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

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▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2014, or tax year beginning , 2014, and ending

SMITH-WELSH FOUNDATION
C/O KARL REINECKER
28925 PACIFIC COAST HWY 2ND F
MALIBU, CA 90265

A Employer identification number
95-3958030

B Telephone number (see instructions)
(310) 589-2701

C If exemption application is pending, check here

D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test, check here and attach computation

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

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

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 3,902,026.

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (attach schedule)				
	2 Ck <input checked="" type="checkbox"/> if the foundn is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	10.	10.	10.	
	4 Dividends and interest from securities	91,992.	91,992.	91,992.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	174,520.			
	b Gross sales price for all assets on line 6a 383,242.				
	7 Capital gain net income (from Part IV, line 2)		174,520.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
Gross profit or (loss) (attach schedule)					
Other income (attach schedule)					
12 Total. Add lines 1 through 11	266,522.	266,522.	92,002.		
13 Compensation of officers, directors, trustees, etc	0.				
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach sch) SEE ST 1	3,260.	3,260.			
c Other prof fees (attach sch) SEE ST 2	40,708.	40,708.			
17 Interest					
18 Taxes (attach schedule)(see instrs) SEE STM 3	1,488.	1,488.			
19 Depreciation (attach sch) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) SEE STATEMENT 4	76.	76.			
24 Total operating and administrative expenses. Add lines 13 through 23 PART XV	45,532.	45,532.			
25 Contributions, gifts, grants paid	240,700.			240,700.	
26 Total expenses and disbursements. Add lines 24 and 25	286,232.	45,532.	0.	240,700.	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	-19,710.				
b Net investment income (if negative, enter -0-)		220,990.			
c Adjusted net income (if negative, enter -0-)			92,002.		

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
ASSETS	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	29,991.	37,637.	37,637.
	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 sch)			
		Less allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) STATEMENT 5	1,609,039.	1,557,784.	3,652,655.
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule) STATEMENT 6	165,194.	189,093.	211,734.	
14	Land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)				
15	Other assets (describe)				
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	1,804,224.	1,784,514.	3,902,026.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons.			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	1,727,897.	1,727,897.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	76,327.	56,617.	
30	Total net assets or fund balances (see instructions)	1,804,224.	1,784,514.		
31	Total liabilities and net assets/fund balances (see instructions)	1,804,224.	1,784,514.		

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	1,804,224.
2	Enter amount from Part I, line 27a	2	-19,710.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	1,784,514.
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	1,784,514.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation

(c) Date acquired
(month, day, year)

(d) Date sold
(month, day, year)

1 a SEE STATEMENT 7			
b			
c			
d			
e			

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
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	174,520.
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	0.

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2013	208,063.	3,721,671.	0.055906
2012	160,500.	3,402,811.	0.047167
2011	243,268.	3,746,086.	0.064939
2010	199,521.	3,312,300.	0.060236
2009	191,878.	2,888,704.	0.066424

2 Total of line 1, column (d)	2	0.294672
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	0.058934
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	4,078,561.
5 Multiply line 4 by line 3	5	240,366.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,210.
7 Add lines 5 and 6	7	242,576.
8 Enter qualifying distributions from Part XII, line 4	8	240,700.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	4,420.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3 Add lines 1 and 2	3	4,420.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	4,420.
6 Credits/Payments		
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	6 a	3,461.
b Exempt foreign organizations – tax withheld at source	6 b	
c Tax paid with application for extension of time to file (Form 8868)	6 c	
d Backup withholding erroneously withheld	6 d	
7 Total credits and payments Add lines 6a through 6d	7	3,461.
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	959.
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 2015 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • 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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) CA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation.</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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 ▶ <u>KARL S. REINECKER</u> Telephone no ▶ <u>(310) 589-2101</u> Located at ▶ <u>28925 PACIFIC COAST HWY, 2ND FL MALIBU CA</u> ZIP + 4 ▶ <u>90265</u>			
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 2014, 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 FinCEN Form 114, (formerly TD F 90-22 1) If 'Yes,' enter the name of the foreign country ▶		Yes	No
16				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
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1 b	N/A
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 2014?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If 'Yes,' list the years ▶ 20 __ , 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)	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 __ , 20 __ , 20 __ , 20 __		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2014 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 2014.)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4 b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (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)?

