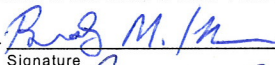



1. General Information

a. For the fiscal year beginning (mm/dd/yyyy) <u>03/01</u> / 2011 and ending (mm/dd/yyyy) <u>02/29/2012</u>			
b. Check if applicable for NYS: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization <p style="text-align: center;">Software Freedom Conservancy, Inc.</p>		d. Fed. employer ID no. (EIN) (##-####-####) <p style="text-align: center;">41-2203632</p>
	Number and street (or P.O. box if mail not delivered to street address) Room/suite <p style="text-align: center;">137 MONTAGUE STREET STE 380</p>		e. NY State registration no. (###-##-###) <p style="text-align: center;">40-39-09</p>
	City or town, state or country and zip + 4 <p style="text-align: center;">BROOKLYN, NY 11201-3548</p>		f. Telephone number <p style="text-align: center;">212-461-3245</p>
			g. Email <p style="text-align: center;">info@sfconservancy.org</p>

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	 Signature	Bradley M. Kuhn Printed Name	President Title	30 January 2013 Date
b. Chief Financial Officer or Treas.	 Signature	Peter T. Brown Printed Name	Treasurer Title	30 January 2013 Date

3. Annual Report Exemption Information

a. **Article 7-A annual report exemption** (Article 7-A registrants and dual registrants)
 Check if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 **and** the organization did not engage a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.
NOTE: An organization may claim this exemption if no PFR or FRC was used **and** either: 1) it received an allocation from a federated fund, United Way or incorporated community appeal **and** contributions from other sources did not exceed \$25,000 **or** 2) it received all or substantially all of its contributions from one government agency to which it submitted an annual report similar to that required by Article 7-A.

b. **EPTL annual report exemption** (EPTL registrants and dual registrants)
 Check if gross receipts did not exceed \$25,000 **and** assets (market value) did not exceed \$25,000 at any time during this fiscal year.

For EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.
Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.

4. Article 7-A Schedules

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

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

b. Did the organization receive government contributions (grants)? Yes* No
 * If "Yes", complete Schedule 4b.

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

Indicate the filing fee(s) you are submitting along with this form:		Submit only one check or money order for the total fee, payable to "NYS Department of Law"
a. Article 7-A filing fee	\$ 25	
b. EPTL filing fee	\$ 250	
c. Total fee	\$ 275	

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

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

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

1. Type of fund raising professional (FRP):

Professional fund raiser

Fund raising counsel

Commercial co-venturer

2. Name of FRP:

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

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

3. FRP telephone number:

4. Services provided by FRP (provide description):

5. Compensation arrangement with FRP (provide description):

6. Dates of contract _____ through _____

(mm/dd/yyyy) (mm/dd/yyyy)

7. Amount paid to FRP \$ _____

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

)

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

Filing Fee

- Single check or money order payable to "NYS Department of Law"

Copies of Internal Revenue Service Forms

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

2011

Open to Public Inspection

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.

A For the 2011 calendar year, or tax year beginning **1 March**, 2011, and ending **29 February**, 20 **12**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization **Software Freedom Conservancy, Inc.**
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
137 MONTAGUE ST STE 380
 City or town, state or country, and ZIP + 4
BROOKLYN, NY 11201-3548

D Employer identification number
41-2203632

E Telephone number
212-461-3245

G Gross receipts \$ **1,768,095**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ **http://sfconservancy.org/**

K Form of organization: Corporation Trust Association Other ▶

L Year of formation: **2006** **M** State of legal domicile: **NY**

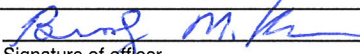
Part I Summary

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.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	3
	6	Total number of volunteers (estimate if necessary)	6	1,260
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	10,486
b	Net unrelated business taxable income from Form 990-T, line 34	7b	9,486	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 427,645	Current Year 1,080,513
	9	Program service revenue (Part VIII, line 2g)	466,907	666,347
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	482	1,483
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,530	19,752
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	911,564	1,768,095
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	156,663
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 11,407		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	634,189	1,066,989	
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	650,733	1,223,652	
19	Revenue less expenses. Subtract line 18 from line 12	260,831	544,443	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 709,823	End of Year 1,273,353
	21	Total liabilities (Part X, line 26)	194,764	213,851
	22	Net assets or fund balances. Subtract line 21 from line 20	515,059	1,059,502

