

This form used for
Article 7-A, EPTL and dual filers
replaces forms CHAR-497, CHAR
010 and CHAR 006)

Annual Filing for Charitable Organizations
New York State Department of Law (Office of the Attorney General)
Charities Bureau - Registration Section
120 Broadway
New York, NY 10271
<http://www.charitiesnys.com>

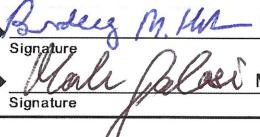
2009

Open to Public
Inspection**1. General Information**a. For the fiscal year beginning (mm/dd/yyyy) March 1 / 2009 and ending (mm/dd/yyyy) 02/28/2010

b. Check if applicable for NYS:	c. Name of organization Software Freedom Conservancy, Inc.		d. Fed. employer ID no. (EIN) (#-#####) 41-2203632
<input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	Number and street (or P.O. box if mail not delivered to street address) 137 MONTAGUE STREET	Room/suite 380	e. NY State registration no. (#-##-##) 40-39-09
	City or town, state or country and zip + 4 BROOKLYN, NY 11201-3548		f. Telephone number 212-461-3245
			g. Email info@sfconservancy.org

2. Certification - Two Signatures Required

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

a. President or Authorized Officer		Bradley M. Kuhn	President	11 October 2010
Signature		Printed Name	Title	Date
b. Chief Financial Officer or Treas.		Mark Galassi	Vice-President & Treasurer	11 October 2010
Signature		Printed Name	Title	Date

3. Annual Report Exemption Information

a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants)

Check if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

NOTE: An organization may claim this exemption if no PFR or FRC was used and either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal and contributions from other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.

b. EPTL annual report exemption (EPTL registrants and dual registrants)

Check if gross receipts did not exceed \$25,000 and assets (market value) did not exceed \$25,000 at any time during this fiscal year.

For EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.

Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.

4. Article 7-A Schedules

If you did **not** check the Article 7-A annual report exemption above, complete the following for this fiscal year:

- a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? .. Yes* No
 * If "Yes", complete Schedule 4a.
- b. Did the organization receive government contributions (grants)? .. Yes* No
 * If "Yes", complete Schedule 4b.

5. Fee Submitted: See last page for summary of fee requirements.

Indicate the filing fee(s) you are submitting along with this form:

- | | |
|---------------------------------|-------|
| a. Article 7-A filing fee | \$ 10 |
| b. EPTL filing fee | \$ 50 |
| c. Total fee | \$ 60 |

Submit only one check or money order for the total fee, payable to "NYS Department of Law"

6. Attachments - For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments →→→

Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsels (FRC), Commercial Co-Venturers (CCV)

If you checked the box in question 4.a. on page 1, complete the following schedule for each PFR, FRC or CCV that the organization engaged for fund raising activity in NY State:

1. Type of fund raising professional (FRP):

Professional fund raiser
Fund raising counsel
Commercial co-venturer

2. Name of FRP:

Number and street (or P.O. box if mail is not delivered to street address):

City or town, state or country and zip + 4:

3. FRP telephone number:

4. Services provided by FRP (provide description):

5. Compensation arrangement with FRP (provide description):

6. Dates of contract through
(mm/dd/yyyy) (mm/dd/yyyy)

7. Amount paid to FRP \$

8. If services were provided by a CCV, did the CCV provide the charitable organization with the interim report(s) required by §§ 173-a. 3 of the Executive Law?

Schedule 4b: Government Contributions (Grants)

If you checked the box in question **4.b.** on page 1, complete the following schedule for **each** government contribution (grant). Use additional copies of this page if necessary to list each government contribution (grant) separately.

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
• Article 7-A	Calculate the Article 7-A filing fee using the table in part a below. The EPTL filing fee is \$0.
• EPTL	Calculate the EPTL filing fee using the table in part b below. The Article 7-A filing fee is \$0.
• Dual	Calculate both the Article 7-A and EPTL filing fees using the tables in parts a and b below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a single check or money order for the total fee.

