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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.

2011

For calendar year 2011 or tax year beginning

, and ending

Name of foundation SMS FOUNDATION, INC.		A Employer identification number 20-1878599
Number and street (or P.O. box number if mail is not delivered to street address) PO BOX 5324		B Telephone number 608-577-8260
City or town, state, and ZIP code MADISON, WI 53705-0324		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ☐ \$ 4,438,490.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		322,247.		N/A	
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		88,401.	88,401.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		88,507.			STATEMENT 1
b Gross sales price for all assets on line 6a 428,773.					
7 Capital gain net income (from Part IV, line 2)			230,057.		
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)					
11 Other income					
12 Total. Add lines 1 through 11		499,155.	318,458.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		223.	0.		0.
b Accounting fees STMT 4		1,625.	1,625.		0.
c Other professional fees STMT 5		9,380.	9,380.		0.
17 Interest					
18 Taxes STMT 6		3,967.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		15,195.			0.
25 Contributions, gifts, grants paid		188,000.			188,000.
26 Total expenses and disbursements. Add lines 24 and 25		203,195.	11,005.		188,000.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		295,960.			
b Net investment income (if negative, enter -0-)			307,453.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	18,798.	4,983.	4,983.
	2 Savings and temporary cash investments	9,096.	111,606.	111,606.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	4,454,604.	4,321,901.	4,321,901.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	4,482,498.	4,438,490.	4,438,490.
	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			
	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 ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	4,482,498.	4,438,490.	
	30 Total net assets or fund balances	4,482,498.	4,438,490.	
	31 Total liabilities and net assets/fund balances	4,482,498.	4,438,490.	

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	4,482,498.
2 Enter amount from Part I, line 27a	2	295,960.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,778,458.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSS ON INVESTMENTS	5	339,968.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,438,490.

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 REDEMPTIONS			P		
b PUBLICLY TRADED SECURITIES-ACQUIRED BY					
c DONATION-LT			D		
d CAPITAL GAINS DIVIDENDS					
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 60,000.		62,100.	-2,100.
b			
c 291,131.		136,616.	154,515.
d 77,642.			77,642.
e			

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			-2,100.
b			
c			154,515.
d			77,642.
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	230,057.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	146,602.	3,871,896.	.037863
2009	139,332.	2,948,417.	.047257
2008	113,537.	2,838,393.	.040000
2007	59,872.	2,319,297.	.025815
2006	15,000.	1,290,827.	.011620

2 Total of line 1, column (d)	2	.162555
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	.032511
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	4,510,402.
5 Multiply line 4 by line 3	5	146,638.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,075.
7 Add lines 5 and 6	7	149,713.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.	8	188,000.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	3,075.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	3,075.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	3,075.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	2,400.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6d		
b Exempt foreign organizations - tax withheld at source	7	2,400.	
c Tax paid with application for extension of time to file (Form 8868)	8		
d Backup withholding erroneously withheld	9		
7 Total credits and payments. Add lines 6a through 6d	10		
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	11		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			675.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☐ Refunded ☒			

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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ WI		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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Part VII-A: Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► THOMAS G. TIERNEY, CPA Telephone no. ► 608-577-8260 Located at ► 1010 HARRISON ST., MADISON, WI ZIP+4 ► 53711			
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 N/A			
16	At any time during calendar year 2011, 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐ N/A	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? ☐ Yes ☒ No	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) ☐ N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
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 2011 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 2011.) ☐ N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

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

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

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

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	4,502,543.
b	Average of monthly cash balances	1b	76,545.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	4,579,088.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	4,579,088.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	68,686.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,510,402.
6	Minimum investment return. Enter 5% of line 5	6	225,520.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	225,520.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	3,075.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,075.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	222,445.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	222,445.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	222,445.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	188,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	188,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	3,075.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	184,925.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				222,445.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			187,439.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 188,000.				
a Applied to 2010, but not more than line 2a			187,439.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				561.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (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		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				221,884.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

N/A

- | | | | |
|--|---------------|--|------------|
| | 4942(i)(3) or | | 4942(j)(5) |
|--|---------------|--|------------|

- (4) Gross investment income**

[illegible]

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEE STATEMENT 9				188,000.
Total			3a	188,000.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2011)

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. | | |

[illegible]

- 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
N/A		

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) is based on all information of which preparer has any knowledge.

