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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

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

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation SM - AYRES FOUNDATION		A Employer identification number 22-3513468
Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) 908 232-2244
210 ORCHARD STREET		
City or town, state, and ZIP code WESTFIELD, NJ 07090		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,035,557	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
(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 instructions).)		(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 (attach schedule)				
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	73,452	73,452		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	2,228			
b	Gross sales price for all assets on line 6a 114,000				
7	Capital gain net income (from Part IV, line 2)		2,228		
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	75,680	75,680		
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	5,475	548		4,927
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions)	1,572	143		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)	9,221	922		8,299
24	Total operating and administrative expenses. Add lines 13 through 23	16,268	1,613	0	13,226
25	Contributions, gifts, grants paid	91,994			91,994
26	Total expenses and disbursements. Add lines 24 and 25	108,262	1,613	0	105,220
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-32,582			
b	Net investment income (if negative, enter -0-)		74,067		
c	Adjusted net income (if negative, enter -0-)			0	

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	166,587	22,912	22,912
	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 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)	271,815	288,793	291,437
	b Investments—corporate stock (attach schedule)	433,192	435,600	1,051,204
	c Investments—corporate bonds (attach schedule)	82,012	156,290	445,576
Liabilities	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)	504,305	521,826	515,865
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,457,911	1,425,421	2,035,557
	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 ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,457,911	1,425,421	
	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 instructions)	1,457,911	1,425,421	
	31 Total liabilities and net assets/fund balances (see instructions)	1,457,911	1,425,421	

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	1,457,911
2	Enter amount from Part I, line 27a	2	-32,582
3	Other increases not included in line 2 (itemize) ▶ Basis Adj.	3	92
4	Add lines 1, 2, and 3	4	1,425,421
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,425,421

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 Detailed 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				
(i) FMV 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				
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	2,228	
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 instructions). If (loss), enter -0- in Part I, line 8		3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(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	86,529	1,801,426	0.048034
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	0.045559
2 Total of line 1, column (d)			2 0.227949
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 0.0458898
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 1,984,388
5 Multiply line 4 by line 3			5 90,468
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 741
7 Add lines 5 and 6			7 91,209
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.			8 105,220

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	741	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	741	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	741	00
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	715	00	
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	715	00	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	26	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 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		<input checked="" type="checkbox"/>
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)?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
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.		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
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.		<input checked="" type="checkbox"/>
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?	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ New Jersey		
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	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<input checked="" type="checkbox"/>

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	✓	
14	The books are in care of ▶ Phelan, Frantz & Peek 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 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
				✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	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?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ▶ 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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.)	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		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input type="checkbox"/> 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.)	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 2011?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
John Mellen P.O. Box 429, Mirror Lake, NH 03853	President/Treas-PT	0	0	0
Carol Mellen P.O. Box 429, Mirror Lake, NH 03853	VP/Secretary-PT	0	0	0
Gayle Partain P.O. Box 429, Mirror Lake, NH 03853	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 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 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 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 instructions	
3	
Total. Add lines 1 through 3 ▶	

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	1,884,307
b	Average of monthly cash balances	1b	130,300
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,014,607
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,014,607
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	30,219
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,984,388
6	Minimum investment return. Enter 5% of line 5	6	99,219

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	99,219
2a	Tax on investment income for 2011 from Part VI, line 5	2a	741
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	741
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	98,478
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	98,478
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	98,478

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	105,220
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	105,220
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	741
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	104,479

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				98,478
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			76,994	
b Total for prior years: 20____, 20____, 20____				
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				
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ <u>105,220</u>				
a Applied to 2010, but not more than line 2a			76,994	
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				28,226
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (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 instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				70,252
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
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				

Part XIV Private Operating Foundations (see 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 2011, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 $\frac{2}{3}$ 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 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 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	N/A	501C-3	General Operating Expnses	13,142
American Friends Service Committee Philadelphia, PA	N/A	501C-3	General Operating Expense	13,142
Hospice of Southern Carroll County Wolfeboro, NH	N/A	501C-3	General Operating Expense	13,142
NH Assoc. for the Blind Concord, NH	N/A	501C-3	General Operating Expense	13,142
The Salvation Army Laconia, NH	N/A	501C-3	General Operating Expense	13,142
Society Protection of NH Forests Concord, NH	N/A	501C-3	General Operating Expense	13,142
Jarretts Joy Cart, Inc. Lexington, KY	N/A	501C-3	General Operating Expense	13, 142
Total			3a	91,994
b Approved for future payment				
NONE				
Total			3b	