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than \$250,000	\$25
up to \$250,000 *	\$10

* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than \$50,000	\$25
\$50,000 or more, but less than \$250,000	\$50
\$250,000 or more, but less than \$1,000,000	\$100
\$1,000,000 or more, but less than \$10,000,000	\$250
\$10,000,000 or more, but less than \$50,000,000	\$750
\$50,000,000 or more	\$1500

6. Attachments – Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers
<u>Filing Fee</u>
<input checked="" type="checkbox"/> Single check or money order payable to "NYS Department of Law"
<u>Copies of Internal Revenue Service Forms</u>
<input type="checkbox"/> IRS Form 990
<input type="checkbox"/> All required schedules (including Schedule B)
<input type="checkbox"/> IRS Form 990-T
<input checked="" type="checkbox"/> IRS Form 990-EZ
<input checked="" type="checkbox"/> All required schedules (including Schedule B)
<input type="checkbox"/> IRS Form 990-T
<input type="checkbox"/> IRS Form 990-PF
<input type="checkbox"/> All required schedules (including Schedule B)
<input type="checkbox"/> IRS Form 990-T

Additional Article 7-A Document Attachment Requirement

Independent Accountant's Report

- Audit Report (*total support & revenue more than \$250,000*)
 Review Report (*total support & revenue \$100,001 to \$250,000*)
 No Accountant's Report Required (*total support & revenue not more than \$100,000*)

Short Form Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

► Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

► The organization may have to use a copy of this return to satisfy state reporting requirements.

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B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Software Freedom Conservancy Number and street (or P.O. box, if mail is not delivered to street address) 137 Montague Street Room/suite STE 380 City or town, state or country, and ZIP + 4 Brooklyn, NY 11201-3548	D Employer identification number 41-2203632 E Telephone number 212-451-3245
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- Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting Method: Cash Accrual
Other (specify) ►

I Website: ► <http://sfconservancy.org/>

J Tax-exempt status (check only one) — 501(c) (3) ▶ (insert no.) 4947(a)(1) or 527

K Check ► if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ ► \$

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue 1 Contributions, gifts, grants, and similar amounts received 2 Program service revenue including government fees and contracts 3 Membership dues and assessments 4 Investment income 5a Gross amount from sale of assets other than inventory b Less: cost or other basis and sales expenses c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) 6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here ► <input type="checkbox"/> a Gross revenue (not including \$ _____ of contributions reported on line 1) b Less: direct expenses other than fundraising expenses c Net income or (loss) from special events and activities (Subtract line 6b from line 6a) 7a Gross sales of inventory, less returns and allowances b Less: cost of goods sold c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) 8 Other revenue (describe ►) 9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ►	1 116,178.46 2 73,796.68 3 0 4 696.76 5a 5b 5c 0 6a 6b 6c 0 7a 7b 7c 0 8 0 9 190,671.90
Expenses 10 Grants and similar amounts paid (attach schedule) 11 Benefits paid to or for members 12 Salaries, other compensation, and employee benefits 13 Professional fees and other payments to independent contractors 14 Occupancy, rent, utilities, and maintenance 15 Printing, publications, postage, and shipping 16 Other expenses (describe ► Bank & Legal fees,Travel,Computers,Internet hosting/bandwidth) 17 Total expenses. Add lines 10 through 16 ►	10 0 11 0 12 0 13 25,211.11 14 5,342.32 15 1,306.43 16 38,821.05 17 70,680.91
Net Assets 18 Excess or (deficit) for the year (Subtract line 17 from line 9) 19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) 20 Other changes in net assets or fund balances (attach explanation) 21 Net assets or fund balances at end of year. Combine lines 18 through 20 ►	18 119,990.99 19 130,737.51 20 3,500.00 21 134,237.51

Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ. (See the instructions for Part II.)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	130,737.51	22 134,237.51
23 Land and buildings	0	23 0
24 Other assets (describe ►)	0	24 0
25 Total assets	130,737.51	25 134,237.51
26 Total liabilities (describe ►)	0	26 0
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	130,737.51	27 134,237.51

