

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>

2010

**Open to Public
Inspection**

1. General Information

a. For the fiscal year beginning (mm/dd/yyyy) 03/01 / **2010** and ending (mm/dd/yyyy) 02/28/2011

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

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	Executive Director	12 January 2012
b. Chief Financial Officer or Treas.		Peter Brown	Treasurer	12 January 2012

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	\$ <u>25</u>
b. EPTL filing fee	\$ <u>100</u>
c. Total fee	\$ <u>125</u>

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 \$ 0

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.

Government Agency Name	Grant Amount
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Total Government Contributions (Grants)	\$ 0

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 checked="" type="checkbox"/> IRS Form 990		<input type="checkbox"/> IRS Form 990-EZ	
<input checked="" type="checkbox"/> All required schedules (including Schedule B)		<input type="checkbox"/> All required schedules (including Schedule B)	
<input checked="" type="checkbox"/> IRS Form 990-T		<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*)

Return of Organization Exempt From Income Tax

Department of the Treasury
Internal Revenue Service

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

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

2010

Open to Public
Inspection

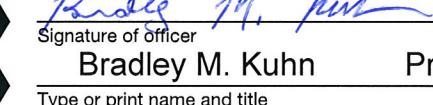
A For the 2010 calendar year, or tax year beginning		1 March	, 2010, and ending	28 February	, 20 11
B Check if applicable:		C Name of organization		D Employer identification number	
<input type="checkbox"/> Address change		Software Freedom Conservancy, Inc.		41-2203632	
<input type="checkbox"/> Name change		Doing Business As		E Telephone number	
<input type="checkbox"/> Initial return		Number and street (or P.O. box if mail is not delivered to street address)		212-461-3245	
<input type="checkbox"/> Terminated		137 MONTAGUE ST		Room/suite STE 380	
<input type="checkbox"/> Amended return		City or town, state or country, and ZIP + 4			
<input type="checkbox"/> Application pending		BROOKLYN, NY 11201-3548		G Gross receipts \$ 911,564	
		F Name and address of principal officer:		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Bradley M. Kuhn (address as above)		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
				If "No," attach a list. (see instructions)	
I Tax-exempt status:		<input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ► (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ►	
J Website: ► http://sfconservancy.org/					
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►				L Year of formation: 2006	M State of legal domicile: NY

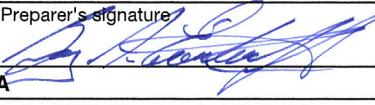
Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: Conservancy promotes, improves, develops, facilitates, and defends Free, Libre & Open Source Software (FLOSS) projects. Conservancy provides a non-profit home and infrastructure for FLOSS projects. Conservancy handles all project tasks other than software development & documentation; this allows FLOSS developers to focus on writing & improving FLOSS for the general public.			
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)	3	9	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8	
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0	
	6 Total number of volunteers (estimate if necessary)	6	1,209	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	145	
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
		Prior Year	Current Year	
	8 Contributions and grants (Part VIII, line 1h)	116,178	427,645	
	9 Program service revenue (Part VIII, line 2g)	73,797	466,907	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	697	482	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		16,530	
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	190,672	911,564	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)			
	14 Benefits paid to or for members (Part IX, column (A), line 4)			
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		16,544	
	16a Professional fundraising fees (Part IX, column (A), line 11e)			
	b Total fundraising expenses (Part IX, column (D), line 25) ► 166			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	70,681	634,189	
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	70,681	650,733	
	19 Revenue less expenses. Subtract line 18 from line 12	119,991	260,831	
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20 Total assets (Part X, line 16)	254,228	709,823	
	21 Total liabilities (Part X, line 26)	0	194,764	
	22 Net assets or fund balances. Subtract line 21 from line 20	254,228	515,059	

Part II Signature Block

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		14 January 2012
	Signature of officer	Date
	Bradley M. Kuhn	President
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	Gary S. Eisenkraft, CPA		1/13/12		N/A
	Firm's name ► Gary S. Eisenkraft, CPA		Firm's EIN ►		N/A
	Firm's address ► 271 Madison Avenue, Suite 1105, New York, NY 10016		Phone no.	212-689-2655	

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III

- 1** Briefly describe the organization's mission:

Conservancy promotes, improves, develops, facilitates, & defends Free, Libre, and Open Source Software (FLOSS) projects, providing a non-profit home & infrastructure for its projects. Conservancy's projects include some of the world's most widely used software, such as: educational software for schools, integrated library service systems, & embedded software found in most electronic devices.

- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

- 4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ **278,771** including grants of \$ _____) (Revenue \$ _____)

Facilitating FLOSS conferences. During the tax year of 2010, Conservancy planned, organized and ran one conference each for its Boost and Wine projects, and two conferences for its jQuery project. These conferences allow the projects to speak about their work to the general public, teach the general public how to use and improve their software, and generally promote the projects.

Additionally, these conferences provide an opportunity for software developers to meet and rapidly work closely together to make improvements to the software, and release those improvements immediately to the general public.

Finally, Conservancy also sent various project volunteers and staff to third-party conferences in related areas. These volunteers and staff spoke about the work of Conservancy and the work of its projects, answered questions from the public, and advised projects and other tax-exempt 501(c)(3) organizations that have goals similar to Conservancy's.

4b (Code: _____) (Expenses \$ **216,429** including grants of \$ _____) (Revenue \$ _____)

FLOSS development and mentoring of young software developers.

During the tax year of 2010, Conservancy engaged nine different software developers as independent contractors to improve the software in its Mercurial, jQuery, Sugar Labs, and Twisted projects. This work generated many thousands of new lines of software code. The code was released freely to the public under copyright licenses that encourage the general public to use, share & modify the software.

These contractors also worked diligently with the project communities to coordinate volunteer software developers to contribute code of their own to the projects.

Finally, in addition to these nine contracts, 33 other developers mentored student software developers during a summer participation program. These developers helped the students get involved with FLOSS developments and contribute new code to the projects, which was also made available to the public, as described above.

4c (Code: _____) (Expenses \$ **89,326** including grants of \$ _____) (Revenue \$ _____)

Many of Conservancy's projects are available under "copyleft" licenses, such as the GNU General Public License (GPL). "Copyleft" licenses are copyright licenses which allow everyone to freely share, copy, modify, and install modified versions of the software, but "copyleft" licenses additionally require that everyone who receives the software has an equal right to engage in those activities.

Conservancy identifies situations where distributors fail to meet those requirements. Conservancy then enforces the copyright license, thereby requiring these distributors to provide the same rights to copy, share, modify and install modified versions of the software to all those who received the software distribution, just as those distributors had initially received those rights.

Through this process, Conservancy ensures that the general public has equal rights to use, improve and study the software, and to experiment with their own modifications to the software.

Rarely, in particularly egregious cases of GPL violation, Conservancy does seek remedy in the courts through copyright litigation.

The primary goal of all these copyright enforcement activities is always to ensure that all who receive copies of copylefted software (or modified versions thereof) can freely engage in copying, modifying, improving and installing modified versions of the software.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ **19,261** including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► **603,787**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 ✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2 ✓	
3 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	3 ✓	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4 ✓	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5 ✓	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6 ✓	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7 ✓	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 ✓	
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9 ✓	
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 ✓	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a ✓	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b ✓	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c ✓	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d ✓	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e ✓	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f ✓	
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a ✓	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b ✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13 ✓	
14 a Did the organization maintain an office, employees, or agents outside of the United States?	14a ✓	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b ✓	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15 ✓	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16 ✓	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17 ✓	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 ✓	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19 ✓	
20 a Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a ✓	
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b ✓	

Part IV Checklist of Required Schedules (continued)