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?

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

N/A Yes No

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

Yes No

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

If 'Yes' to 6b, file Form 8870

6 b X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes No

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

N/A

7 b

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
NANCY WELSH 22 EMPTY SADDLE LANE ROLLING HILLS ESTATE, CA 90274	PRESIDENT 0	0.	0.	0.
JAMES WELSH 22 EMPTY SADDLE LANE ROLLING HILL ESTATE, CA 90274	CFO 0	0.	0.	0.
PETER WELSH 22 EMPTY SADDLE LANE ROLLING HILLS ESTATE, CA 90274	DIRECTOR 0	0.	0.	0.
ROBERT T. WELSH 22 EMPTY SADDLE LANE ROLLING HILLS ESTATE, CA 90274	DIRECTOR 0	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 0

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 ▶ 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 (see instructions)

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.

BAA

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	1 a	4,103,907.
b Average of monthly cash balances	1 b	36,764.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	4,140,671.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	4,140,671.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	62,110.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,078,561.
6 Minimum investment return. Enter 5% of line 5	6	203,928.

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	203,928.
2a Tax on investment income for 2014 from Part VI, line 5	2 a	4,420.	
b Income tax for 2014 (This does not include the tax from Part VI)	2 b		
c Add lines 2a and 2b	2 c		4,420.
3 Distributable amount before adjustments Subtract line 2c from line 1	3		199,508.
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5		199,508.
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		199,508.

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	1 a	240,700.
b Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	240,700.
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	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	240,700.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				199,508.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				7,952.
f Total of lines 3a through e	7,952.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 240,700.				
a Applied to 2013, but not more than line 2a			0.	
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 2014 distributable amount				199,508.
e Remaining amount distributed out of corpus	41,192.			
5 Excess distributions carryover applied to 2014 (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	49,144.			
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 2013 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	49,144.			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				7,952.
e Excess from 2014				41,192.

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:
a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
 NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
 NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail address 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 SEE STATEMENT 8				
Total				▶ 3 a 240,700.
b Approved for future payment				
Total				▶ 3 b

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

95-3958030

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES-INVESTMENT ANALYSIS				
TOTAL	\$ 3,260.	\$ 3,260.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKER MANAGEMENT FEES-PORTFOLIO MGNT				
TOTAL	\$ 40,708.	\$ 40,708.	\$ 0.	\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD SECRETARY OF STATE	\$ 1,478. 10.	\$ 1,478. 10.		
TOTAL	\$ 1,488.	\$ 1,488.	\$ 0.	\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK FEES				
TOTAL	\$ 76.	\$ 76.	\$ 0.	\$ 0.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

95-3958030

STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
BOEING	COST	\$ 33,558.	\$ 129,980.
HALLIBURTON	COST	48,154.	196,650.
EMERSON ELECTRIC	COST	85,174.	185,190.
CONOCOPHILLIPS	COST	15,430.	69,060.
ALLSTATE	COST	91,410.	344,225.
ANADARKO PETROLEUM	COST	62,810.	330,000.
BAKER HUGHES	COST	64,545.	95,319.
PROCTOR & GAMBLE	COST	75,764.	236,834.
SCHLUMBERGER	COST	88,386.	204,984.
CHEVRON	COST	47,798.	172,757.
COSTCO	COST	68,065.	283,500.
BARRICK GOLD	COST	0.	0.
DEVON ENERGY	COST	92,800.	91,815.
DISNEY	COST	49,985.	141,285.
GOLDCORP	COST	84,860.	55,560.
NESTLE S A	COST	0.	0.
APPLE INC	COST	131,614.	386,330.
CISCO SYSTEMS	COST	41,717.	55,630.
INTL BUSINESS MACHINES	COST	63,750.	80,220.
KIMBERLY CLARK	COST	60,900.	115,540.
LAS VEGAS SANDS	COST	19,713.	29,080.
MICROSOFT	COST	63,816.	92,900.
PHILLIPS 66	COST	9,171.	71,700.
CENTURYLINK	COST	72,176.	79,160.
MONSANTO	COST	28,722.	35,841.
EXPRESS SCRIPTS	COST	68,978.	84,670.
KYTHERA BIOPHARMACEUTICALS	COST	39,037.	34,680.
PFIZER	COST	14,354.	15,575.
VODAPHONE	COST	35,097.	34,170.
TOTAL		\$ 1,557,784.	\$ 3,652,655.