Part II Signature Block

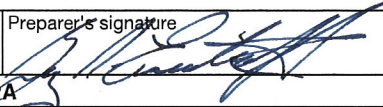
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer:  Date: **30 January 2013**

Bradley M. Kuhn President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: **Gary S. Eisenkraft, CPA** Preparer's signature:  Date: **1/29/13** Check if self-employed PTIN: **P0005181**

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 Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

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: education 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 organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 457,154 including grants of \$) (Revenue \$ 481,377)

Facilitating FLOSS conferences. During the tax year of 2011, Conservancy planned, organized and ran one conference each for its Boost, Selenium, and jQuery projects, and began planning for a conference for its Evergreen project to occur in 2012. 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 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 \$ 381,385 including grants of \$) (Revenue \$ 41,285)

FLOSS development and developer mentoring. During the tax year of 2011, Conservancy engaged nine different software developers as independent contractors to improve the software in its Mercurial, jQuery, PyPy, 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 these projects.

In addition to these nine contracts, 40 other developers mentored student software developers during a summer participation program. These developers helped the students get involved with FLOSS development and contribute new code to the projects. In addition to helping students improve their software development skills, their new code was also made available to the public, as described above.

4c (Code:) (Expenses \$ 145,428 including grants of \$) (Revenue \$ 0)

FLOSS education and awareness. Conservancy entered into a co-sponsoring agreement with Slipstream Sports, a professional cycling team, to promote Conservancy's Sugar Labs member project, which is an educational software platform for K-12 students.

As part of the agreement, Slipstream athletes wore uniforms bearing the Sugar Labs logo throughout their 2011 international racing season — seven countries in five continents — in order to raise awareness about Sugar Labs, and FLOSS in general.

In addition, Conservancy volunteers participated in the 2011 Bike Boston Tour wearing Sugar Labs t-shirts to generate further awareness. In parallel, Conservancy volunteers taught grade school students how to write FLOSS to program sensors to measure and study cycling performance. The code written was released freely to the general public.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 121,015 including grants of \$) (Revenue \$ 128,136)

4e Total program service expenses **▶** 1,104,982

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)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part VI</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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)? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20 a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	✓
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	✓
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? <i>If "Yes," complete Schedule J</i>	23	✓
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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	✓
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? <i>If "Yes," complete Schedule L, Part I</i>	25a	✓
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? <i>If "Yes," complete Schedule L, Part I</i>	25b	✓
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? <i>If "Yes," complete Schedule L, Part II</i>	26	✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	✓
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? <i>If "Yes," complete Schedule L, Part IV</i>	28a	✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	✓
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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	✓
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? <i>If "Yes," complete Schedule R, Part I</i>	33	✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	✓
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✓
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	✓
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	✓
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? <i>If "Yes," complete Schedule R, Part VI</i>	37	✓
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	✓

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check 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	7		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		<input checked="" type="checkbox"/>	
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	3		
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		<input checked="" type="checkbox"/>	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		<input checked="" type="checkbox"/>	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		<input checked="" type="checkbox"/>	
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			<input checked="" type="checkbox"/>
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			<input checked="" type="checkbox"/>
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			<input checked="" type="checkbox"/>
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			<input checked="" type="checkbox"/>
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).				
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?	7a		<input checked="" type="checkbox"/>	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			<input checked="" type="checkbox"/>
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			<input checked="" type="checkbox"/>
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			<input checked="" type="checkbox"/>
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			<input checked="" type="checkbox"/>
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
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?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
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.	13a			
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			<input checked="" type="checkbox"/>
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 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	8
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7
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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	6	<input checked="" type="checkbox"/>
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	<input checked="" type="checkbox"/>
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	<input checked="" type="checkbox"/>
b	Each committee with authority to act on behalf of the governing body?	8b	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	<input checked="" type="checkbox"/>
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	<input checked="" type="checkbox"/>
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	<input checked="" type="checkbox"/>
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	<input checked="" type="checkbox"/>
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	<input checked="" type="checkbox"/>
13	Did the organization have a written whistleblower policy?	13	<input checked="" type="checkbox"/>
14	Did the organization have a written document retention and destruction policy?	14	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
b	Other officers or key employees of the organization	15b	<input checked="" type="checkbox"/>
	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	<input checked="" type="checkbox"/>
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 (Section 501(c)(3)s only) available for public inspection. Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) Jeremy Allison Director	1.50	✓								
(2) Peter T. Brown Treasurer and Director	1.00	✓		✓						
(3) Loïc Dachary Director	1.50	✓								
(4) Mark Galassi Vice President and Director	1.50	✓		✓						
(5) Bradley M. Kuhn President, Executive Director, & Director	45.50	✓		✓			90,000		5,020	
(6) Stormy Peters Director	1.00	✓								
(7) Ian Lance Taylor Director	1.00	✓								
(8) Tom Trome Director	1.00	✓								
(9) Karen M. Sandler Corporate Secretary and Legal Counsel	1.50			✓						
(10)										
(11)										
(12)										
(13)										
(14)										

