & Phelan			Firm's EIN ▶	22-1633415
Firm's address ▶ 210 Orchard Street, Westfield, NJ 07090			Phone no	908 232-2244

45,385

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

ortant Realized Gain/Loss Information

ıformation is provided for courtesy purposes only. Each individual taxpayer should consult with a tax advisor as to any additional reporting requirements or ments. NO COST BASIS OR REALIZED GAIN/LOSS INFORMATION IS PROVIDED TO THE IRS, NOR IS THIS INFORMATION VERIFIED OR GUARANTEED BY CLEARING, LLC TO BE ACCURATE FOR EACH TAXPAYER'S UNIQUE REPORTING REQUIREMENTS. THEREFORE, YOU SHOULD NEVER ASSUME THIS EMENT IS ACCURATE IN LIEU OF COMPLETING SCHEDULE D OF YOUR TAX RETURN AND CONSULTING WITH YOUR TAX ADVISOR.

al tax reporting requirements will create differences between the information presented here and what appears on your Form 1099-B, including but not limited following situations:

basis for many fixed income tax lots has been amortized (for securities purchased at a premium) or accreted (for securities purchased at a discount), when possible, for ıble securities For securities that were purchased at an Original Issue Discount (OID), only those positions whose cost basis has been adjusted will reflect the impacts of D accruals on the original cost basis The original issue discount amount reported on your Form 1099-OID is not adjusted for market discount, acquisition premium or ›remium Therefore, the amortization and accretion adjustments used on this statement may not be consistent with the Form 1099-OID amount because the reporting ːments on the Form 1099-OID are different

Original Price represents the unadjusted price of the security The Original Price can be used to calculate the original unadjusted cost of the security

t sales are reportable on Form 1099-B before the position is closed

-term capital gains reported by a RIC or REIT appear on Form 1099-DIV only, as noted in the instructions for that form

closed due to transfers or journals will not be reflected in the Realized Gain/Loss Statement, or on the Form 1099-B

zed Gain/Loss Summary	THIS YEAR GAIN	THIS YEAR LOSS	THIS YEAR NET
erm	524 89	-31 04	493 85
erm	152 50	-93 34	59 16
· Realized Gain/Loss	**$677.39**	**-$124.38**	**$553.01**

lized Gain/Loss Detail for Year

Term

ıIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 2890 BB XXX ıL CALL 31395J-RE-8 MULTICLASS CMO 500% DUE 07/15/10 /01/04 FC 12/15/04	4,000 00000	100 0180 100 0000	07/24/09	07/15/10	4,000 00	4,000 72 4,000 72	-0 72

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000009

45,386

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued* IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 2905 HH . LOTTERY MULTICLASS CMO 500% DUE 11/15/34 :/01/04 FC 01/15/05	4,000 00000	100 0262 100 0000	07/24/09	04/15/10	4,000 00	4,001 05 4,001 05	-1 05
: 2905 HH XXX \L CALL 31395K-BZ-5 MULTICLASS CMO 000% DUE 03/15/10 :/01/04 FC 01/15/05	15,000 00000	100 0263 100 0000	07/24/09	03/15/10	15,000 00	15,003 95 15,003 95	-3 95
: 2941 EE . LOTTERY BOND MULTICLASS CMO 000% DUE 03/15/35 I/01/05 FC 04/15/05	2,000 00000	100 0190 100 0000	04/23/10	12/15/10	2,000 00	2,000 38 2,000 38	-0 38
: 2941 EE XXX \L CALL 31395P-SC-7 MULTICLASS CMO 000% DUE 08/16/10 I/01/05 FC 04/15/05	2,000 00000	100 0195 100 0000	04/23/10	08/16/10	2,000 00	2,000 39 2,000 39	-0 39
: 2941 EE XXX \L CALL 31395P-SC-7 MULTICLASS CMO 000% DUE 10/15/10 I/01/05 FC 04/15/05	7,000 00000	100 0192 100 0000	04/23/10	10/15/10	7,000 00	7,001 35 7,001 35	-1 35