STATEMENT 6
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ISHARES TR RUSSELL 2000	COST	\$ 60,618.	\$ 83,734.
ISHARES US PFD STK INDEX FD	COST	98,975.	98,600.
POWERSHARES PREFERRED	COST	29,500.	29,400.
TOTAL		\$ 189,093.	\$ 211,734.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

95-3958030

STATEMENT 7
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	440 SH BARRICK GOLD	PURCHASED	12/10/2004	11/26/2014	5,695.		10,340.	-4,645.				\$ -4,645.
2	1,560 SH BARRICK GOLD	PURCHASED	12/10/2004	11/26/2014	20,190.		46,917.	-26,727.				-26,727.
3	1,250 SH GOLDCORP	PURCHASED	4/05/2006	12/10/2014	25,528.		37,303.	-11,775.				-11,775.
4	1,000 SH HALLIBURTON	PURCHASED	7/10/1998	4/01/2014	59,582.		20,993.	38,589.				38,589.
5	1,000 SH HALLIBURTON	PURCHASED	7/10/1998	7/02/2014	70,742.		20,993.	49,749.				49,749.
6	125 SH HALYARD	PURCHASED	4/26/2010	11/25/2014	4,827.		0.	4,827.				4,827.
7	2,375 SH NESTLE	PURCHASED	4/05/2006	11/25/2014	176,411.		69,883.	106,528.				106,528.
8	250 SH PHILLIPS 66	PURCHASED	2/09/1999	7/15/2014	20,267.		2,293.	17,974.				17,974.
											TOTAL	\$ 174,520.