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total							90,000		5,020	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							90,000		5,020	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule J for such individual</i>		<input checked="" type="checkbox"/>
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		<input checked="" type="checkbox"/>

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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Richly Interactive, Inc., 12801 WORLDGATE DR STE 500, HERNDON, VA 20170	software development	118,163
Jörn Zaefferer, Dotrmunder Straße 53 51065 Köln GERMANY	software development	112,651

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

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	1,080,513					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f ▶			1,080,513				
Program Service Revenue	Business Code							
	2a <u>Conference Registration Fees</u>		561920	470,144	470,144			
	b <u>Legal Settlements</u>		541110	128,136	128,136			
	c <u>Trademark Sales</u>		533110	32,000	32,000			
	d <u>Sponsorship Benefit Income</u>		561920	11,565	11,233	332		
	e <u>Internet Advertising</u>		519130	10,154		10,154		
	f All other program service revenue .			14,348	14,348			
	g Total. Add lines 2a-2f ▶			666,347				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			1,483	1,483			
	4 Income from investment of tax-exempt bond proceeds ▶							
	5 Royalties ▶			19,752	19,752			
	6a Gross rents	(i) Real	(ii) Personal					
	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. ▶				1,768,095	677,096	10,486		

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).

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

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 United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	90,000	39,024	47,223	3,753
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	48,800	28,237	17,006	3,557
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	5,252	2,293	2,727	232
10 Payroll taxes	12,611	6,134	5,789	688
11 Fees for services (non-employees):				
a Management				
b Legal				
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	15,473	7,678	6,799	996
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	486	241	214	31
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Software development and design	353,895	353,895		
b Conference venue rental	271,686	271,686		
c Promotional: FLOSS Education & Awareness	145,000	145,000		
d Conferences: Travel, Meals & Lodging	94,194	94,194		
e All other expenses	186,255	156,600	27,505	2,150
25 Total functional expenses. Add lines 1 through 24e	1,223,652	1,104,982	107,263	11,407
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	94,049	1	115,276
	2 Savings and temporary cash investments	597,349	2	860,316
	3 Pledges and grants receivable, net	17,475	3	160,069
	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	132,000
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	3,567
	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	950	15	2,125
16 Total assets. Add lines 1 through 15 (must equal line 34)	709,823	16	1,273,353	
Liabilities	17 Accounts payable and accrued expenses	62,967	17	90,129
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	131,797	25	123,722
	26 Total liabilities. Add lines 17 through 25	194,764	26	213,851
Net Assets or Fund Balances	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	35,260	27	13,985
	28 Temporarily restricted net assets	479,799	28	1,045,517
	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	515,059	33	1,059,502
34 Total liabilities and net assets/fund balances	709,823	34	1,273,353	

Part XI Reconciliation of Net Assets

Check 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	1,768,095
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,223,652
3	Revenue less expenses. Subtract line 2 from line 1	3	544,443
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	515,059
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	1,059,502

Part XII Financial Statements and Reporting

Check 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)

Public Charity Status and Public Support

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

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 33 1/3% 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 33 1/3% 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?

	Yes	No
(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?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	
- 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	57,391	103,450	116,178	427,645	1,080,513	1,785,177
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	57,391	103,450	116,178	427,645	1,080,513	1,785,177
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)						726,318
6 Public support. Subtract line 5 from line 4.						1,058,859

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	57,391	103,450	116,178	427,645	1,080,513	1,785,177
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	140	269	697	482	1,483	3,071
9 Net income from unrelated business activities, whether or not the business is regularly carried on				145	10,486	10,631
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						1,798,879
12 Gross receipts from related activities, etc. (see instructions)					12	1,470,470
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 2011 (line 6, column (f) divided by line 11, column (f))	14	58.9 %
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	45.3 %
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test—2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% 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—2011. 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—2010. 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) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Software Freedom Conservancy, Inc.

