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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 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

Room/suite

B Telephone number

608-577-8260

City or town, state or province, country, and ZIP or foreign postal code

MADISON, WI 53705-0324C If exemption application is pending, check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 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 foundationE 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 (line 16)

J Accounting method: ☒ Cash ☐ AccrualF If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐▶ \$ **7,057,391.** (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))

(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

461,747.**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

130,614.**130,614.****STATEMENT 2**

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

173,587.**STATEMENT 1**b Gross sales price for all assets on line 6a **1,205,442.**

7 Capital gain net income (from Part IV, line 2)

275,296.

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

765,948.**405,910.**

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

463.**0.****0.**

b Accounting fees

STMT 4

2,676.**2,676.****0.**

c Other professional fees

STMT 5

15,819.**15,819.****0.**

17 Interest

18 Taxes

STMT 6

1,400.**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

20,358.**18,495.****0.**

25 Contributions, gifts, grants paid

371,500.**371,500.**

26 Total expenses and disbursements. Add lines 24 and 25

391,858.**18,495.****371,500.**

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

374,090.

b Net investment income (if negative, enter -0-)

387,415.

c Adjusted net income (if negative, enter -0-)

N/A

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Operating and Administrative Expenses

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			53,866.	22,571.	22,571.
	2 Savings and temporary cash investments			251,968.	367,168.	367,168.
	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 8		6,180,891.	6,667,652.	6,667,652.
	c Investments - corporate bonds					
	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 - see the instructions. Also, see page 1, item I)			6,486,725.	7,057,391.	7,057,391.	
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)			0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			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			6,486,725.	7,057,391.		
30 Total net assets or fund balances			6,486,725.	7,057,391.		
31 Total liabilities and net assets/fund balances			6,486,725.	7,057,391.		

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	6,486,725.
2 Enter amount from Part I, line 27a	2	374,090.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	196,576.
4 Add lines 1, 2, and 3	4	7,057,391.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,057,391.

Form 990-PF (2016)

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 PUBLICLY TRADED SECURITIES-PURCHASED	P		
b PUBLICLY TRADED SECURITIES-ACQUIRED BY			
c DONATION	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 885,243.		856,955.	28,288.
b			
c 192,661.		73,191.	119,470.
d 127,538.			127,538.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			28,288.
b			
c			119,470.
d			127,538.
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	275,296.
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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	355,199.	6,553,164.	.054203
2014	324,746.	6,575,873.	.049384
2013	279,859.	5,779,302.	.048424
2012	228,898.	4,708,163.	.048617
2011	184,925.	4,510,402.	.041000

2 Total of line 1, column (d)	2	.241628
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	.048326
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	6,701,862.
5 Multiply line 4 by line 3	5	323,874.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,874.
7 Add lines 5 and 6	7	327,748.
8 Enter qualifying distributions from Part XII, line 4	8	371,500.

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)

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	3,874.
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	3,874.
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	3,874.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	3,899.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2016 estimated tax payments and 2015 overpayment credited to 2016		6d	
b Exempt foreign organizations - tax withheld at source		7	3,899.
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	25.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		11	0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
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 2017 estimated tax ☒ 25. 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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 2016 or the taxable year beginning in 2016 (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

Form 990-PF (2016)

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	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 2016, 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. If "Yes," enter the name of the foreign country ►		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		
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 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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 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 2016 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 2016.) N/A		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2016?		X

Form 990-PF (2016)

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)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

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

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?

6b

X

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?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(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 9		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

Form 990-PF (2016)

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	6,582,332.
b	Average of monthly cash balances	1b	221,589.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,803,921.
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	6,803,921.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	102,059.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,701,862.
6	Minimum investment return. Enter 5% of line 5	6	335,093.

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	335,093.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	3,874.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,874.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	331,219.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	331,219.
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	331,219.

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	371,500.
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	371,500.
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	3,874.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	367,626.

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.