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	<input checked="" type="checkbox"/>
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	<input checked="" type="checkbox"/>
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	<input checked="" type="checkbox"/>
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a	<input checked="" type="checkbox"/>
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	<input checked="" type="checkbox"/>
b Is the organization 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	25b	<input checked="" type="checkbox"/>
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	<input checked="" type="checkbox"/>
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	<input checked="" type="checkbox"/>
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	<input checked="" type="checkbox"/>
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	<input checked="" type="checkbox"/>
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	<input checked="" type="checkbox"/>
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	<input checked="" type="checkbox"/>
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	<input checked="" type="checkbox"/>
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	<input checked="" type="checkbox"/>
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	<input checked="" type="checkbox"/>
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	<input checked="" type="checkbox"/>
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	<input checked="" type="checkbox"/>
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	<input checked="" type="checkbox"/>
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	<input checked="" type="checkbox"/>
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	<input checked="" type="checkbox"/>
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	<input checked="" type="checkbox"/>

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	2b	✓
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	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)?	4a	✓
b	If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	✓
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	✓
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	✓
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	Sponsoring organizations maintaining donor advised funds.	9b	
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	✓
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 9	
b	Enter the number of voting members included in line 1a, above, who are independent	1b 8	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	✓
6	Does the organization have members or stockholders?	6	✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	✓
b	Each committee with authority to act on behalf of the governing body?	8b	✓
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.	9	✓

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	✓
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	✓
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.		
13	Does the organization have a written whistleblower policy?	13	✓
14	Does the organization have a written document retention and destruction policy?	14	✓
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	✓
b	Other officers or key employees of the organization	15b	✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Bradley M. Kuhn, 147 PRINCE ST FL 1 STE 4, BROOKLYN, NY 11201-3011, +1-212-461-3245, x. 10**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated			
(1) Jeremy Allison Director	1	✓					0	0	0
(2) Loïc Dachary Director	1	✓					0	0	0
(3) Mark Galassi Vice President, Treasurer, and Director	1	✓		✓			0	0	0
(4) Bradley M. Kuhn President, Executive Director, and Director	20	✓		✓	✓		15,000	0	0
(5) Axel Metzger Director	0.25	✓					0	0	0
(6) Eben Moglen Director	0.1	✓					0	0	0
(7) Ian Lance Taylor Director	0.25	✓					0	0	0
(8) Tom Tromey Director	0.25	✓					0	0	0
(9) Mathew S. Wilson Director	0.25	✓					0	0	0
(10) Karen M. Sandler Corporate Secretary and Legal Counsel	2			✓			0	0	0
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former		
(17)									
(18)									
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
(26)									
(27)									
(28)									
1b Sub-total						►	15,000	0	0
c Total from continuation sheets to Part VII, Section A						►	0	0	0
d Total (add lines 1b and 1c)						►	15,000	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 0		