45,387

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

ɪIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 2941 EE XXX ɅL CALL 31395P-SC-7 MULTICLASS CMO 000% DUE 11/15/10 ı/01/05 FC 04/15/05	7,000 00000	100 0191 100 0000	04/23/10	11/15/10	7,000 00	7,001 34 7,001 34	-1 34
: 2941 EE XXX ɅL CALL 31395P-SC-7 MULTICLASS CMO 000% DUE 09/15/10 ı/01/05 FC 04/15/05	8,000 00000	100 0192 100 0000	04/23/10	09/15/10	8,000 00	8,001 54 8,001 54	-1 54
: 2975 GG XXX ɅL CALL 31395U-BD-2 MULTICLASS CMO 000% DUE 05/17/10 ı/01/05 FC 06/15/05	4,000 00000	100 0210 100 0000	07/24/09	05/17/10	4,000 00	4,000 84 4,000 84	-0 84
: 2975 GG XXX ɅL CALL 31395U-BD-2 MULTICLASS CMO 500% DUE 06/15/10 ı/01/05 FC 06/15/05	14,000 00000	100 0208 100 0000	07/24/09	06/15/10	14,000 00	14,002 92 14,002 92	-2 92
: 3048 BB XXX ɅL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 03/15/10 ı/01/05 FC 11/15/05	5,000 00000	100 0264 100 0000	06/23/09	03/15/10	5,000 00	5,001 32 5,001 32	-1 32

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000010

45,388

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3048 BB XXX AL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 04/15/10 1/01/05 FC 11/15/05	2,000 00000	100 0265 100 0000	06/23/09	04/15/10	2,000 00	2,000 53 2,000 53	-0 53
: 3048 BB XXX AL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 05/17/10 1/01/05 FC 11/15/05	1,000 00000	100 0270 100 0000	06/23/09	05/17/10	1,000 00	1,000 27 1,000 27	-0 27
: 3048 BB XXX AL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 06/15/10 1/01/05 FC 11/15/05	1,000 00000	100 0270 100 0000	06/23/09	06/15/10	1,000 00	1,000 27 1,000 27	-0 27
: 3192 AA XXX AL CALL 31396U-D7-2 MULTICLASS CMO 250% DUE 03/15/35 '/01/06 FC 08/15/06	3,000 00000	100 0206 100 0000	07/24/09	07/15/10	3,000 00	3,000 62 3,000 62	-0 62
: 3544 AA XXX AL CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 05/17/10 i/01/09 FC 07/15/09	2,000 00000	100 0180 100 0000	06/02/09	05/17/10	2,000 00	2,000 36 2,000 36	-0 36

45,389

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3561 GG XXX \L CALL 31398J-KY-8 MULTICLASS CMO 000% DUE 08/16/10 1/01/09 FC 09/15/09	4,000 00000	100 0172 100 0000	09/03/09	08/16/10	4,000 00	4,000 69 4,000 69	-0 69
: 3622 CC . LOTTERY MULTICLASS CMO 000% DUE 12/15/39 /01/10 FC 02/15/10	1,000 00000	100 0150 100 0000	04/05/10	12/15/10	1,000 00	1,000 15 1,000 15	-0 15
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 500% DUE 08/16/10 /01/10 FC 02/15/10	4,000 00000	100 0157 100 0000	04/05/10	08/16/10	4,000 00	4,000 63 4,000 63	-0 63
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 000% DUE 04/15/10 /01/10 FC 02/15/10	2,000 00000	100 0160 100 0000	04/05/10	04/15/10	2,000 00	2,000 32 2,000 32	-0 32
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 000% DUE 05/17/10 /01/10 FC 02/15/10	2,000 00000	100 0160 100 0000	04/05/10	05/17/10	2,000 00	2,000 32 2,000 32	-0 32

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000011

45,390

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 000% DUE 09/15/10 /01/10 FC 02/15/10	8,000 00000	100 0156 100 0000	04/05/10	09/15/10	8,000 00	8,001 25 8,001 25	-1 25
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 000% DUE 10/15/10 /01/10 FC 02/15/10	7,000 00000	100 0155 100 0000	04/05/10	10/15/10	7,000 00	7,001 09 7,001 09	-1 09
: 3622 CC XXX \L CALL 31398L-X8-6 MULTICLASS CMO 000% DUE 11/15/10 /01/10 FC 02/15/10	8,000 00000	100 0155 100 0000	04/05/10	11/15/10	8,000 00	8,001 24 8,001 24	-1 24
MOTOR CREDIT CO \ NOTES BLE SEMI ANNUAL PAY 050% DUE 12/22/14 :/15/04 FC 06/20/05 2/20/10 @ 100 000	25,000 00000	99 9900	04/01/10	12/20/10	25,000 00	25,002 50	-2 50
)IE MAC)IE NOTES SER 1 BLE SEMI-ANNUAL PAY 000% DUE 01/15/23 /31/08 FC 07/15/08	6,000 00000	100 0000	11/06/09	05/27/10	6,000 00	6,005 00	-5 00