Form 990-PF (2016)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				331,219.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			179,341.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 371,500.				
a Applied to 2015, but not more than line 2a			179,341.	
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 2016 distributable amount				192,159.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (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	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				139,060.
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 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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 10				371,500.
Total			3a	371,500.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2016)

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.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) 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), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't 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 its Form 990-PF, Part I, line 2, to certify that it doesn't 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) (2016)

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	\$ 109,429.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
2	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 177,318.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
3	MATTHEW D. SILVERSTEIN PO BOX 5324 MADISON, WI 53705	\$ 175,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

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
<u>1</u>	1,175 SHARES - NIKE	\$ <u>109,429.</u>	<u>03/24/16</u>
<u>2</u>	11,082,361 SHARES - FRONTIER TIMPANI SM CAP GR	\$ <u>177,318.</u>	<u>12/23/16</u>
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization

Employer identification number

SMS FOUNDATION, INC.**20-1878599**

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. 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 info 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	

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PUBLICLY TRADED SECURITIES-PURCHASED					
	885,243.	856,955.	0.	0.	28,288.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
PUBLICLY TRADED SECURITIES-ACQUIRED BY DONATION					
	192,661.	174,900.	0.	0.	17,761.

CAPITAL GAINS DIVIDENDS FROM PART IV	127,538.
TOTAL TO FORM 990-PF, PART I, LINE 6A	173,587.

FORM 990-PF

DIVIDENDS AND INTEREST FROM SECURITIES

STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
INVESTMENTS - CGD	127,538.	127,538.	0.	0.	
INVESTMENTS - DIVIDENDS/INTEREST	130,614.	0.	130,614.	130,614.	
TO PART I, LINE 4	258,152.	127,538.	130,614.	130,614.	

FORM 990-PF

LEGAL FEES

STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STAFFORD ROSENBAUM LLP- LEGAL/RESEARCH QUALIFYING DONEES	463.	0.		0.
TO FM 990-PF, PG 1, LN 16A	463.	0.		0.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BAKER TILLY VIRCHOW KRAUSE, LLP - 2015 TAX RETURN PREPARATION	2,676.	2,676.		0.
TO FORM 990-PF, PG 1, LN 16B	2,676.	2,676.		0.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUTTONWOOD PARTNERS, INC. - INVESTMENT MANAGEMENT FEES	15,819.	15,819.		0.
TO FORM 990-PF, PG 1, LN 16C	15,819.	15,819.		0.

FORM 990-PF	TAXES		STATEMENT 6	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DEPT OF TREASURY: IRS-2016 EXCISE TAX ESTIMATED TAX PAYMENT	1,400.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,400.	0.		0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 7
DESCRIPTION		AMOUNT
CHANGE IN UNREALIZED GAINS ON INVESTMENTS		196,576.
TOTAL TO FORM 990-PF, PART III, LINE 3		196,576.

FORM 990-PF	CORPORATE STOCK		STATEMENT 8
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
INVESTMENTS	6,667,652.	6,667,652.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	6,667,652.	6,667,652.	

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE 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 PO BOX 1784 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 10

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 Ste 130 Madison, WI	N/A	Public Charity	Educational purposes at the discretion of the charity	19,000
Hodan Center, Inc 941 W Fountain Street Mineral Point WI 53563-0212	N/A	Public Charity	To be used at the discretion of the organization for their community rehabilitation programs for adults with disabilities	40,000
WORT 89.9 FM 118 S Bedford St Madison, WI 53703	N/A	Public Charity	To assist in financing listener sponsored community radio	5,000
Arts Horizons One Grand Ave Suite 7 Englewood, New Jersey 07631	N/A	Public Charity	Support for arts programs for children	10,000
Dane County Humane Society 5132 Vogel's Road Madison, WI 53718	N/A	Public Charity	Care of homeless animals	10,000
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	7,500
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	10,000
Samuel's House 1614 Truesdell Court Kew West, FL 33040	N/A	Public Charity	Provide housing for homeless women	7,500
American Indian College Fund 8333 Greenwood Blvd Denver CO 80221	N/A	Public Charity	Support Native students' access to higher education	10,000
Wisconsin Early Childhood Association 744 Williamson St Madison, WI 53703	N/A	Public Charity	Promote excellence in early education programs support professionalism, call for greater public investment in early education	5,000
The Smile Train PO Box 96231 Washington, DC 20090-6231	N/A	Public Charity	Provide free treatment for poor children with cleft and other medical problems	5,000
Urban League of Greater Madison 151 East Gorham St Madison, WI 53703	N/A	Public Charity	Improve the social and economic conditions of African Americans and other peoples of color and economically disadvantaged	5,000
Natural Resource Defense Council 40 West 20th Street New York NY 10011	N/A	Public, not for profit tax exempt organization	Safeguard the earth, its people its plants and animals and the natural systems on which all life depends	5,000
ASPCA 424 East 92nd St New York, NY 10128	N/A	Public Charity	Prevention of cruelty to animals	10,000
KIVA Microfunds 3180 18th Street San Francisco CA 94110	N/A	Public Charity	Connecting people through lending for the sake of alleviating poverty	10,000
True/False Film Fest 5 South North St Suite 205 Columbia, MO 65201	N/A	Public Charity	Support of cinematic arts	5,000
Doctors Without Borders 333 7th Avenue 2nd Floor New York NY 10001-5004	N/A	Public Charity	Medical aid to persons whose survival is threatened	10,000
Chef Blackbird Center Black River Band 1 Maple Lane Odanah WI 54861	N/A	Public Charity	Provide government services to tribal members	10,000