Employer identification number

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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, 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?, 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)?, 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.

Table with 2 columns: Amounts. Rows include: 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. 1b 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** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

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 Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

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 current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶%
- b** Permanent endowment ▶%
- c** Temporarily restricted endowment ▶%

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

- (i)** unrelated organizations
- (ii)** related organizations

	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.

Description of property	(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) Book value	
(1) Federal income taxes		
(2) Deferred Revenue - 481(a) Adjustment	55,682	
(3) Unearned Income- Advance Program Revenue	68,040	
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	123,722	

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)	1,768,095
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,223,652
3	Excess or (deficit) for the year. Subtract line 2 from line 1	544,443
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net). Add lines 4 through 8	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	544,443

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1,738,466
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	1,738,466
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 29,269
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	1,768,095

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1,221,863
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	1,221,863
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.)	1,223,652

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

Client SOFTWARE

SOFTWARE FREEDOM CONSERVANCY, INC.

41-2203632

1/25/13

12:42PM

Schedule D, Part XII, Line 4b
Other Revenue Included On Form 990 But Not Included In F/S

481 (a) ADJUSTMENT..... Total \$ 29,629.

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

481 (a) ADJUSTMENT..... Total \$ 1,789.

**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

2011

Open To Public Inspection

Name of the organization

Software Freedom Conservancy, Inc.

Employer identification number

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?	
		To	From			Yes	No	Yes	No	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) Eben Moglen	See below		See below		<input checked="" type="checkbox"/>
(2) Karen M. Sandler	See below		See below		<input checked="" type="checkbox"/>
(3)		34,940			
(4)					
(5)					
(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 one board member and one officer who had roles during the year at another 501(c)(3)

non-profit organization, the Software Freedom Law Center.

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.

During the tax year, SFLC performed legal services for Conservancy for fees and expense reimbursements totaling \$34,940.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Software Freedom Conservancy, Inc.

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.

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Employer identification number

41-2203632

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

License Compliance Activity. Expenses: \$98,813 Revenue: 128,136

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 & install modified versions of the software to all those who receive 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, & 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 the copylefted software (or modified versions thereof) can freely engage in copying, modifying, improving & installing modified versions of the software.

Other Miscellaneous Program Services: Expenses: \$22,202 Revenue: \$0

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 received some payments in the forms of conference sponsorship payments and conference registration fees. For registration fees, and in the instances where Conservancy also gave conference 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.

Name of the organization Software Freedom Conservancy, Inc.	Employer identification number 41-2203632
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FORM 990, PART VI, SECTION B, LINES 12, 13, 14:

The Board of Directors formally adopted and consented to Conservancy's Conflict of Interest, Whistleblower, and Document

Retention policy on 16 March 2012. Conservancy's policy will be to remind the Board annually that the Conflict of Interest

policy is in effect and any conflicts must be disclosed. Volunteers who help Conservancy select contractors for Conservancy are

required to adhere to the Conflict of Interest policy, and those with potential conflicts are recused from the process.

FORM 990, PART VI, SECTION B, 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>

Any change in Kuhn's compensation or benefits since January 2011 is presented to Conservancy's Board. Kuhn leaves the meeting while

the proposal is discussed and voted on.

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

In September 2011, 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. Note, however, that Sebro does not fit the definition of "key employee" nor "highly

compensated employee" under Form 990's instructions.

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 VII, LINE (5)(F):

Amount of \$5,020 is payments of Kuhn's health insurance and dental insurance premiums during the tax year.

Form 990, Part IX, Line 24e
Other Expenses

	(A)	(B)	(C)	(D)
	Total	Program Services	Management & General	Fundraising
AUDIT FEES	12,515.		12,515.	
BANK CHARGES AND OTHER FEES	11,530.	11,530.		
BANK CHARGES AND OTHER FEES	2,801.		2,801.	
GRAPHIC DESIGN	600.	600.		
LICENSE ENFORCEMENT EXPENSES	61,167.	61,167.		
MEMBERSHIP	350.		350.	
MENTORING STUDENT SOFTWARE DEV	6,475.	6,475.		
MERCHANDISE	4,464.	4,464.		
NON-LICENSE ENFORCEMENT LEGAL	6,903.	6,010.	893.	
OFFICE SUPPLIES AND OTHER	4,337.	1,130.	3,207.	
OTHER	1,789.		1,789.	
OTHER CONFERENCE EXPENSES	35,680.	35,680.		
PAYROLL PROCESSING FEES	1,430.	710.	629.	91.
SERVICES	17,364.	17,364.		
TECHNOLOGY EXPENSES	12,745.	6,643.	5,321.	781.
TRAVEL, MEALS AND LODGING	6,105.	4,827.		1,278.