STATEMENT 8
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
BLIND CHILDREN'S CENTER 4120 MARATHON STREET LOS ANGELES, CA 90029		PC	PROVIDE FUNDS FOR AIDING BLIND CHILDREN	\$ 5,000.
DANA HALL SCHOOL 45 DANA ROAD, P.O. BOX 9010 WELLESLEY, MA 02482		PC	PROVIDE FUNDS FOR EDUCATION	5,000.
FRIENDS OF BANNING MUSEUM 401 EAST M STREET WILMINGTON, CA 90744		PC	PROVIDE FUNDS TO AID IN EDUCATION AND PRESERVATION	5,000.
PROJECT MEXICO 2 JOHNS CANYON ROAD ROLLING HILLS, CA 90274		PC	PROVIDE FUNDS TO AID IN BUILDING HOMES FOR THE POOR	2,000.
FRIENDS OF CABRILLO MARINE 3720 STEPHEN WHITE DRIVE SAN PEDRO, CA 90731		PC	PROVIDE FUNDS FOR AIDING THE OPERATIONS OF THE AQUARIUM	25,000.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
VOLUNTEER CENTER (SB) 1230 CRAVENS AVE. TORRANCE, CA 90501		PC	PROVIDE FUNDS TO SUPPORT COMMUNITY SERVICES	\$ 2,000.
NORRIS CENTER FOR THE PERFORM. 27570 CROSSFIELD DR. ROLLING HILLS ESTATES, CA 90274		PC	PROVIDE FUNDS TO SUPPORT THE PERFORMING ARTS	5,000.
KCET 4401 SUNSET BLVD., LOS ANGELES, CA 90027		PC	PROVIDE FUNDS TO SUPPORT PUBLIC RADIO	5,000.
NATURAL HISTORY MUSEUM 900 EXPOSITION BLVD. LOS ANGELES, CA 90007		PC	PROVIDE FUNDS TO AID IN SUPPORTING THE MUSEUM	20,000.
PALOS VERDES ART CENTER 5504 W. CRESTRIDGE ROAD RANCHO PALOS VERDES, CA 90275		PC	PROVIDE FUNDS TO SUPPORT THE ARTS	5,000.
PROVIDENCE TRINITYCARE HOSPICE 2601 AIRPORT DRIVE, SUITE 230 TORRANCE, CA 90505		PC	PROVIDE FUNDS TO AID IN HOSPICE CARE	10,000.
LAS CANDALISTAS P. O. BOX 3655 PALOS VERDES PEN, CA 90274		PC	PROVIDE FUNDS TO AID IN THE BENEFIT OF CHILDREN AND THE ENVIRONMENT	2,000.
SAN PEDRO & PENINSULA YMCA 301 SOUTH BANDINI ST. SAN PEDRO, CA 90731		PC	PROVIDE FUNDS TO AID IN COMMUNITY DEVELOPMENT	5,000.
AMERICAN INST. FOR CANCER RES. 1759 R STREET, NW WASHINGTON, DC 20009		PC	PROVIDE FUNDS TO AID IN CANCER RESEARCH	2,000.
LOS ANGELES BIO MED FOUNDATION 1124 WEST CARSON ST TORRANCE, CA 90502		PC	PROVIDE FUNDS TO AID IN MEDICAL RESEARCH	25,200.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
PALOS VERDES PENINSULA LAND CO 916 SILVER SPUR ROAD #207 ROLLING HILLS ESTATE, CA 90274		PC	PROVIDE FUNDS TO AID IN LAND CONSERVATION	\$ 5,000.
FRIENDS OF PALOS VERDES LIBRARY 701 SILVER SPUR ROAD ROLLING HILLS ESTATE, CA 90274		PC	PROVIDE FUNDS TO SUPPORT ACCESS AND UPKEEP OF THE LIBRARY	5,000.
THE COMMUNITY LIBRARY 415 SPRUCE AVENUE N. BOX 2168 KETCHUM, ID 83340		PC	PROVIDE FUNDS TO SUPPORT ACCESS AND UPKEEP OF THE LIBRARY	1,000.
WESTERN RIVERS CONSERVANCY 71 SW OAK ST PORTLAND, OR 97204		PC	PROVIDE FUNDS TO AID IN RIVER CONSERVATION	10,000.
UNITED STATES BOBSLED AND SKELETON FEDER 161 MESA AVENUE COLORADO SPRINGS, CO 80906		PC	PROVIDE FUNDS TO AID IN THE ATHLETIC TRAINING OF TEAM USA BOBSLED	5,000.
LOS ANGELES MARITIME INSTITUTE BERTH 73, SUITE 2 SAN PEDRO, CA 90731		PC	TO PROVIDE YOUTH SAILING DAYS.	10,000.
WEST VALLEY SOCCER LEAGUE P.O. BOX 8842 CALABASAS, CA 91302		PC	PROVIDE FUNDS TO AID IN THE ORGANIZATION OF YOUTH SOCCER.	2,000.