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts					
1a Federated campaigns . . .	1a				
b Membership dues . . .	1b				
c Fundraising events . . .	1c				
d Related organizations . . .	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f	427,645			
g Noncash contributions included in lines 1a-1f: \$					
h Total. Add lines 1a-1f ►		427,645			
Program Service Revenue					
		Business Code			
2a Conference Registration Fees		900099	260,926	260,926	
b Legal Settlements		541100	204,750	204,750	
c Sponsorship Benefit Income		900099	1,231	1,086	145
d					
e					
f All other program service revenue .					
g Total. Add lines 2a-2f ►		466,907			
Other Revenue					
3 Investment income (including dividends, interest, and other similar amounts) ►			482	482	
4 Income from investment of tax-exempt bond proceeds ►					
5 Royalties ►			16,530	16,530	
		(i) Real	(ii) Personal		
6a Gross Rents . .					
b Less: rental expenses					
c Rental income or (loss)					
d Net rental income or (loss) ►					
7a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other		
b Less: cost or other basis and sales expenses .					
c Gain or (loss) . .					
d Net gain or (loss) ►					
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a					
b Less: direct expenses b					
c Net income or (loss) from fundraising events . ►					
9a Gross income from gaming activities. See Part IV, line 19 a					
b Less: direct expenses b					
c Net income or (loss) from gaming activities . . ►					
10a Gross sales of inventory, less returns and allowances a					
b Less: cost of goods sold b					
c Net income or (loss) from sales of inventory . . ►					
Miscellaneous Revenue		Business Code			
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d ►					
12 Total revenue. See instructions. ►		911,564	483,774	145	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	15,000	10,950	3,900	150
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes	1,544	1,127	401	16
11 Fees for services (non-employees):				
a Management				
b Legal	82,404	82,404		
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	2,639	2,639		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a Software Development and Design	208,999	208,999		
b Venue Rentals for Conferences	170,047	170,047		
c Travel, Meals & Lodging for Software Developers	53,055	52,943	112	
d Travel, Meals & Lodging to & for Conferences	39,368	36,762	2,606	
e Technology Expenses	13,667	10,730	2,937	
f All other expenses	64,010	29,825	34,185	
25 Total functional expenses. Add lines 1 through 24f	650,733	603,787	46,780	116
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	73,940	94,999
	2 Savings and temporary cash investments	180,288	597,349
	3 Pledges and grants receivable, net	3	17,475
	4 Accounts receivable, net	4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	6	
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	8	
	9 Prepaid expenses and deferred charges	9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	
	b Less: accumulated depreciation	10b	10c
	11 Investments—publicly traded securities	11	
	12 Investments—other securities. See Part IV, line 11	12	
	13 Investments—program-related. See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets. See Part IV, line 11	15	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	254,228	709,823
Liabilities	17 Accounts payable and accrued expenses	17	62,967
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	22	
	23 Secured mortgages and notes payable to unrelated third parties	23	
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities. Complete Part X of Schedule D	25	131,797
	26 Total liabilities. Add lines 17 through 25	0	194,764
	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	23,854	27
	28 Temporarily restricted net assets	230,374	28
	29 Permanently restricted net assets	29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	254,228	515,059
	34 Total liabilities and net assets/fund balances	254,228	709,823

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	911,564
2 Total expenses (must equal Part IX, column (A), line 25)	2	650,733
3 Revenue less expenses. Subtract line 2 from line 1	3	260,831
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	254,228
5 Other changes in net assets or fund balances (explain in Schedule O)	5	0
6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	515,059

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
- Separate basis Consolidated basis Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a		✓
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section
4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No. 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

Software Freedom Conservancy, Inc.

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).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	33,426	57,391	103,450	116,178	427,645	738,090
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	33,426	57,391	103,450	116,178	427,645	738,090
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)						386,761
6 Public support. Subtract line 5 from line 4.						321,700

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	33,426	57,391	103,450	116,178	427,645	738,090
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	4	140	269	697	482	1,592
9 Net income from unrelated business activities, whether or not the business is regularly carried on						145
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV).						0
11 Total support. Add lines 7 through 10						739,827
12 Gross receipts from related activities, etc. (see instructions)					12	794,857
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 type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	45.3 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	N/A %
16a 33½% support test—2010. 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 checked="" type="checkbox"/>		
b 33½% support test—2009. 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—2010. 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—2009. 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 or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support**Calendar year (or fiscal year beginning in) ►**

- 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.)

	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1						
2						
3						
4						
5						
6 Total.						
7a						
b						
c						
8 Public support						

Section B. Total Support**Calendar year (or fiscal year beginning in) ►**

- 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.)

	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9						
10a						
b						
c						
11						
12						
13 Total support.						

- 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** ►

Section C. Computation of Public Support Percentage

- 15** Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) **15** %
16 Public support percentage from 2009 Schedule A, Part III, line 15 **16** %

Section D. Computation of Investment Income Percentage

- 17** Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f)) **17** %
18 Investment income percentage from 2009 Schedule A, Part III, line 17 **18** %
19a **33½% support tests—2010.** 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 ►
b **33½% support tests—2009.** 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 ►
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

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. Also complete this part for any additional information. (See instructions).