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33	✓
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	34	✓
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.	35a	✓
a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35b	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	36	✓
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	37a	0
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ► 37a	37b	✓
b	Did the organization file Form 1120-POL for this year?	38a	✓
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38b	
b	If "Yes," complete Schedule L, Part II and enter the total amount involved	39a	
39	Section 501(c)(7) organizations. Enter:	39b	
a	Initiation fees and capital contributions included on line 9	40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ► _____ ; section 4912 ► _____ ; section 4955 ► _____
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	✓
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	40e	✓
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.		
41	List the states with which a copy of this return is filed. ► New York		
42a	The organization's books are in care of ► Bradley M. Kuhn Telephone no. ► 212-461-3245 Located at ► 137 Montague Street STE 380, Brooklyn, NY ZIP + 4 ► 11201-3548		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b	✓
	If "Yes," enter the name of the foreign country: ► _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .	42c	✓
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?		
	If "Yes," enter the name of the foreign country: ► _____		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here ► <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ► 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44	✓
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45	✓

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46–49b and complete the tables for lines 50 and 51.

- | | Yes | No |
|-----|-----|----|
| 46 | ✓ | |
| 47 | ✓ | |
| 48 | ✓ | |
| 49a | ✓ | |
| 49b | | |
- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I
- 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II
- 48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E
- 49a Did the organization make any transfers to an exempt non-charitable related organization?
- b If "Yes," was the related organization a section 527 organization?
- 50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

f Total number of other employees paid over \$100,000 ► _____

- 51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		

d Total number of other independent contractors each receiving over \$100,000 . . . ► _____

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

Sign Here

Signature of officer

Date

Bradley M. Kuhn, President

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's identifying number (See instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

EIN

Phone no.

May the IRS discuss this return with the preparer shown above? See instructions ► Yes No

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2009

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Department of the Treasury
Internal Revenue Service

Name of the organization

Software Freedom Conservancy

Employer identification number

41 | 2203632

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 9 An organization that normally receives: (1) more than 33½ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33½ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 a Type I b Type II c Type III—Functionally integrated d Type III—Other
 e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 (ii) A family member of a person described in (i) above?
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?
 h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)
Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")		33,425.81	57,391.00	103,449.82	116,178.46	310,445.09
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						310,445.09
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						182,074.04
6 Public support. Subtract line 5 from line 4.						128,371.05

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4		33,425.81	57,391.00	103,449.82	116,178.46	310,445.09
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources		4.11	139.89	269.28	696.76	1,110.04
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						311,565.13
12 Gross receipts from related activities, etc. (see instructions)					12	134,993.69
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input checked="" type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33½% support test—2009. If the organization did not check the box on line 13, and line 14 is 33½% or more, check this box and stop here . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33½% support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33½% or more, check this box and stop here . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%
19a 33½ % support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33½ %, and line 17 is not more than 33½ %, check this box and stop here . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33½ % support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33½ %, and line 18 is not more than 33½ %, check this box and stop here . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

2009 - Form 990 EZ
Software Freedom Conservancy, Inc.
EIN: 41-2203632

Statement 1
Explanation for Line Part I, Line 20.

During our FY 2008 limited financial review, the accounting firm erroneously advised us to hold \$3,500 (the amount of their annual fee) on our FY 2008 books as a liability. Since our organization uses cash accounting, this liability should not have been on the books and recording it as a liability was in error.

Ultimately, our accounting firm did not bill us for this expense until September 2010, and as such the expense was paid at that time and will appear as an expense on our FY 2010 Form 990.

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

FEBRUARY 28, 2010

**To the Board of Directors of
Software Freedom Conservancy
New York, New York**

We have reviewed the accompanying statement of net assets arising from cash transactions of SOFTWARE FREEDOM CONSERVANCY (A NONPROFIT ORGANIZATION) as at February 28, 2010 and the related statement of revenue received and expenses paid for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Software Freedom Conservancy.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note A, these financial statements were prepared on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the cash basis of accounting. The information included in the supplemental expense summary is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we are not aware of any material modifications that should be made thereto.