45,391

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
ORD LIFE INSURANCE IENOTES BLE SEMI-ANNUAL PAY 750% DUE 01/15/17 /31/08 FC 07/15/08 ·1/15/11 @ 100 000	10,000 00000	94 7511 94 1860	10/01/09	07/15/10	10,000 00	9,475 11 9,423 60	524 89
· Short Term					**$158,000.00**	**$157,506.15** **$157,454.64**	**$493.85**

Term

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
:APITAL CORP	0 50000	92 7384	04/26/07	04/05/10	7 56	46 63	-39 07
: 2871 YY XXX . LOTTERY BOND MULTICLASS CMO 500% DUE 08/15/34 ı/01/04 FC 11/15/04	4,000 00000	96 1875 96 0000	10/05/07	08/16/10	4,000 00	3,847 50 3,847 50	152 50
: 2890 BB . LOTTERY BOND MULTICLASS CMO 500% DUE 04/15/34 /01/04 FC 12/15/04	1,000 00000	100 0170 100 0000	07/24/09	11/15/10	1,000 00	1,000 17 1,000 17	-0 17
: 2890 BB XXX ۱L CALL 31395J-RE-8 MULTICLASS CMO 500% DUE 08/16/10 /01/04 FC 12/15/04	4,000 00000	100 0180 100 0000	07/24/09	08/16/10	4,000 00	4,000 72 4,000 72	-0 72

45,392

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 2890 BB XXX AL CALL 31395J-RE-8 MULTICLASS CMO 500% DUE 09/15/10 /01/04 FC 12/15/04	10,000 00000	100 0178 100 0000	07/24/09	09/15/10	10,000 00	10,001 78 10,001 78	-1 78
: 2890 BB XXX AL CALL 31395J-RE-8 MULTICLASS CMO 750% DUE 10/15/10 /01/04 FC 12/15/04	9,000 00000	100 0178 100 0000	07/24/09	10/15/10	9,000 00	9,001 61 9,001 61	-1 61
: 2975 GG . LOTTERY MULTICLASS CMO 500% DUE 04/15/35 /01/05 FC 06/15/05	3,000 00000	100 0206 100 0000	07/24/09	08/16/10	3,000 00	3,000 62 3,000 62	-0 62
: 3048 BB . LOTTERY MULTICLASS CMO 500% DUE 02/15/35 /01/05 FC 11/15/05	2,000 00000	100 0260 100 0000	06/23/09	11/15/10	2,000 00	2,000 52 2,000 52	-0 52
: 3048 BB XXX AL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 08/16/10 /01/05 FC 11/15/05	1,000 00000	100 0260 100 0000	06/23/09	08/16/10	1,000 00	1,000 26 1,000 26	-0 26

45,393

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3048 BB XXX ⅠL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 09/15/10 /01/05 FC 11/15/05	3,000 00000	100 0260 100 0000	06/23/09	09/15/10	3,000 00	3,000 78 3,000 78	-0 78
: 3048 BB XXX ⅠL CALL 31396C-RZ-5 MULTICLASS CMO 500% DUE 10/15/10 /01/05 FC 11/15/05	3,000 00000	100 0260 100 0000	06/23/09	10/15/10	3,000 00	3,000 78 3,000 78	-0 78
: 3071 BB XXX . LOTTERY MULTICLASS CMO 750% DUE 02/15/35 /01/05 FC 12/15/05	9,000 00000	100 0833 100 0000	04/29/08	02/16/10	9,000 00	9,007 50 9,007 50	-7 50
: 3155 LL . LOTTERY MULTICLASS CMO 000% DUE 10/15/35 /01/06 FC 06/15/06	1,000 00000	100 1250 100 0000	08/15/07	03/15/10	1,000 00	1,001 25 1,001 25	-1 25
: 3158 BB RY BOND MULTICLASS CMO 000% DUE 11/15/35 /01/06 FC 06/15/06	13,000 00000	100 0250 100 0000	10/17/07	07/15/10	13,000 00	13,003 25 13,003 25	-3 25