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No. 1545-0047

2010**Open to Public
Inspection**

Name of the organization

Employer identification number

Software Freedom Conservancy, Inc.**41-2203632****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	
a Total number of conservation easements	Held at the End of the Tax Year
2a	
2b	
2c	
2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a	If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b	If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
(i)	Revenues included in Form 990, Part VIII, line 1 ► \$
(ii)	Assets included in Form 990, Part X ► \$
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
a	Revenues included in Form 990, Part VIII, line 1 ► \$
b	Assets included in Form 990, Part X ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- | | |
|---|---|
| a <input type="checkbox"/> Public exhibition | d <input type="checkbox"/> Loan or exchange programs |
| b <input type="checkbox"/> Scholarly research | e <input type="checkbox"/> Other _____ |
| c <input type="checkbox"/> Preservation for future generations | |
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|-----------|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ► %
- b** Permanent endowment ► %
- c** Term endowment ► %

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)		
3a(ii)		
3b		

- b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ►

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
(10) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	0
(2) Deferred Revenue - 481(a) Adjustment	82,523
(3) Unearned Income - Advance Program Revenue	48,274
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
(10) _____	
(11) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	131,797

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	911,564
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	650,733
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	260,831
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	27,840
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	27,840
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	232,991

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	881,935
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	881,935
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	29,629
c	Add lines 4a and 4b	4c	29,629
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	911,564

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	648,944
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	648,944
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	1,789
c	Add lines 4a and 4b	4c	1,789
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	650,733

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

See attached: Schedule D, Page 6

Part XIV Supplemental Information *(continued)*



2010 Schedule D, Part XIV - Supplemental Information Page 6**SOFTWARE FREEDOM CONSERVANCY, INC.****41-2203632****Schedule D, Part XII, Line 4b
Other Revenue Included On Form 990 But Not Included In F/S**

481(a) ADJUSTMENT	\$ 29,629.
Total\$	<u>29,629.</u>

**Schedule D, Part XIII, Line 4b
Other Expenses Included On Form 990 But Not Included In F/S**

481(a) ADJUSTMENT	\$ 1,789.
Total\$	<u>1,789.</u>

SCHEDULE L
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Transactions With Interested Persons**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
 ► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No. 1545-0047

2010**Open To Public
Inspection**

Name of the organization

Employer identification number

Software Freedom Conservancy, Inc.**41-2203632****Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
2	Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ► \$			
3	Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ► \$			

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?	(g) Written agreement?
					Yes	No		
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								

Total ► \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Bradley M. Kuhn	See below		See below		✓
(2) Eben Moglen	See below		See below		✓
(3) Karen M. Sandler	See below		See below		✓
(4) Daniel B. Ravicher	See below		See below		✓
(5)		82,404			
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

During the tax year, Conservancy had three board members and one officer who had roles during the year at another 501(c)(3) non-profit organization, the Software Freedom Law Center (SFLC):

Bradley M. Kuhn, who is the President and a Director of Conservancy, was an employee of SFLC until September 30, 2010.

Eben Moglen, who served as a Conservancy director until May 2, 2011, is an SFLC employee, SFLC's President, and an SFLC Director.

Karen M. Sandler, who is the Corporate Secretary of Conservancy, was an SFLC employee until June 30, 2011.

Daniel B. Ravicher, who served as a Conservancy director until December 23, 2010, was an SFLC employee and SFLC's Vice-President.

During the tax year, SFLC performed legal services for Conservancy for fees and expense reimbursements totaling \$82,404.

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

Name of the organization

Software Freedom Conservancy, Inc.

Employer identification number

41-2203632

FORM 990, Part III, Line 4d - Other Program Services Description:

Additionally, Conservancy performed other essential non-profit services for FLOSS projects. These include, but are not necessarily limited to: Internet hosting & bandwidth costs, computer equipment and hardware to facilitate software development, advising FLOSS projects on how to make use of non-profit resources and other incidental expenses incurred by FLOSS projects.