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

- | | | | | |
|----------|--|--------------|------------|-----------|
| 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? | | Yes | No |
| 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. | | | |

[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

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


Signature of officer or trustee

4/11/2012 President
Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid
Preparer
Use Only

Print/Type preparer's name
Thomas C. Phelan

Preparer's signature 

Date _____

Check ☐ if self-employed

PTIN	P00783791
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Firm's name ▶ Phelan, Frantz & Peek

Firm's EIN ► 45-4030217

Firm's address ► 210 Orchard Street, Westfield, NJ 07090

Phone no	908 232-2244
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THE SIM-AYRES FOUNDATION, INC.
2011 FORM 990-PF
ADDENDUM TO PART 1, LINES 16A, 18, & 21

LINE 16A	NICHOLS THOMSON PEEK & PHELAN-LEGAL FEE	\$5,475.00
LINE 18	IRS	
	BALANCE DUE 2010	\$714.00
	ESTIMATED TAX 2011	\$715.00
		\$1,429.00
	FOREIGN TAXES	\$ 143.00
LINE 21	ANNUAL MEETING EXPENSES	\$9,221.00

THE SIM-AYRES FOUNDATION, INC.
2011 Form 990-PF
ADDENDUM TO PART II, LINES 2, 10A, 10B, 10C & 15

ASSET LINE 2	COST BASIS	MARKET VALUE 12/31/10
Temporary cash investments	\$22,912.00	\$22,912.00
LINE 10A		
8M FHLMC 4.00% 10/15/39	\$ 8,023.00	\$ 7,937.00
90M FNMA 5% 8/25/33	\$90,005.00	\$94,229.00
30M FHLMC 5.25% 6/15/35	\$30,055.00	\$30,025.00
90M FHLMC 4% 3/15/40	\$90,455.00	\$89,285.00
16M FHLMC 5% 4/15/40	\$16,245.00	\$16,063.00
24M FHLMC 4.5% 6/15/40	\$24,005.00	\$23,844.00
30M FHLMC 4.5% 4/15/41	\$30,005.00	\$30,054.00
TOTAL	\$288,793.00	\$291,437.00
LINE 10B		
487 Shs. Ares Capital	\$ 45,421.00	\$ 7,524.00
4,500 Shs. Altria Group, Inc.	\$ 14,637.00	\$133,425.00

1,500 Shs. CVS Caremark Corp.	\$55,441.00	\$61,170.00
500 Shs. Anheuser Busch	\$29,897.00	\$30,495.00
1,500 Shs. General Electric	\$54,018.00	\$26,865.00
5,810 Shs. Kraft Foods Inc.	\$28,028.00	\$217,062.00
1M Shs. NTSAR	\$28,106.00	\$46,960.00
1,365 Shs. Progress Energy Inc.	\$55,882.00	\$76,467.00
1,200 Shs. 3M Co.	\$90,817.00	\$98,076.00
4,500 Shs. Philip Morris	<u>\$33,353.00</u>	<u>\$353,160.00</u>
TOTAL	\$435,600.00	\$1,501,204.00

LINE 10C

5M Bank of America 5.35%, Due 11/15/19	\$ 4,998.00	\$ 4,401.00
27M General Electric Capital 5%, Due 5/15/20	\$27,009.00	\$27,015.00
25M CitiGroup Funding Inc. 4%, Due 8/11/20	\$25,005.00	\$23,660.00
Countrywide	\$ 9,313.00	\$ 9,870.00
15M Ford Motor Credit Co. 5% Due 11/20/21	\$15,000.00	\$14,578.00
10M General Electric Capital Notes, 5.50% Due 12/15/23	\$10,005.00	\$10,004.00
15M General Electric Capital Notes, 5.25% Due 2/15/24	\$15,005.00	\$15,004.00
10M Ford Motor Credit Co. 2.75% Due /20/13	\$15,000.00	\$14,896.00

15M Ford Motor Credit Co. 4.25% Due 11/20/16	\$15,000.00	\$14,669.00
20M CIT Group 7% Due 5/01/17	\$19,955.00	\$20,042.00
TOTAL	\$156,290.00	\$154,139.00

LINE 15

6,076.8020 Capital Income Builder	\$294,176.00	\$299,100.00
7,632.5590 Washington Mutual Investment Fd., Inc.	<u>\$227,650.00</u>	<u>\$216,765.00</u>
TOTAL	\$521,826.00	\$515,865.00