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000013

45,394

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

ιIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3158 BB XXX ιL CALL 31396N-WD-4 MULTICLASS CMO 250% DUE 05/17/10 ι/01/06 FC 06/15/06	2,000 00000	100 0250 100 0000	10/17/07	05/17/10	2,000 00	2,000 50 2,000 50	-0 50
: 3158 BB XXX ιL CALL 31396N-WD-4 MULTICLASS CMO 500% DUE 06/15/10 ι/01/06 FC 06/15/06	14,000 00000	100 0250 100 0000	10/17/07	06/15/10	14,000 00	14,003 50 14,003 50	-3 50
: 3158 BB XXX ιL CALL 31396N-WD-4 MULTICLASS CMO 250% DUE 04/15/10 ι/01/06 FC 06/15/06	1,000 00000	100 0250 100 0000	10/17/07	04/15/10	1,000 00	1,000 25 1,000 25	-0 25
: 3264 DD XXX ιL CALL 31397E-RW-7 MULTICLASS CMO 750% DUE 12/15/10 /01/07 FC 02/15/07	1,000 00000	100 5390 100 5000	11/20/09	12/17/10	1,000 00	1,005 39 1,005 39	-5 39
: 3264 UU . LOTTERY MULTICLASS CMO 750% DUE 06/15/36 /01/07 FC 02/15/07	4,000 00000	100 0150 100 0000	02/09/07	10/18/10	4,000 00	4,000 60 4,000 60	-0 60

WELLS FARGO ADVISORS

45,395

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued* IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3264 UU XXX AL CALL 31397E-SX-4 MULTICLASS CMO 000% DUE 01/15/10 /01/07 FC 02/15/07	3,000 00000	100 0060 100 0000	02/01/07	01/15/10	3,000 00	3,000 18 3,000 18	-0 18
: 3264 UU XXX AL CALL 31397E-SX-4 MULTICLASS CMO 500% DUE 02/16/10 /01/07 FC 02/15/07	2,000 00000	100 0060 100 0000	02/01/07	02/16/10	2,000 00	2,000 12 2,000 12	-0 12
: 3264 UU XXX AL CALL 31397E-SX-4 MULTICLASS CMO 250% DUE 04/15/10 /01/07 FC 02/15/07	8,000 00000	100 0150 100 0000	02/09/07	04/15/10	8,000 00	8,001 20 8,001 20	-1 20
: 3264 UU XXX AL CALL 31397E-SX-4 MULTICLASS CMO 500% DUE 06/15/10 /01/07 FC 02/15/07	2,000 00000	100 0150 100 0000	02/09/07	06/15/10	2,000 00	2,000 30 2,000 30	-0 30
: 3264 UU XXX AL CALL 31397E-SX-4 MULTICLASS CMO 000% DUE 03/15/10 /01/07 FC 02/15/07	33,000 00000	100 0060 100 0000	02/01/07	03/15/10	33,000 00	33,001 98 33,001 98	-1 98
	7,000 00000	100 0150 100 0000	02/09/07	03/15/10	7,000 00	7,001 05 7,001 05	-1 05

45,396

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued* IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
Subtotal	**40,000.00000**				**40,000.00**	**40,003.03** **40,003.03**	**-3.03**
: 3264 UU XXX IL CALL 31397E-SX-4 MULTICLASS CMO 750% DUE 05/17/10 /01/07 FC 02/15/07	3,000 00000	100 0150 100 0000	02/09/07	05/17/10	3,000 00	3,000 45 3,000 45	-0 45
: 3264 UU XXX IL CALL 31397E-SX-4 MULTICLASS CMO 750% DUE 07/15/10 /01/07 FC 02/15/07	1,000 00000	100 0150 100 0000	02/09/07	07/15/10	1,000 00	1,000 15 1,000 15	-0 15
: 3264 UU XXX IL CALL 31397E-SX-4 MULTICLASS CMO 750% DUE 08/16/10 /01/07 FC 02/15/07	6,000 00000	100 0150 100 0000	02/09/07	08/16/10	6,000 00	6,000 90 6,000 90	-0 90
: 3264 UU XXX IL CALL 31397E-SX-4 MULTICLASS CMO 750% DUE 09/15/10 /01/07 FC 02/15/07	9,000 00000	100 0150 100 0000	02/09/07	09/15/10	9,000 00	9,001 35 9,001 35	-1 35
: 3304 AA XXX . LOTTERY BOND MULTICLASS CMO 500% DUE 08/15/36 I/01/07 FC 05/15/07	20,000 00000	100 0100 100 0000	05/09/07	02/16/10	20,000 00	20,002 00 20,002 00	-2 00