FORM 990, PART V, Line 7(a):

Conservancy did receive donations in the form of conference sponsorship payments. In the instances where Conservancy also gave sponsors some substantial benefit, Conservancy treated the portion of the payment equal to the fair market value of the benefit as related business income. The remainder was treated as a contribution.

FORM 990, PART VI, LINE 11B - Form 990 Review Process:

Before Conservancy files a 990, a final draft is submitted to the Board of Directors for review. The Directors then review and discuss it at the next Board meeting. Conservancy requires its Board to vote to approve the 990 before it is filed. The vote is conducted under the usual rules in the organization's by-laws regarding Board actions.

FORM 990, PART VI, LINE 15a - Compensation Review & Approval Process for CEO, Executive Director or Top Management:

In September 2010, prior to Kuhn's hire in January 2011 as Executive Director, Kuhn presented to Conservancy's Board a compensation package proposal. Kuhn left the meeting while the Board reviewed, discussed, considered, and voted to approve Kuhn's compensation package. Part of Kuhn's presentation included a spreadsheet which calculates the average CEO/Executive Director salaries at 35 different non-profit organizations in related fields. The Board set Kuhn's salary at well below that average. The spreadsheet is publicly available at:

<http://gitorious.org/floss-foundations/npo-public-filings/blobs/raw/676a70cd4624e3e92856debe55edb882cb782d03/org-salaries.ods>

FORM 990, PART VI, LINE 15b - Compensation Review & Approval Process for Officers & Key Employees:

In September 2011 (the year following this tax year), Conservancy hired a General Counsel, Tony Sebro. The General Counsel's compensation package was discussed and approved by the Board prior to Sebro's hire.

FORM 990, PART VI, LINE 19 - Other Organization Documents Publicly Available:

Conservancy's Form 990's, CHAR-500's and Limited Review/Auditor reports are made available publicly on Conservancy's website immediately upon filing. Conservancy is currently investigating plans to make more of its policies publicly available.

FORM 990, PART XIII, Line 12: Conservancy switched from the cash basis to accrual basis for this tax year. Form 3115 has been submitted.

Software Freedom Conservancy, Inc.
Financial Statements
February 28, 2011

Index

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Supplemental Schedule of Temporarily Restricted Net Assets	6
Notes to Financial Statements	7 - 8

Gary S. Eisenkraft
Certified Public Accountant

271 Madison Avenue, Suite 1105, New York, N.Y. 10016
Telephone (212) 689-2655 Fax (646) 619-4723
gary@eisenkraftcpa.com

Independent Auditor's Report

To the Board of Directors of
Software Freedom Conservancy, Inc.

I have audited the accompanying statement of financial position of Software Freedom Conservancy, Inc., as of February 28, 2011, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Software Freedom Conservancy, Inc., as of February 28, 2011, and the changes in its net assets and its cash flows ~~for~~ the year then ended in conformity with accounting principles generally accepted in the United States of America.



January 6, 2012

Software Freedom Conservancy, Inc.
Statement of Financial Position
February 28, 2011

Assets

Current Assets

Cash	\$ 692,348
Contributions receivable	17,475
	<hr/>
	\$ 709,823

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 62,967
Unearned income - advance program registration fees	48,274
	<hr/>
	111,241

Net Assets

Unrestricted	45,205
Temporarily restricted	553,377
	<hr/>
	598,582
	<hr/>
	\$ 709,823

See notes to these financial statements and independent auditor's report.

Software Freedom Conservancy, Inc.
Statement of Activities
For the Year Ended February 28, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 32,741	\$ 365,275	\$ 398,016
Conference registration fees	-	260,926	260,926
Legal settlements	-	204,750	204,750
Book royalties	783	15,747	16,530
Sponsorship benefit income	-	1,231	1,231
Investment income	18	464	482
Satisfaction of program restrictions	<u>622,339</u>	<u>(622,339)</u>	-
	<u>655,881</u>	<u>226,054</u>	<u>881,935</u>
Expenses			
Program services	<u>603,787</u>	-	<u>603,787</u>
Supporting services:			
General and administrative	44,991	-	44,991
Fund-raising	<u>166</u>	-	<u>166</u>
	<u>45,157</u>	-	<u>45,157</u>
Total expenses	<u>648,944</u>	-	<u>648,944</u>
Increase in net assets	6,937	226,054	232,991
Beginning net assets	<u>38,268</u>	<u>327,323</u>	<u>365,591</u>
Ending net assets	<u>\$ 45,205</u>	<u>\$ 553,377</u>	<u>\$ 598,582</u>

See notes to these financial statements and independent auditor's report.