	TOTAL \$ 186,255. \$	156,600. \$	27,505. \$	2,150.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning 1 March, 2011, and
ending 29 Feb., 20 12. **▶ See separate instructions.**

Open to Public Inspection for
501(c)(3) Organizations Only

A Check box if address changed

B Exempt under section
 501(c)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

Name of organization (Check box if name changed and see instructions.)
Software Freedom Conservancy, Inc.
Number, street, and room or suite no. If a P.O. box, see instructions.
137 MONTAGUE ST STE 380
City or town, state, and ZIP code
BROOKLYN, NY 11201-3548

D Employer identification number
(Employees' trust, see instructions.)
41-2203632

E Unrelated business activity codes
(See instructions.)
519130 561920

C Book value of all assets at end of year
1,273,353

F Group exemption number (See instructions.) ▶

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. ▶ **Internet advertising (banner ads)**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **Bradley M. Kuhn** Telephone number ▶ **212-461-3245, x.10**

Part I Unrelated Trade or Business Income				(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales		1c			
b	Less returns and allowances		1c			
2	Cost of goods sold (Schedule A, line 7)		2			
3	Gross profit. Subtract line 2 from line 1c		3			
4a	Capital gain net income (attach Schedule D)		4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b			
c	Capital loss deduction for trusts		4c			
5	Income (loss) from partnerships and S corporations (attach statement)		5			
6	Rent income (Schedule C)		6			
7	Unrelated debt-financed income (Schedule E)		7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9			
10	Exploited exempt activity income (Schedule I)		10			
11	Advertising income (Schedule J)		11			
12	Other income (See instructions; attach schedule.)		12	10,486		10,486
13	Total. Combine lines 3 through 12		13	10,486		10,486

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14			
15	Salaries and wages		15			
16	Repairs and maintenance		16			
17	Bad debts		17			
18	Interest (attach schedule)		18			
19	Taxes and licenses		19			
20	Charitable contributions (See instructions for limitation rules.)		20			
21	Depreciation (attach Form 4562)		21			
22	Less depreciation claimed on Schedule A and elsewhere on return		22a			22b
23	Depletion		23			
24	Contributions to deferred compensation plans		24			
25	Employee benefit programs		25			
26	Excess exempt expenses (Schedule I)		26			
27	Excess readership costs (Schedule J)		27			
28	Other deductions (attach schedule)		28			
29	Total deductions. Add lines 14 through 28		29			
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30			10,486
31	Net operating loss deduction (limited to the amount on line 30)		31			
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32			10,486
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		33			1,000
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34			9,486

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:			
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____			
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____			
c Income tax on the amount on line 34		35c	1,423
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36	
37 Proxy tax. See instructions		37	
38 Alternative minimum tax		38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies		39	1,423

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b Other credits (see instructions)	40b			
c General business credit. Attach Form 3800 (see instructions)	40c			
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e Total credits. Add lines 40a through 40d		40e		
41 Subtract line 40e from line 39		41	1,423	
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)		42		
43 Total tax. Add lines 41 and 42		43	1,423	
44a Payments: A 2010 overpayment credited to 2011	44a			
b 2011 estimated tax payments	44b			
c Tax deposited with Form 8868	44c	1,800		
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e Backup withholding (see instructions)	44e			
f Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total	44g			
45 Total payments. Add lines 44a through 44g		45	1,800	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		46		
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed		47		
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid		48	377	
49 Enter the amount of line 48 you want: Credited to 2012 estimated tax 377 Refunded		49		

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		✓
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Schedule A—Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (attach schedule)	4a				✓
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: *Brad M. K...* Date: 30 Jan. 2013 Title: President

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

Paid Preparer Use Only

Print/Type preparer's name: Gary S. Eisenkraft, CPA
 Preparer's signature: *Gary S. Eisenkraft* Date: 1/29/13
 Firm's name: Gary S. Eisenkraft, CPA Firm's EIN: P00055181
 Firm's address: 271 Madison Avenue, Suite 1105, New York, NY 10016 Phone no.: 212-689-2655

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)			
(1)				
(2)				
(3)				
(4)				
Total		Total		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶				

Schedule E—Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ▶			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8 ▶				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations				
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5	
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations		7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)						
(2)						
(3)						
(4)						
Totals ▶					Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			

SOFTWARE FREEDOM CONSERVANCY, INC.