45,397

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
	25,000 00000	100 0100 100 0000	05/09/07	03/15/10	25,000 00	25,002 50 25,002 50	-2 50
Subtotal	**45,000.00000**				**45,000.00**	**45,004.50** **45,004.50**	**-4.50**
: 3544 AA XXX AL CALL 31398E-6G-4 MULTICLASS CMO 500% DUE 08/16/10 /01/09 FC 07/15/09	2,000 00000	100 0180 100 0000	06/02/09	08/16/10	2,000 00	2,000 36 2,000 36	-0 36
: 3544 AA XXX AL CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 06/15/10 /01/09 FC 07/15/09	1,000 00000	100 0180 100 0000	06/02/09	06/15/10	1,000 00	1,000 18 1,000 18	-0 18
: 3544 AA XXX AL CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 07/15/10 /01/09 FC 07/15/09	2,000 00000	100 0180 100 0000	06/02/09	07/15/10	2,000 00	2,000 36 2,000 36	-0 36
: 3544 AA XXX AL CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 09/15/10 /01/09 FC 07/15/09	4,000 00000	100 0180 100 0000	06/02/09	09/15/10	4,000 00	4,000 72 4,000 72	-0 72

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000015

45,398

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3544 AA XXX \L CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 10/15/10 ;/01/09 FC 07/15/09	3,000 00000	100 0180 100 0000	06/02/09	10/15/10	3,000 00	3,000 54 3,000 54	-0 54
: 3544 AA XXX \L CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 11/15/10 ,/01/09 FC 07/15/09	4,000 00000	100 0177 100 0000	06/02/09	11/15/10	4,000 00	4,000 71 4,000 71	-0 71
: 3544 AA XXX \L CALL 31398E-6G-4 MULTICLASS CMO 000% DUE 12/15/10 ,/01/09 FC 07/15/09	5,000 00000	100 0176 100 0000	06/02/09	12/17/10	5,000 00	5,000 88 5,000 88	-0 88
: 3561 GG . LOTTERY MULTICLASS CMO 000% DUE 02/15/39 1/01/09 FC 09/15/09	4,000 00000	100 0170 100 0000	09/03/09	12/15/10	4,000 00	4,000 68 4,000 68	-0 68
: 3561 GG XXX \L CALL 31398J-KY-8 MULTICLASS CMO 000% DUE 09/15/10 1/01/09 FC 09/15/09	7,000 00000	100 0172 100 0000	09/03/09	09/15/10	7,000 00	7,001 21 7,001 21	-1 21

45,399

WELLS FARGO ADVISORS

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued*

IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
: 3561 GG XXX \L CALL 31398J-KY-8 MULTICLASS CMO 000% DUE 10/15/10 I/01/09 FC 09/15/09	7,000 00000	100 0172 100 0000	09/03/09	10/15/10	7,000 00	7,001 21 7,001 21	-1 21
: 3561 GG XXX \L CALL 31398J-KY-8 MULTICLASS CMO 000% DUE 11/15/10 I/01/09 FC 09/15/09	7,000 00000	100 0172 100 0000	09/03/09	11/15/10	7,000 00	7,001 21 7,001 21	-1 21
›61 AA . LOTTERY MULTICLASS CMO 000% DUE 02/15/39 I/01/09 FC 09/15/09	1,000 00000	100 0710 100 0000	07/28/09	12/15/10	1,000 00	1,000 71 1,000 71	-0 71
›61 AA XXX \L CALL 31398J-KA-0 MULTICLASS CMO 000% DUE 09/15/10 I/01/09 FC 09/15/09	1,000 00000	100 0720 100 0000	07/28/09	09/15/10	1,000 00	1,000 72 1,000 72	-0 72
›61 AA XXX \L CALL 31398J-KA-0 MULTICLASS CMO 000% DUE 10/15/10 I/01/09 FC 09/15/09	2,000 00000	100 0715 100 0000	07/28/09	10/15/10	2,000 00	2,001 43 2,001 43	-1 43