**Software Freedom Conservancy, Inc.
Statement of Cash Flows
For the Year Ended February 28, 2011**

Cash Flows from Operating Activities

Increase in net assets	\$ 232,991
Adjustment to increase in net assets	
to net cash provided by operating activities:	
Decrease in:	
Receivables	101,044
Increase in:	
Accounts payable and accrued expenses	55,811
Unearned income - advance program	
registration fees	48,274
Net cash provided by operating activities	<u>438,120</u>
Increase in Cash	438,120
Beginning Cash	<u>254,228</u>
Ending Cash	<u>\$ 692,348</u>

See notes to these financial statements and independent auditor's report.

Software Freedom Conservancy, Inc.
Statement of Functional Expenses
For the Year Ended February 28, 2011

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total 2011</u>
			<u>General and Administrative</u>		<u>Fund-raising</u>	
	\$		\$		\$	
Salaries and wages	\$ 10,950		\$ 3,900		\$ 150	\$ 15,000
Payroll taxes	1,127		401		16	1,544
Legal fees	82,404		-		-	82,404
Travel, meals and lodging	52,943		112		-	53,055
Technology expenses	10,730		2,937		-	13,667
Audit fees	-		10,000		-	10,000
Mentoring student software developers	7,430		-		-	7,430
Bank charges and other fees	-		3,124		-	3,124
Office supplies and other	1,404		1,590		-	2,994
License enforcement expenses	2,985		-		-	2,985
Occupancy	-		2,639		-	2,639
Membership	-		1,199		-	1,199
Professional services:	-		-		-	-
Software development and design	208,999		-		-	208,999
Graphic design	400		150		-	550
	<hr/>		<hr/>		<hr/>	<hr/>
	379,372		26,052		166	405,590
Conference expenses:	-		-		-	-
Venue rental	170,047		-		-	170,047
Travel, meals and lodging	36,762		2,606		-	39,368
Other conference expenses	2,716		2,562		-	5,278
Bank charges and other fees	-		7,153		-	7,153
Registration service fees	-		6,618		-	6,618
Video	5,860		-		-	5,860
Materials	4,385		-		-	4,385
T-shirts	3,466		-		-	3,466
Badges	1,179		-		-	1,179
	<hr/>		<hr/>		<hr/>	<hr/>
	224,415		18,939		-	243,354
	<hr/>		<hr/>		<hr/>	<hr/>
	\$ 603,787		\$ 44,991		\$ 166	\$ 648,944

See notes to these financial statements and independent auditor's report.

Software Freedom Conservancy, Inc.
Supplemental Schedule of Temporarily Restricted Net Assets
For the Year Ended February 28, 2011

	Balance as of March 1, 2010	Additions	Releases From Restrictions	Balance as of February 28, 2011
Restricted by purpose to the following projects:				
Amarok	\$ 2,406	\$ 5,198	\$ 2,514	\$ 5,090
ArgoUML	7,556	41	-	7,597
Boost	72,197	35,174	30,919	76,452
BusyBox	15,000	204,790	96,095	123,695
Darcs	2,045	600	567	2,078
Foresight	98	285	10	373
Gevent	-	114	-	114
Git	520	2,167	2,095	592
Inkscape	13,912	1,987	2,082	13,817
K3D	2,868	6	-	2,874
Kohana	-	2,313	1,419	894
Libbraille	435	25	1	459
Mercurial	8,817	100,230	75,062	33,985
OpenChange	3,842	2,059	1,051	4,850
PyPy	-	1,046	22	1,024
SWIG	-	589	3	586
Samba	113,904	13,173	28,411	98,666
Selenium	-	33,185	4,270	28,915
Squeak	-	4,005	36	3,969
Sugar	30,667	5,087	15,891	19,863
Twisted	13,759	8,334	5,088	17,005
Wine	5,251	7,477	10,785	1,943
jQuery	34,046	420,508	346,018	108,536
	\$ 327,323	\$ 848,393	\$ 622,339	\$ 553,377

See notes to these financial statements and independent auditor's report.