FORM 990-PF: Part XV Supplementary Information

STATEMENT 10

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
UNICEF 125 Maiden Lane New York NY 10038	N/A	Public Charity	Nurturing and caring for children	5,000
Keep Wisconsin Warm Fund PO Box 68 Madison, WI 53701-0068	N/A	Public Charity	Providing heat and power to those most in need	5,000
Madison Museum of Contemporary Art 227 State St Madison WI 53705	N/A	Public Charity	Exhibit, collect, preserve and interpret modern and contemporary art	5,000
UW Madison School of Veterinary Medicine 2015 Linden Dr Madison WI 53706 1102	N/A	Public charity	Education	10,000
Nature Conservancy 4245 North Fairfax Dr Arlington, VA 22203	N/A	Public Charity	Land and water conservation	5,000
Madison Community Foundation 2 Science Ct Madison, WI 53705 0010	N/A	Public Charity	Philanthropy	10,000
Nothing But Nets UN Foundation 1750 Pennsylvania Ave NW Washington, DC 20006	N/A	Public Charity	Reduce malaria	5,000
Bethany Apartments 806 Wisconsin Ave Racine, WI 53403	N/A	Public Charity	Transitional housing for victims of domestic abuse	7,500
Martha's Vineyard Animal Shelter 1 Pennycuik Path Edgartown MA 02539	N/A	Public Charity	Provide shelter, care, love to domesticated homeless animals	5,000
Florida Keys Society for Prevention of Cruelty to Animals 5230 College Rd Key West FL 33040	N/A	Public Charity	Promote humane treatment of all animals	10,000
Planned Parenthood 302 N Jackson St Milwaukee, WI 53202	N/A	Public Charity	Empower all individuals to manage their sexual and reproductive health	5,000
Arts for Arts 107 Suffolk Street #3.5 New York, NY 10002	N/A	Public Charity	Support the advancement of FreeJazz	7,500
Clean Lakes Alliance 150 E Gilman St Madison WI 53703	N/A	Public Charity	Improve water quality of lakes, streams and watersheds	5,000
YMCA of Dane County 8001 Excelsior Dr Madison WI 53717	N/A	Public Charity	Build healthy, confident, connected and secure children, adults, families and communities	10,000
Oak Bluffs Library 56R School St Oak Bluffs MA 02557	N/A	Public Charity	Budding cultural awareness	5,000
HIPS Road, Inc 347 Fifth Ave New York NY 100016	N/A	Public Charity	To support funding for recording artists	7,500
Recovery Foundation 5005 University Ave Madison WI 53705	N/A	Public Charity	Support recovery from substance use disorders	5,000
Added Value PO Box 310028 Brooklyn, NY 11231	N/A	Public Charity	Youth empowerment and environmental justice	10,000
Wisconsin Humanities Council 222 Bedford St Madison, WI 53703	N/A	Public Charity	Support and create programs that use history, culture and discussion	10,000