YT175043 003810 043160017175 NYNNN NNNNN NNNNNN 000016

45,400

Realized Gain/Loss

As of Date: 2/11/11

ount Number: 7737-5641
nmand Account Number: 9074801614
: SIM-AYRES FOUNDATION INC

Term *Continued* IIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	DATE ACQUIRED	CLOSE DATE	PROCEEDS	ADJ COST/ ORIG COST	GAIN/LOSS
61 AA XXX AL CALL 31398J-KA-0 MULTICLASS CMO 000% DUE 11/15/10 I/01/09 FC 09/15/09	2,000 00000	100 0710 100 0000	07/28/09	11/15/10	2,000 00	2,001 42 2,001 42	-1 42
95 3LL RETXXX AL CALL 31359L-NU-5 750% DUE 04/25/25 I/01/95 FC 04/25/95	1,000 00000	100 0270 100 0000	06/23/09	07/15/10	1,000 00	1,000 27 1,000 27	-0 27
IPAL LIFE INC FDG IOTES BLE 400% DUE 04/15/16 I/09/08 FC 10/15/08 0/15/10 @ 100 000	50,000 00000	100 0000	04/04/08	04/15/10	50,000 00	50,000 00	0 00
· Long Term					**$307,007.56**	**$306,948.40**	**$59.16**

THE SIM-AYRES FOUNDATION, INC.
2010 Form 990-PF
ADDENDUM TO PART II, LINES 2, 10A, 10B, 10C & 15

ASSET	COST BASIS	MARKET VALUE 12/31/10
LINE 2		
Temporary cash investments $189,437.00 Plus void IRS check + 750 .00 Less 2010 Grants cleared January 2011 (23,l600.00)	$166,587.00	$166,587.00
LINE 10A		
1M FHLMC 6.00% 10/15/35	$ 1,000.00	$ 999.00
90M FNMA 5% 8/245/23	$ 90,005.00	$ 88,156.00
30M FHLMC 5.25% 6/15/35	$ 30,055.00	$ 30,202.00
10M FHLMC 5.75% 10/15/35	$ 10,008.00	$ 10,065.00
12M FHLMC 5.75% 8/15//36	$ 12,065.00	$ 12,009.00
13M FHLMC 5% 2/15/39	$ 13,135.00	$ 13,031.00
15M FHLMC 4% 10/15/39	$ 15,043.00	$ 14,934.00
100 FHLMC 4% 3/15/40	$100,505.00	$ 99,630.00
TOTAL	$271,816.00	$ 269,026.00
LINE 10B		
487 Shs. Ares Capital	$ 45,421.00	$ 8,026.00

4,500 Shs. Altria Group, Inc.	$ 14,637.00	$ 10,790.00
1,500 CVS Caremark Corp.	$ 55,442.00	$ 52,155.00
1M Shs. DPL Inc.	$ 27,489.00	$ 25,710.00
1,500 Shs. General Electric	$ 54,018.00	$ 27,435.00
5,810 Shs. Kraft Foods Inc.	$ 28,028.00	$183,073.00
1M Shs. NTSAR	$ 28,106.00	$ 42,190.00
1,365 Shs. Progress Energy Inc.	$ 55,882.00	$ 59,350.00
1,200 Shs. 3M Co.	$ 90,817.00	$103,560.00
4,500 Shs. Philip Morris	$ 33,353.00	$263,385.00
TOTAL	$433,193.00	$875,674.00

LINE 10C

5M Bank of America 5.35%, Due 11/15/19	$ 4,998.00	$ 5,000.00
27M General Electric Capital 5%, Due 5/15/20	$ 27,009.00	$ 26,365.00
25M Dow Chemical 8%, Due 6/15/16	$ 25,000.00	$ 25,519.00
25M CitiGroup Funding Inc. 4%, Due 8/11/20	$ 25,005.00	$ 24,432.00
TOTAL	$ 82,012.00	$ 81,316.00

LINE 15

5,826.25 Capital Income Builder	$281,838.00	$290,768.00

7,441.90 Washington Mutual Investment Fd., Inc.	$222,467.00	$202,495.00
TOTAL	$504,305.00	$493,283.00

THE SIM-AYRES FOUNDATION, INC.
2010 FORM 990-PF
ADDENDUM TO PART 1, LINES 18, 21 & 23

LINE 21	ANNUAL MEETING EXPENSES	$6,905.00
LINE 23	COUNCIL OF SMALL FOUNDATIONS-DUES	$1,190.00