CANCER SUPPORT COMMUNITY 1050 17TH STREET NW WASHINGTON, DC 20036		PC	TO ENSURE ALL PEOPLE IMPACTED BY CANCER ARE EMPOWERED BY KNOWLEDGE, STRENG THENED BY ACTION AND SUSTAINED BY COMMUNITY.	5,000.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
DELTA GAMMA FOUNDATION 3250 RIVERSIDE DRIVE COLUMBUS, OH 43221		PC	TO FOSTER LIFETIME ENRICHMENT FOR MEMBERS, PROMOTE SERVICE FOR SIGHT, AND PARTNER WITH THE FRATERNITY.	\$ 5,000.
HELP THE HOMELESS HELP THEMSELVES, INC P. O. BOX 3363 PALOS VERDES PENINSU, CA 90274		PC	SUPPORT QUALIFIED SERVICE PROVIDERS WHO SHELTER FAMILIES WHO HAVE BECOME OR ARE ABOUT TO BECOME HOMELESS.	5,000.
LOS ANGELES SAILING FOUNDATION 285 WHALERS WALK SAN PEDRO, CA 90731		PC	TO SUPPORT THE SPORT OF SAILING AND TO PROMOTE THE STEWARDSHIP OF THE MARINE ENVIRONMENT.	500.
PENINSULA SYMPHONY P. O. BOX 2602 PALOS VERDES PENINSU, CA 90274		PC	PROVIDE FUNDS TO AID IN ACCESSIBILITY OF MUSIC	4,000.
PEOPLE FIRST OF THE SOUTH BAY PASEO DEL CAMPO PALOS VERDES ESTATES, CA 90274		PC	COST OF ROOM RENTAL FOR SELF ADVOCACY GROUP MEETINGS	1,000.
SIGMA PHI EDUCATIONAL FOUNDATION P.O. BOX 4633 CHAPEL HILL, NC 27515		PC	TO PROVIDE RELEVANT EDUCATIONAL OPPORTUNITIES FOR MEMBERS	1,000.
SUN VALLEY SUMMER SYMPHONY P. O. BOX 1914 SUN VALLEY, ID 83353		PC	PROVIDE FUNDS TO AID IN ACCESSIBILITY OF MUSIC	10,500.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
UNIVERSITY OF SOUTHERN CALIFORNIA 1441 EASTLAKE AVE, STE 8302L LOS ANGELES, CA 90089		PC	TO PROVIDE COMPASSIONATE, INNOVATIVE PATIENT CARE AND FURTHER CUTTING-EDGE RESEARCH THAT LEADS TO UNDERSTANDING THE CAUSES, AND ULTIMATELY CURES, FOR ALL CANCERS.	\$ 5,000.
WOUNDED WARRIOR PROJECT 4899 BELFORT ROAD, SUITE 300 JACKSONVILLE, FL 32256		PC	TO ENSURE THIS IS THE MOST SUCCESSFUL, WELL-ADJUSTED GENERATION OF WOUNDED VETERANS IN OUR NATION'S HISTORY.	5,000.
AQUARIUM OF THE PACIFIC 100 AQUARIUM WAY LONG BEACH, CA 90802		PC	SAN PEDRO-TERMINAL ISLAND TUNA FISHERIES HERITAGE PROJECT	5,000.
GREENWOOD CEMETERY 1011 AUBURN STREET ROCKFORD, IL 61103		PC	FUND FOR REMEMBRANCE AND RENEWAL	5,000.
LOS ANGELES MISSION 303 EAST 5TH STREET LOS ANGELES, CA 90013		PC	HOPE FOR HOMELESS PEOPLE	500.
NATIVE FISH SOCIETY 813 7TH STREET, SUITE 200A OREGON CITY, OR 97045		PC	ADVOCATES FOR THE RECOVERY OF WILD, NATIVE FISH	5,000.
THE SALVATION ARMY 180 EAST OCEAN BOULEVARD, SUITE 500 LONG BEACH, CA 90802		PC	TENDING TO THE POOR, FEEDING THE HUNGRY, SHELTERING THE HOMELESS, CARING FOR THE SICK, ETC.	5,000.

SMITH-WELSH FOUNDATION
C/O KARL REINECKER

95-3958030

STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
TOBERMAN NEIGHBORHOOD CENTER 131 NORTH GRAND AVENUE SAN PEDRO, CA 90731		PC	LIFT CHILDREN OUT OF POVERTY	\$ 5,000.
UNIVERSITY OF MICHIGAN 3003 SOUTH STATE STREET, SUITE 8000 ANN ARBOR, MI 48109		PC	MEN'S SWIMMING AND DIVING	5,000.
BROMONT CEMETERY 971 SHEFFORD BROMONT, QUEBEC J2L IC5 CANADA		NC	HISTORICAL PRESERVATION	2,000.
DUCKS UNLIMITED ONE WATERFOWL WAY MEMPHIS, TN 38120		PC	CONSERVATION	5,000.
			TOTAL	\$ <u>240,700.</u>