Sign Here


13/30/12
PRESIDENT

Signature of officer or trustee
Date
Title

May the IRS discuss this return with the preparer shown below (see instr. 1)?

☒ Yes
 ☐ No

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
	JAMES E. ROSE	JAMES E. ROSE	02/28/12		P00089463
	Firm's name ► BAKER TILLY VIRCHOW KRAUSE, LLP				Firm's EIN ► 39-0859910
	Firm's address ► PO BOX 7398 MADISON, WI 53707-7398			Phone no. (608)249-6622	

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2011

Name of the organization

Employer identification number

SMS FOUNDATION, INC.

20-1878599

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

Employer identification number

SMS FOUNDATION, INC.

20-1878599

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 98,868.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 51,485.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
3	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 24,073.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
4	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 57,821.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
5	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 90,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

SMS FOUNDATION, INC.

20-1878599

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	2,150 SHARES-SSYS	\$ 98,868.	03/14/11
2	1,400 SHARES-HCP	\$ 51,485.	06/23/11
3	175 SHARES-FSLR	\$ 24,073.	06/30/11
4	439 SHARES-ABV	\$ 57,821.	09/14/11
		\$	

Name of organization

Employer identification number

SMS FOUNDATION, INC.

20-1878599

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT	1
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(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
REDEMPTIONS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
60,000.	62,100.	0.	0.	-2,100.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
PUBLICLY TRADED SECURITIES-ACQUIRED BY DONATION-LT	DONATED			
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
291,131.	278,166.	0.	0.	12,965.

CAPITAL GAINS DIVIDENDS FROM PART IV	77,642.
TOTAL TO FORM 990-PF, PART I, LINE 6A	88,507.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
INVESTMENTS - CGD	77,642.	77,642.	0.
INVESTMENTS - DIVIDENDS/INTEREST	88,401.	0.	88,401.
TOTAL TO FM 990-PF, PART I, LN 4	166,043.	77,642.	88,401.

FORM 990-PF	LEGAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SOLHEIM BILLING & GRIMMER, S.C. - LEGAL/RESEARCH QUALIFYING DONEES	223.	0.		0.
TO FM 990-PF, PG 1, LN 16A	223.	0.		0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BAKER TILLY VIRCHOW KRAUSE, LLP - 2010 TAX RETURN PREPARATION	1,625.	1,625.		0.
TO FORM 990-PF, PG 1, LN 16B	1,625.	1,625.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUTTONWOOD PARTNERS, INC. - INVESTMENT MANAGEMENT FEES	9,380.	9,380.		0.
TO FORM 990-PF, PG 1, LN 16C	9,380.	9,380.		0.

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INTERNAL REVENUE SERVICE-2010 EXCISE TAX BALANCE PAID	1,567.	0.		0.	
INTERNAL REVENUE SERVICE-2011 EXCISE TAX ESTIMATE PAID	2,400.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	3,967.	0.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
INVESTMENTS	4,321,901.		4,321,901.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,321,901.		4,321,901.	

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	8
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
SARAH E. SPENCER PO BOX 5157 MADISON, WI 53705	PRESIDENT, DIRECTOR 1.00	0.	0. 0.
MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	VICE PRESIDENT, DIRECTOR 1.00	0.	0. 0.
THOMAS G. TIERNEY 1010 HARRISON ST. MADISON, WI 53711	TREASURER 1.00	0.	0. 0.
DAVID B. BILLING 1 S. PINCKNEY ST. MADISON, WI 53701	SECRETARY 1.00	0.	0. 0.
MARK SPENCER PO BOX 5157 MADISON, WI 53705	DIRECTOR 1.00	0.	0. 0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0. 0.