41-2203632

Statement 1

Form 990-T, Part I, Line 12

Other Income

Internet advertising revenue	\$	10,154.00
Conference sponsorship advertising benefits	\$	332.00
TOTAL	\$	<u>10,486.00</u>

Software Freedom Conservancy, Inc.
Financial Statements
February 29, 2012

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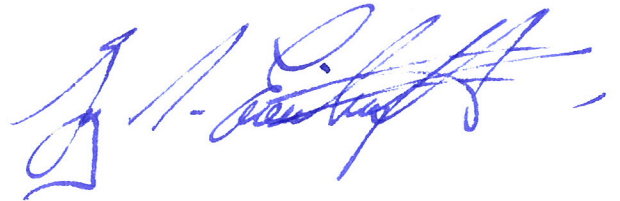
Independent Auditor's Report

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 29, 2012, 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 29, 2012, 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 25, 2013

Software Freedom Conservancy, Inc.
Statement of Financial Position
February 29, 2012
(With Summarized Financial Information for 2011)

	<u>February 29,</u> <u>2012</u>	<u>February 28,</u> <u>2011</u>
Assets		
Current Assets		
Cash	\$ 975,592	\$ 691,398
Prepaid expenses	3,567	-
Contributions receivable	160,069	17,475
Loans receivable	132,000	-
	1,271,228	708,873
Security deposit	2,125	950
	\$ 1,273,353	\$ 709,823
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 90,129	\$ 62,967
Unearned income - advance program registration fees	68,040	48,274
	158,169	111,241
 Net Assets		
Unrestricted	69,667	45,205
Temporarily restricted	1,045,517	553,377
	1,115,184	598,582
	\$ 1,273,353	\$ 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 29, 2012
(With Summarized Financial Information for 2011)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total Year Ended February 29, 2012</u>	<u>Year Ended February 28, 2011</u>
Support and Revenue				
Contributions	\$ 193,093	\$ 857,791	\$ 1,050,884	\$ 398,016
Conference registration fees	-	470,144	470,144	260,926
Legal settlements	49,517	78,619	128,136	204,750
Trademark sales	1,600	30,400	32,000	-
Book royalties	918	18,834	19,752	16,530
Trademark licensing	478	9,092	9,570	-
Conference sponsorship income	-	11,233	11,233	1,231
Advertising	1,015	9,471	10,486	-
Promotional items sales	-	2,467	2,467	-
Other program service income	900	1,411	2,311	-
Investment income	94	1,389	1,483	482
Satisfaction of program restrictions	998,711	(998,711)	-	-
	<u>1,246,326</u>	<u>492,140</u>	<u>1,738,466</u>	<u>881,935</u>
Expenses				
Program services	<u>1,104,982</u>	-	<u>1,104,982</u>	<u>603,787</u>
Supporting services:				
General and administrative	105,475	-	105,475	44,991
Fund-raising	11,407	-	11,407	166
	<u>116,882</u>	-	<u>116,882</u>	<u>45,157</u>
Total expenses	<u>1,221,864</u>	-	<u>1,221,864</u>	<u>648,944</u>
Increase in net assets	24,462	492,140	516,602	232,991
Beginning net assets	<u>45,205</u>	<u>553,377</u>	<u>598,582</u>	<u>365,591</u>
Ending net assets	<u>\$ 69,667</u>	<u>\$ 1,045,517</u>	<u>\$ 1,115,184</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 29, 2012
(With Summarized Financial Information for 2011)

	Year Ended February 29, <u>2012</u>	Year Ended February 28, <u>2011</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 516,602	\$ 232,991
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Increase (decrease) in:		
Prepaid expenses	(3,567)	-
Contributions receivable	(142,594)	101,044
Security deposit	(1,175)	(950)
Increase in:		
Accounts payable and accrued expenses	27,162	55,811
Unearned income - advance program registration fees	19,766	48,274
Net cash provided by operating activities	416,194	437,170
Cash Flows from Investing Activities		
Change in loans receivable	(132,000)	-
Increase in Cash	284,194	437,170
Beginning Cash	691,398	254,228
Ending Cash	\$ 975,592	\$ 691,398