Annual Statement Information

ADVISORS

Account Number: 7737-5641
 Command Account Number: 9074801614
 THE SIM-AYRES FOUNDATION INC
 For Banking Inquiries call: 1-888-215-3904

Realized Gain/Loss

This information is provided for courtesy purposes only. Each individual taxpayer should consult with a Tax Advisor as to any additional reporting requirements or adjustments. THIS INFORMATION IS NOT VERIFIED OR GUARANTEED BY FIRST CLEARING, LLC TO BE ACCURATE FOR EACH TAXPAYER'S UNIQUE REPORTING REQUIREMENTS. THEREFORE, YOU SHOULD NEVER ASSUME THIS STATEMENT IS ACCURATE IN LIEU OF COMPLETING YOUR TAX RETURN AND CONSULTING WITH YOUR TAX ADVISOR.

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

* Cost 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 applicable 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 the OID 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 bond premium. Therefore, the amortization and accretion adjustments used on this statement may not be consistent with the Form 1099-OID amount because the reporting requirements on the Form 1099-OID are different.

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

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

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

REALIZED GAIN/LOSS SUMMARY

	COVERED	NONCOVERED	TOTAL
Short term	\$0.00	-\$160.04	-\$160.04
Long term	\$0.00	\$2,388.22	\$2,388.22
Other term	Not applicable	\$0.00	\$0.00
Index options	Not applicable	\$0.00	\$0.00
Total - Realized Gain/Loss	\$0.00	\$2,228.18	\$2,228.18

Realized Gain/Loss Detail

Short Term	Description	Noncovered	Share Quantity	Adjusted Price/Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/Original Cost	Gain or Loss Amount
	BANK OF NEW YORK MELLON								
	CORENOTES SERIES I								
	CALLABLE								
	CPN 5.050% DUE 01/17/23								
	DTD 01/30/08 FC 07/15/08								
	CALL 01/15/12 @ 100.000	X	5,000.00000	100.0000	04/13/11	07/15/11	5,000.00	5,005.00	-5.00

Annual Statement Information

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Realized Gain/Loss

Short Term	Continued	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
FHLMC 3544 JJ	XXX								
PARTIAL CALL 31398E-A9-5									
REMIC MULTICLASS CMO									
CPN 5 000% DUE 06/15/11									
DTD 06/01/09 FC 07/15/09		X	4,000.00000	101.0385 101.0000	10/22/10	06/15/11	4,000.00	4,041.54 4,041.54	-41.54
FHLMC 3544 JJ	XXX								
PARTIAL CALL 31398E-A9-5									
REMIC MULTICLASS CMO									
CPN 5 000% DUE 07/15/11									
DTD 06/01/09 FC 07/15/09		X	7,000.00000	101.0384 101.0000	10/22/10	07/15/11	7,000.00	7,072.69 7,072.69	-72.69
FHLMC 3544 JJ	XXX								
PARTIAL CALL 31398E-A9-5									
REMIC MULTICLASS CMO									
CPN 5 000% DUE 05/16/11									
DTD 06/01/09 FC 07/15/09		X	2,000.00000	101.0385 101.0000	10/22/10	05/16/11	2,000.00	2,020.77 2,020.77	-20.77
FHLMC 3772 AA	XXX								
PARTIAL CALL 3137A4-G5-0									
RETAIL LOTTERY									
CPN 4 500% DUE 07/15/11									
DTD 12/01/10 FC 01/15/11		X	1,000.00000	100.0200 100.0000	01/05/11	07/15/11	1,000.00	1,000.20 1,000.20	-0.20
FHR 3747 AA	XXX								
REMIC MULTICLASS CMO									
RETAIL LOTTERY CALLABLE									
CPN 4 000% DUE 10/15/39									
DTD 10/01/10 FC 11/15/10		X	7,000.00000	100.2834 100.2500	11/08/10	05/16/11	7,000.00	7,019.84 7,019.84	-19.84
TOTAL SHORT TERM GAINS OR LOSSES FOR COVERED SECURITIES								\$0.00	\$0.00
TOTAL SHORT TERM GAINS OR LOSSES FOR NONCOVERED SECURITIES								\$26,000.00	-\$160.04