FORM 990-PF: Part XV Supplementary Information

STATEMENT 9

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
Foundation for Madison Public Schools 455 Science Drive, Suite 130 Madison, WI	N/A	Public Charity	Educational purposes at the discretion of the charity	17,500 .
Hodan Center, Inc 941 W Fountain Street Mineral Point WI 53565-0212	N/A	Public Charity	To be used at the discretion of the organization for their community community rehabilitation programs for adults with disabilities	50,000 .
WORT 89.9 FM 118 S Bedford Street Madison, WI 53703	N/A	Public Charity	To assist in financing listener sponsored community radio	5,000 .
Arts Horizons One Grand Avenue, Suite 7 Englewood, New Jersey 07631	N/A	Public Charity	Support for arts programs for children	7,500 .
Dane County Humane Society 5132 Voges Road Madison, WI 53718	N/A	Public Charity	Care of homeless animals	8,000 .
Domestic Abuse Intervention Services PO Box 1761 Madison, WI 53701	N/A	Public Charity	Provide assistance to people who have experienced domestic abuse	5,000
Kansas City Art Institute 4415 Warwick Boulevard Kansas City, MO 64111	N/A	Public Charity	To educate the artists and designers of tomorrow	5,000
Second Harvest Food Bank of Southern Wisconsin 2802 Dairy Drive Madison, WI 53718	N/A	Public Charity	Acquire and distribute food to people in need	8,000 .
Samuel's House 1614 Truesdell Court Key West, FL 33040	N/A	Public Charity	Provide housing for homeless women	3,000 .
Spelman Medical Foundation 5830 NW Barry Road, Suite 270 Kansas City, MO 64154	N/A	Public Charity	Support, assistance and improvement of the total health care of the individual, family and community	5,000 .
Wisconsin Early Childhood Association 744 Williamson Street Madison, WI 53703	N/A	Public Charity	Promote excellence in early education programs, support professionalism, call for greater public investment in early education	2,500 .
The Smile Train PO Box 96231 Washington, DC 20090-6231	N/A	Public Charity	Provide free treatment for poor children with cleft palate and other medical problems	3,500

FORM 990-PF: Part XV Supplementary Information

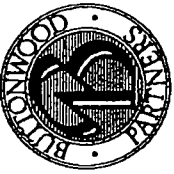
STATEMENT 9

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
Urban League of Greater Madison 151 East Gorham Street Madison, WI 53703	N/A	Public Charity	Improve the social and economic conditions of African Americans and other peoples of color and the economically disadvantaged	5,000
Natural Resource Defense Council 40 West 20th Street New York, NY 10011	N/A	Public Charity	Safeguard the earth, its people, its plants and animals and the natural systems on which all life depends	1,500
Independence Community College PO Box 708 Independence, KS 67301	N/A	Public Charity	Education	2,500
KIVA 3180 18th Street San Francisco, CA 94110	N/A	Public Charity	Connecting people through lending for the sake of alleviating poverty	10,000
Added Value 370 Van Brunt Street Brooklyn, NY 11231	N/A	Public Charity	Promote sustainable development by nurturing a new generation of young leaders	10,000
Doctors Without Borders 333 7th Avenue, 2nd Floor New York, NY 10001-3004	N/A	Public Charity	Medical aid to persons whose survival is threatened	7,500
Chief Blackbird Center 1 Maple Lane Odanah, WI 54861	N/A	Public Charity	Provide government services to tribal members	7,000
The Resonance Project Foundation PO Box 764 Holualoa, HI 96725	N/A	Public Charity	Unify science and philosophies in applied physics and nature	12,000
Keep Wisconsin Warm Fund PO Box 68 Madison, WI 53701-0068	N/A	Public Charity	Providing heat and power to those most in need	7,500
Madison Museum of Contemporary Art 227 State Street Madison, WI 53705	N/A	Public Charity	Exhibit, collect, preserve and interpret modern and contemporary art	5,000
TOTAL TO FORM 990-PF, PART XV, LINE 3a				188,000