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

Software Freedom Conservancy, Inc.
Statement of Functional Expenses
For the Year Ended February 29, 2012
(With Summarized Financial Information for 2011)

	<u>Program Services</u>		<u>Supporting Services</u>		
		<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Total Year Ended February 29, 2012</u>	<u>Year Ended February 28, 2011</u>
Salaries and wages	\$ 67,261	\$ 64,229	\$ 7,310	\$ 138,800	\$ 15,000
Payroll taxes	6,134	5,789	688	12,611	1,544
Employee benefits	2,293	2,727	232	5,252	-
Payroll processing fees	710	629	91	1,430	64
License enforcement expenses	61,167	-	-	61,167	2,985
Non-license enforcement legal fees	6,010	893	-	6,903	82,404
Occupancy	7,678	6,799	996	15,473	2,639
Technology expenses	6,643	5,321	781	12,745	13,667
Audit fees	-	12,515	-	12,515	10,000
Mentoring student software developers	6,475	-	-	6,475	7,430
Travel, meals and lodging	4,827	-	1,278	6,105	53,055
Merchandise	4,464	-	-	4,464	-
Office supplies and other	1,130	3,208	-	4,338	2,930
Bank charges and other fees	-	2,801	-	2,801	3,124
Insurance	241	214	31	486	-
Membership	-	350	-	350	1,199
Professional services:					
Software development and design	353,895	-	-	353,895	208,999
Promotional	145,000	-	-	145,000	-
Graphic design	600	-	-	600	550
	674,528	105,475	11,407	791,410	405,590
Direct conference expenses:					
Venue rental	271,686	-	-	271,686	170,047
Travel, meals and lodging	94,194	-	-	94,194	39,368
Other conference expenses	35,680	-	-	35,680	5,278
Services	17,364	-	-	17,364	-
Bank charges and other fees	11,530	-	-	11,530	7,153
Registration service fees	-	-	-	-	6,618
Video	-	-	-	-	5,860
Materials	-	-	-	-	4,385
T-shirts	-	-	-	-	3,466
Badges	-	-	-	-	1,179
	430,454	-	-	430,454	243,354
	\$ 1,104,982	\$ 105,475	\$ 11,407	1,221,864	\$ 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 29, 2012

	Balance as of March 1, 2011	Additions	Releases From Restrictions	Balance as of February 29, 2012
Restricted by purpose to the following projects:				
Amarok	\$ 5,090	\$ 1,983	\$ 1,167	\$ 5,906
ArgoUML	7,597	4,993	4	12,586
Boost	76,452	52,775	30,256	98,971
BusyBox	123,695	78,672	49,364	153,003
Coreboot	-	1,800	-	1,800
Darcs	2,078	500	620	1,958
Evergreen	-	30,148	21,055	9,093
Foresight	373	20	-	393
Gevent	114	10	1	123
Git	592	5,778	190	6,180
Inkscape	13,817	8,799	2,315	20,301
K3D	2,874	10	1	2,883
Kohana	894	3,940	1,448	3,386
Libbraille	459	-	-	459
Mercurial	33,985	36,951	48,705	22,231
Mifos	-	7,500	497	7,003
OpenChange	4,850	2	369	4,483
PyPy	1,024	95,066	15,925	80,165
SWIG	586	-	-	586
Samba	98,666	78,608	28,321	148,953
Selenium	28,915	146,066	98,057	76,924
Squeak	3,969	257	692	3,534
Sugar	19,863	149,512	149,552	19,823
Twisted	17,005	26,507	4,405	39,107
Wine	1,943	8,939	1,735	9,147
jQuery	108,536	752,015	544,032	316,519
	<u>\$ 553,377</u>	<u>\$ 1,490,851</u>	<u>\$ 998,711</u>	<u>\$ 1,045,517</u>

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

Software Freedom Conservancy, Inc.
Notes to Financial Statements
February 29, 2012

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

Nature of Activities

The Software Freedom Conservancy (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.

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.

Software Freedom Conservancy, Inc.
Notes to Financial Statements
February 29, 2012

Note 1 - (Continued)

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.

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.

Reclassification

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

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 25, 2013, 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 30% of the Organization's donation's were contributed in support of one project.