Annual Statement Information

Page 17 of 23

ADVISORS

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Realized Gain/Loss

Long Term		Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
Description									
DOW CHEMICAL CO/THE MEDIUM TERM NOTES									
CPN 8 000% DUE 06/15/16									
DTD 06/04/09 FC 12/15/09									
CALL 12/15/11 @ 100.000									
DPL INC		X	25,000.00000	100.0000	06/01/09	06/15/11	25,000.00	25,000.00	0.00
		X	700.00000	27.2300	05/10/06	11/28/11	21,000.00	19,242.00	1,758.00
		X	300.00000	27.2400	05/10/06	11/28/11	9,000.00	8,247.00	753.00
			1,000.00000				30,000.00	27,489.00	2,511.00
Subtotal									
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5 750% DUE 03/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750	04/21/08	03/15/11	1,000.00	1,000.75	-0.75
				100.0000				1,000.75	
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5 750% DUE 04/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750	04/21/08	04/15/11	1,000.00	1,000.75	-0.75
				100.0000				1,000.75	
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5 750% DUE 05/16/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750	04/21/08	05/16/11	1,000.00	1,000.75	-0.75
				100.0000				1,000.75	
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5 750% DUE 10/17/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750	04/21/08	10/17/11	1,000.00	1,000.75	-0.75
				100.0000				1,000.75	

Annual Statement Information

Page 18 of 23

Account Number: 7737-5641
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Realized Gain/Loss

Long Term	Continued	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
Description									
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 12/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	12/15/11	1,000.00	1,000.75 1,000.75	-0.75
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 06/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	06/15/11	1,000.00	1,000.75 1,000.75	-0.75
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 07/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	07/15/11	1,000.00	1,000.75 1,000.75	-0.75
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 02/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	02/15/11	1,000.00	1,000.75 1,000.75	-0.75
FHLMC 3046 DD XXX									
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 09/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	09/15/11	1,000.00	1,000.75 1,000.75	-0.75



001 / PNH2 / P093

Annual Statement Information

ADVISORS

Account Number: 7737-5641
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 THE SIM-AYRES FOUNDATION INC
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Realized Gain/Loss

Long Term	Continued	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
FHLMC 3046 DD	XXX								
PARTIAL CALL 31396C-PB-0									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 11/15/11									
DTD 10/01/05 FC 11/15/05		X	1,000.00000	100.0750 100.0000	04/21/08	11/15/11	1,000.00	1,000.75 1,000.75	-0.75
FHLMC 3264 DD	XXX								
RETAIL LOTTERY BOND									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 08/15/36									
DTD 01/01/07 FC 02/15/07		X	1,000.00000	100.5380 100.5000	11/20/09	04/15/11	1,000.00	1,005.38 1,005.38	-5.38
FHLMC 3264 DD	XXX								
PARTIAL CALL 31397E-RW-7									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 02/15/11									
DTD 01/01/07 FC 02/15/07		X	4,000.00000	100.5385 100.5000	11/20/09	02/15/11	4,000.00	4,021.54 4,021.54	-21.54
FHLMC 3264 DD	XXX								
PARTIAL CALL 31397E-RW-7									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 01/18/11									
DTD 01/01/07 FC 02/15/07		X	5,000.00000	100.5386 100.5000	11/20/09	01/18/11	5,000.00	5,026.93 5,026.93	-26.93
FHLMC 3264 DD	XXX								
PARTIAL CALL 31397E-RW-7									
REMIC MULTICLASS CMO									
CPN 5.750% DUE 03/15/11									
DTD 01/01/07 FC 02/15/07		X	2,000.00000	100.5380 100.5000	11/20/09	03/15/11	2,000.00	2,010.76 2,010.76	-10.76

Annual Statement Information

Account Number: 7737-5641
 Command Account Number: 9074801614
 THE SIM-AYRES FOUNDATION INC
 For Banking Inquiries call: 1-888-215-3904

Page 20 of 23

Realized Gain/Loss

Long Term Description	Continued	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
FHLMC 3544 AA LOTTERY BOND REMIC MULTICLASS CMO CPN 5 000% DUE 01/15/38 DTD 06/01/09 FC 07/15/09		X	1,000.00000	100.0170 100.0000	06/02/09	01/18/11	1,000.00	1,000.17 1,000.17	-0.17
FHLMC 3759 MM XXX REMIC MULTICLASS CMO RETAIL LOTTERY CPN 4.000% DUE 03/15/40 DTD 11/01/10 FC 12/15/10		X	10,000.00000	100.5050 100.5000	10/27/10	11/15/11	10,000.00	10,050.50 10,050.50	-50.50
TOTAL LONG TERM GAINS OR LOSSES FOR COVERED SECURITIES								\$0.00	\$0.00
TOTAL LONG TERM GAINS OR LOSSES FOR NONCOVERED SECURITIES								\$85,611.78	\$2,388.22