Software Freedom Conservancy, Inc.
Notes to Financial Statements
February 28, 2011

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Software Freedom Conservancy is a not-for-profit organization that helps promote, improve, develop, and defend Free, Libre, and Open Source Software (FLOSS) projects. Conservancy provides a non-profit home and infrastructure for FLOSS projects. This allows FLOSS developers to focus on what they do best — writing and improving FLOSS for the general public — while Conservancy takes care of the projects' needs that do not relate directly to software development and documentation.

FLOSS projects whose applications are accepted become part of the Software Freedom Conservancy (akin to a separate department of a large agency). Once joined, the "member project" receives most of the benefits of existing as a non-profit corporate entity without engaging in the arduous work of forming a separate, new organization. Conservancy aggregates the work of running a FLOSS non-profit for its many members.

The Conservancy provides many important services for its member projects. Member projects can take directed donations, which allows donors to earmark their donations for the benefit of a specific FLOSS project. Conservancy provides fiscal oversight to ensure that these funds are spent in a manner that advances the project and fits with Conservancy's 501(c)(3) mission to promote, advance, and defend software freedom.

If the member project's leaders want, Conservancy can also hold other assets and titles on behalf of the projects, such as copyrights, trademarks, domain names, online hosting accounts, and title and ownership of physical hardware. Also at discretion of the project's leaders, Conservancy can assist in defending the rights represented in these assets. For example, Conservancy is available to assist member projects in enforcing the terms of the projects' FLOSS license.

Finally, developers of Conservancy's member projects, when operating in their capacity as project leaders, could receive some protection from personal liability for their work on the project.

Software Freedom Conservancy, Inc., was incorporated in the State of New York in 2006.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

During the year ended February 28, 2011, Conservancy changed from the cash basis to accrual basis accounting in accordance with generally accepted accounting principles.

Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and / or nature of any donor restrictions. Conservancy has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Income is recognized when earned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Software Freedom Conservancy, Inc.
Notes to Financial Statements
February 28, 2011

Note 1 - (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

Software Freedom Conservancy, Inc., is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore no provision for income taxes has been made in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

In preparing these financial statements, Software Freedom Conservancy, Inc., has evaluated events and transactions for potential recognition or disclosure through January 6, 2012, the date the financial statements were available to be issued.

Concentrations

The Organization maintains cash balances in two financial institutions. Balances in one of those institutions at times exceed federally insured limits. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

Approximately 46% and 25% of the Organization's donation's were contributed in support of jQuery and Mercurial projects, respectively.

Note 2 - Commitment

Software Freedom Conservancy, Inc., leases its premises on a month by month basis.

Payments during the year ended February 28, 2011 amounted to \$2,155.

Note 3 - Related Party Transaction

During fiscal year ending February 28, 2011, Conservancy had three board members who had roles during that year at a non-profit organization, Software Freedom Law Center (SFLC). Specifically, Daniel B Ravicher, who served as a Conservancy director until December 23, 2010, was an SFLC employee and SFLC's Vice-President. Eben Moglen, who served as a Conservancy director until May 2, 2011, is an SFLC employee, SFLC's President, and an SFLC Director. Bradley M. Kuhn, who is the President and a Director of Conservancy, was an employee of SFLC until September 30, 2010.

During the year ended February 28, 2011, SFLC performed legal services for Conservancy for fees and expense reimbursements totaling \$82,404.

See independent auditor's report.