FORM 990-PF Part XV Supplementary Information

STATEMENT 10

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
St. Coletta of Wisconsin N4637 Ctr. Road Y Jefferson, WI 53549	N/A	Public Charity	Create opportunities for developmentally disabled people	5,000
Fine Arts Work Center of Proxmectown 24 Pearl St. Proxmectown, MA 02657	N/A	Public Charity	Build homes and communities for those in need	10,000
World Wildlife Fund 1250 24th St. SW Washington, DC 20037	N/A	Public Charity	Protect the future of nature and wildlife	5,000
NOW Foundation PO Box 1848 Merrifield VA 22116 1848	N/A	Public Charity	Support for women's rights issues	5,000
Hazelden Betty Ford Foundation PO Box 11 OS 3 Center City, MN 55012	N/A	Public Charity	Removing barriers to recovery from addiction	5,000
Dane County Parent Council 2096 Red Arrow Trail Madison, WI 53711	N/A	Public Charity	Funding for the Head Start program	10,000
Wisconsin School Music Foundation 1005 Quinn Drive Wauwatosa, WI 53397	N/A	Public Charity	Promote and perpetuate music education	5,000
Planned Parenthood Wisconsin Address not available	N/A	Public Charity	To empower all individuals to manage their sexual and reproductive health	5,000
Total Contributions				371,500

December 1, 2016 to December 31, 2016

SMS FOUNDATION

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/16	Current Market Value
Equity				
AMERICAN CAPITAL WORLD GRTH & INC A	DWGX CASH	5,462,224	\$43.83	\$239,409.28
Estimated Yield 2.00%				
Dividend Option Cash				
Capital Gain Option Cash				
AMERICAN DEVELOPING WORLD GRWTH & INC A	DWGX CASH	18,761,102	\$9.01	\$169,037.53
Estimated Yield 2.00%				
Dividend Option Cash				
Capital Gain Option Cash				
AMERICAN INCOME FUND OF AMERICA CLASS F1	IFAX CASH	6,283,623	\$21.62	\$135,851.93
Estimated Yield 2.96%				
Dividend Option Cash				
Capital Gain Option Cash				
AMERICAN NEW WORLD FUND CLASS A	NEWFX CASH	6,961,632	\$51.45	\$358,175.97
Estimated Yield 0.92%				
Dividend Option Cash				
Capital Gain Option Cash				

SMS FOUNDATION

HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/16	Current Market Value
AMERICAN WASHINGTON MUTUAL INVESTERS CLASS A	AWSHX CASH	9,090,258	\$40.95	\$372,246.07
Estimated Yield 1.86%				
Dividend Option Cash				
Capital Gain Option Cash				
FIDELITY LOW PRICED STOCK	FLPSX CASH	3,718,732	\$49.48	\$184,002.86
Estimated Yield 1.20%				
Dividend Option Cash				
Capital Gain Option Cash				
FIRST EAGLE FUND OF AMERICA CLASS C	FEAMX CASH	7,816,179	\$26.26	\$205,252.86
Dividend Option Cash				
Capital Gain Option Cash				
FIRST EAGLE GLOBAL CLASS C	FESGX CASH	10,167,967	\$52.50	\$533,818.27
Dividend Option Cash				
Capital Gain Option Cash				
FIRST EAGLE GOLD CLASS A	SGGDV CASH	12,331,312	\$15.65	\$192,985.03
Dividend Option Cash				
Capital Gain Option Cash				
FRANKLIN GOLD AND PRECIOUS METALS CLASS A	FKRCX CASH	6,060,266	\$15.76	\$95,509.79
Estimated Yield 8.73%				
Dividend Option Cash				
Capital Gain Option Cash				
FRANKLIN MUTUAL EUROPEAN FUND CLASS C	TEURX CASH	7,353,959	\$18.70	\$137,519.03
Estimated Yield 1.34%				
Dividend Option Cash				
Capital Gain Option Cash				
FRANKLIN RISING DIVIDENDS CLASS A	FRDPX CASH	3,265,863	\$52.63	\$171,862.37
Estimated Yield 1.62%				
Dividend Option Cash				
Capital Gain Option Cash				
FRONTIER TIMPANI SMALL CAP GROWTH INSL	FTSGX CASH	29,146.85	\$15.80	\$460,520.23
Estimated Yield 1.41%				
Dividend Option Cash				
Capital Gain Option Cash				