Statement for the Period December 1, 2011 to December 31, 2011

SMS FOUNDATION - Corporation



Holdings

CASH AND CASH EQUIVALENTS - 2.52% of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
Money Markets						
PRIME FUND DAILY MONEY CLASS	FDAXX	111,608.43	\$1.00	\$111,608.43	\$21,608.02	
7 DAY YIELD .01%	CASH					
Dividend Option Reinvest						
Capital Gain Option Reinvest						
Total Cash and Cash Equivalents				\$111,608.43		

HOLDINGS > MUTUAL FUNDS - 97.48% of Total Account Value

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
Equity						
AMERICAN CAPITAL WORLD GRTH & INC A	CWGIX	9,351.637	\$32.12	\$300,374.58	\$302,160.88	\$7,481.31
Estimated Yield 2.49%	CASH					
Dividend Option Reinvest						
Capital Gain Option Reinvest						
AMERICAN GROWTH FUND OF AMERICA CLASS A	AGTHX	6,432.001	\$28.73	\$184,791.39	\$187,018.53	\$1,408.61
Estimated Yield 0.76%	CASH					
Dividend Option Reinvest						
Capital Gain Option Reinvest						
AMERICAN INCOME FUND OF AMERICA CLASS C	IFACX	4,553.94	\$16.60	\$75,595.40	\$73,832.51	\$2,392.64
Estimated Yield 3.16%	CASH					
Dividend Option Reinvest						
Capital Gain Option Reinvest						

Statement for the Period December 1, 2011 to December 31, 2011
SMS FOUNDATION - Corporation



HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
AMERICAN INCOME FUND OF AMERICA CLASS F1 Estimated Yield 3.89% Dividend Option Reinvest Capital Gain Option Reinvest	IFAFX CASH	2,832.365	\$16.73	\$47,385.47	\$46,259.57	\$1,846.42
AMERICAN NEW WORLD CLASS C Estimated Yield 0.76% Dividend Option Reinvest Capital Gain Option Reinvest	NEWCX CASH	1,892.789	\$44.86	\$84,910.51	\$86,933.14	\$650.55
AMERICAN NEW WORLD FUND CLASS A Estimated Yield 1.64% Dividend Option Reinvest Capital Gain Option Reinvest	NEWFX CASH	4,970.573	\$46.12	\$229,242.83	\$234,543.97	\$3,762.72
AMERICAN WASHINTN MUTUAL INVESTRS CLASS A Estimated Yield 2.21% Dividend Option Reinvest Capital Gain Option Reinvest	AWSHX CASH	12,093.475	\$28.40	\$343,454.69	\$337,064.81	\$7,618.89
FIRST EAGLE FUND OF AMERICA CLASS C Dividend Option Reinvest Capital Gain Option Reinvest	FEAMX CASH	7,425.194	\$20.37	\$151,251.20	\$151,471.63	
FIRST EAGLE GLOBAL CLASS C Estimated Yield 0.46% Dividend Option Reinvest Capital Gain Option Reinvest	FESGX CASH	7,109.033	\$44.41	\$315,712.16	\$318,460.80	\$1,457.35
FIRST EAGLE GOLD CLASS A Estimated Yield 1.34% Dividend Option Reinvest Capital Gain Option Reinvest	SGGDY CASH	2,027.967	\$28.94	\$58,689.36	\$66,464.48	\$790.91
FRANKLIN BALANCE SHEET INVESTMENT A Estimated Yield 0.63% Dividend Option Reinvest Capital Gain Option Reinvest	FRBSX CASH	7,596.631	\$38.87	\$295,281.05	\$294,440.66	\$1,882.45

Statement for the Period December 1, 2011 to December 31, 2011
SMS FOUNDATION - Corporation