Cornick, Garber + Sandler, LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
September 1, 2010

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS

AS AT FEBRUARY 28, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 254,228
TOTAL ASSETS	

NET ASSETS

Net assets:

Temporarily restricted	\$ 230,374
Unrestricted	23,854
TOTAL NET ASSETS	

Attention is directed to the accountants' review report relating to this statement. The notes to financial statements are made a part hereof.

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF REVENUE RECEIVED AND EXPENSES PAID
FOR THE YEAR ENDED FEBRUARY 28, 2010**

UNRESTRICTED NET ASSETS:

Unrestricted revenues received:

Contributions	\$ 13,116
Dividend and Interest	40
	<hr/>
	\$ 13,156
Net assets released from restrictions:	
Restrictions satisfied by payments	<hr/> <u>70,510</u>
Total unrestricted revenues and other support	<u>83,666</u>

Expenses paid:

Program services	70,510
General and administrative	171
	<hr/> <u>70,681</u>

Increase in unrestricted net assets	<u>12,985</u>
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TEMPORARILY RESTRICTED NET ASSETS:

Contributions received	103,062
Program service fees received	47,034
Settlement Income	25,000
Book royalties	1,763
Dividend and interest	656
Net assets released from restrictions as satisfied by payments	<hr/> <u>(70,510)</u>

Increase in temporarily restricted net assets	<u>107,005</u>
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INCREASE IN NET ASSETS ARISING FROM CASH TRANSACTIONS

Net assets arising from cash transactions - March 1, 2009	<u>119,990</u>
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NET ASSETS ARISING FROM CASH TRANSACTIONS -

FEBRUARY 28, 2010	<u>\$ 254,228</u>
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Attention is directed to the accountants' review report relating to this statement. The notes to financial statements are made a part hereof.

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies

The Organization

Software Freedom Conservancy (the “Organization”) is a not-for-profit organization formed to support Free and Open Source Software (FOSS) projects. As a fiscal sponsor for FOSS projects, the Organization is composed of Open Source and Free Software projects that benefit from financial and administrative services. The Organization is supported primarily through donor contributions. For the year ended February 28, 2010, approximately 42% of support was received from three donors, with the largest of which representing approximately 17% of the total.

Basis of Accounting

Effective March 1, 2009, the Organization changed its method of accounting from the accrual method to the cash basis. Consequently, certain revenues and related assets are now recognized when received rather than when earned and certain expenses are now recognized when cash is disbursed rather than when the obligations are incurred. In addition, the attached financial statements do not record as revenues and expenses the value of services received and provided on a pro bono basis, nor any pledge receivables or grants payable. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. In connection with the change in accounting, the previously reported net assets of the Organization at March 1, 2009 have been increased by \$3,500, representing the elimination of accrued liabilities at that date.

Financial Statement Format

The Organization follows the reporting format of the standard on “Financial Statements of Not-For-Profit Organizations” issued by the Financial Accounting Standards Board which requires that information about financial position and activities is reported according to three categories of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

As of February 28, 2010, approximately 91% of the donations received have been restricted for certain individual projects within the Organization. The Organization’s policy is to separately report restricted assets received and released from restriction as satisfied by payments during the year.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and was recognized in an advance ruling as a public charity.

(Continued)

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

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NOTE A - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. The Organization maintains its cash balances at four financial institutions.

Subsequent Events

The Organization has considered subsequent events occurring through September 1, 2010, the date the financial statements became available for distribution, in the preparation of its financial statements.

**SOFTWARE FREEDOM CONSERVANCY
(A NONPROFIT ORGANIZATION)**

SCHEDULE I

EXPENSE SUMMARY

FOR THE YEAR ENDED FEBRUARY 28, 2010

	Program Services Paid	General and Administrative Expenses Paid	Total
Member project support	\$ 57,174		\$ 57,174
Travel and entertainment	10,680		10,680
Bank charges	2,656		2,656
Office expense		\$ 111	111
Filing fees		60	60
	\$ 70,510	\$ 171	\$ 70,681

Attention is directed to the accountants' review report relating to this schedule. The notes to financial statements are made a part hereof.