SMS FOUNDATION

HOLDINGS > MUTUAL FUNDS continued

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/16	Current Market Value
HARBOR INTERNATIONAL INSTITUTIONAL FD Estimated Yield 2.79% Dividend Option Cash Capital Gain Option Cash	HAINX CASH	/ 3,545,834	\$58.41	\$207,112.16
JENSEN QUALITY GROWTH FD CL J Estimated Yield 1.13% Dividend Option Cash Capital Gain Option Cash	JENSX CASH	/ 4,906,287	\$39.11	\$191,884.88
NUVEEN DIVIDEND VALUE FD CL C Estimated Yield 0.93% Dividend Option Cash Capital Gain Option Cash	FFECX CASH	/ 13,118,935	\$14.11	\$185,108.17
NUVEEN GLOBAL INFRASTRUCTURE CL C Estimated Yield 2.40% Dividend Option Cash Capital Gain Option Cash	FGNCX CASH	/ 18,056,485	\$9.62	\$173,703.39
NUVEEN REAL ESTATE CLASS C Estimated Yield 2.38% Dividend Option Cash Capital Gain Option Cash	FRLCX CASH	/ 11,229,432	\$21.18	\$237,839.37
NUVEEN SANTITA BARBARA DIVIDEND GROWTH CL C Estimated Yield 0.80% Dividend Option Cash Capital Gain Option Cash	NSBCX CASH	/ 5,871,374	\$35.80	\$210,195.19
TEMPLETON EMERGING MKRKS SMALL CAP C Estimated Yield 1.02% Dividend Option Cash Capital Gain Option Cash	TCMX CASH	/ 14,221,648	\$11.07	\$157,433.64
TEMPLETON FRONTIER MARKETS FUND CL A Estimated Yield 0.49% Dividend Option Cash Capital Gain Option Cash	TIFMX CASH	/ 23,757,522	\$10.88	\$258,481.84

SMS FOUNDATION

HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/16	Current Market Value
VANGUARD/WELLESLEY INCOME INVESTOR	VWINX CASH	10,117,069	\$25.47	\$257,681.75
Estimated Yield 2.94%				
Dividend Option Cash				
Capital Gain Option Cash				
Total Equity				\$5,135,651.61
Fixed Income				
AMERICAN BOND FUND OF AMERICA CLASS A	ABNDX CASH	19,123,189	\$12.72	\$243,248.96
Estimated Yield 1.72%				
Dividend Option Cash				
Capital Gain Option Cash				
FRANKLIN US GOV'T CLASS A	FKUSX CASH	30,653,309	\$6.20	\$190,050.52
Estimated Yield 3.13%				
Dividend Option Cash				
Capital Gain Option Cash				
NUVEEN PREFERRED SECURITIES CL C	NPCSX CASH	11,672,719	\$16.83	\$196,451.86
Estimated Yield 4.81%				
Dividend Option Cash				
Capital Gain Option Cash				
NUVEEN SYMPHONY CREDIT OPPTY C SHRS	NCFCX CASH	6,430,467	\$20.32	\$130,667.09
Estimated Yield 5.69%				
Dividend Option Cash				
Capital Gain Option Cash				
TEMPLETON GLOBAL BOND CLASS A	TPINX CASH	28,379,644	\$12.00	\$340,555.73
Estimated Yield 2.33%				
Dividend Option Cash				
Capital Gain Option Cash				
TEMPLETON GLOBAL TOTAL RETURN CL C	TTRCX CASH	15,880,517	\$12.07	\$191,677.84
Estimated Yield 2.34%				
Dividend Option Cash				

SMS FOUNDATION

HOLDINGS > MUTUAL FUNDS *continued*

Description	Symbol/Cusip Account Type	Quantity	Price on 12/31/16	Current Market Value
VANGUARD INFLATION PROTECTED SECS INV	VIPSX	18,440,001	\$12.98	\$239,351.21
Estimated Yield 6.75%	CASH			
Dividend Option Cash				
Capital Gain Option Cash				
Total Fixed Income				\$1,532,001.21
Total Mutual Funds				\$6,667,652.82
Total Securities				\$6,667,652.82
TOTAL PORTFOLIO VALUE				\$7,034,820.47