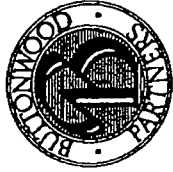


HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
FRANKLIN FLEX CAP GROWTH CLASS C • Dividend Option Reinvest Capital Gain Option Reinvest	FCIX CASH	4,491.41	\$40.07	\$179,970.80	\$184,335.12	
FRANKLIN GOLD AND PRECIOUS • METALS CLA Estimated Yield 2.34% Dividend Option Reinvest Capital Gain Option Reinvest	FKRCX CASH	1,577.2	\$36.48	\$57,536.26	\$65,141.98	\$1,349.93
FRANKLIN SMALL CAP VALUE CLASS C • Dividend Option Reinvest Capital Gain Option Reinvest	FRVFX CASH	3,438.897	\$38.43	\$132,156.81	\$131,173.18	
HARBOR INTERNATIONAL • INSTITUTIONAL FD Estimated Yield 2.50% Dividend Option Reinvest Capital Gain Option Reinvest	HAINX CASH	3,773.871	\$52.45	\$197,939.53	\$201,830.90	\$4,964.90
MUTUAL SERIES MUTUAL SHARES • CLASS C Estimated Yield 1.47% Dividend Option Reinvest Capital Gain Option Reinvest	TEMXX CASH	8,296.573	\$19.65	\$163,027.66	\$160,633.91	\$2,396.05
NUVEEN EQUITY INCOME FUND CLASS • C Estimated Yield 1.37% Dividend Option Reinvest Capital Gain Option Reinvest	FFECX CASH	11,794.085	\$13.09	\$154,384.57	\$153,323.11	\$2,115.86
NUVEEN GLOBAL INFRASTRUCTURE CL • C/N/C #REOR M0050684900001 Estimated Yield 0.69% Dividend Option Reinvest Capital Gain Option Reinvest	FGNCX CASH	17,958.001	\$8.53	\$153,181.75	\$153,131.80	\$1,068.50
PERMANENT PORTFOLIO • Estimated Yield 0.91% Dividend Option Reinvest Capital Gain Option Reinvest	PRPFX CASH	4,171.644	\$46.09	\$192,271.07	\$198,281.98	\$1,752.09



Statement for the Period December 1, 2011 to December 31, 2011
SMS FOUNDATION - Corporation

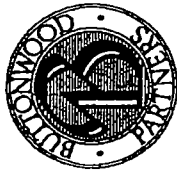


HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
ROYCE MICROCAP INVESTMENT CLASS ●	RYOTX CASH	10,521,119	\$14.54	\$152,977.07	\$155,903.10	\$2,121.06
Estimated Yield 1.38%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
TEMPLETON FRONTIER MARKETS FUND ●	TFMAX CASH	5,393,611	\$12.95	\$69,847.26	\$69,923.23	\$1,127.80
Estimated Yield 1.61%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
Total Equity				\$3,539,981.42		\$46,188.04
Fixed Income						
FRANKLIN INCOME CLASS A ●	FKINX CASH	23,522,002	\$2.10	\$49,396.20	\$48,115.00	\$3,257.80
Estimated Yield 6.59%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
FRANKLIN STRATEGIC INCOME CLASS ●	FRSTX CASH	18,299,873	\$10.09	\$184,645.72	\$181,250.29	\$11,106.19
Estimated Yield 6.01%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
FRANKLIN US GOV'T CLASS A ●	FKUSX CASH	26,303,739	\$6.94	\$182,547.95	\$181,439.90	\$7,109.90
Estimated Yield 3.89%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
NUVEEN TOTAL RETURN BOND CLASS C ●	FCBCX CASH	12,420,037	\$10.45	\$129,789.39	\$127,461.63	\$4,139.26
N/C FROM 318929585						
Estimated Yield 3.18%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						
TEMPLETON GLOBAL BOND CLASS A ●	TPINX CASH	18,979,862	\$12.41	\$235,540.09	\$235,371.51	\$11,387.92
Estimated Yield 4.83%						
Dividend Option Reinvest						
Capital Gain Option Reinvest						

Statement for the Period December 1, 2011 to December 31, 2011

SMS FOUNDATION - Corporation



HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/11	Current Market Value	Prior Market Value	Estimated Annual Income
Total Fixed Income				\$781,919.35		\$37,001.07
Total Mutual Funds				\$4,321,900.77		\$83,189.11
Total Securities				\$4,321,900.77		\$83,189.11
TOTAL PORTFOLIO VALUE				\$4,433,507.20		\$83,189.11