

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

2009

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

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2009 or other tax year beginning _____, and ending _____

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)

B Exempt under section
 501(c)(4)
 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

MONTGOMERY VILLAGE FOUNDATION, INC.

52-0857236

Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.

10120 APPLERIDGE ROAD

E Unrelated business activity codes (See instructions for Block E on page 9.)

City or town, state, and ZIP code

MONTGOMERY VILLAGE, MD 20886-1030

511120

C Book value of all assets at end of year

9,990,419.

F Group exemption number (See instructions for Block F.)

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

H Describe the organization's primary unrelated business activity. **SEE STATEMENT 1**

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 **GREGORY SNELLINGS, CPA** Telephone number **301-948-0110**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales				
b Less returns and allowances	c Balance	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 (Sch. 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)		11 140,287.	186,320.	<46,033.>
12 Other income (See instructions; attach schedule.)		12		
13 Total. Combine lines 3 through 12		13 140,287.	186,320.	<46,033.>

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	0.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	<46,033.>
31 Net operating loss deduction (limited to the amount on line 30)	31	0.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	<46,033.>
33 Specific deduction (Generally \$1,000, but see 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	<46,033.>

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 35 (Organizations Taxable as Corporations), 36 (Trusts Taxable at Trust Rates), 37 (Proxy tax), 38 (Alternative minimum tax), and 39 (Total).

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 40a-40e (Credits), 41-42 (Other taxes), 43 (Total tax), 44a-44f (Payments), 45 (Total payments), 46 (Estimated tax penalty), 47 (Tax due), 48 (Overpayment), and 49 (Amount of line 48).

Part V Statements Regarding Certain Activities and Other Information

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 1, 2, and 3 regarding foreign accounts and tax-exempt interest.

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

N/A

Table with 3 columns: Line number, Description, and Amount. Includes lines 1-5 (Inventory and Purchases) and lines 6-8 (Cost of goods sold and Section 263A).

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.

Signature of officer: [Signature] Date: 5/4/10

EXECUTIVE VICE PRESIDENT

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

Paid Preparer's Use Only

Preparer's signature: [Signature] CPA Date: 4/30/10 Firm's name: DRAPER & MCGINLEY, P.A. 365 W. PATRICK ST. FREDERICK, MD 21701

Check if self-employed [] Preparer's SSN or PTIN: P00026876 EIN: 52-1268363 Phone no.: (301) 694-7411

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 18)

1. Description of property

Table with 4 rows for property description (1-4).

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. (b) Total deductions. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

Table with 4 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3(a) Straight line depreciation, 3(b) Other deductions.

Table with 5 columns: 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions.

Totals ... Total dividends-received deductions included in column 8 ...

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

Table for Exempt Controlled Organizations with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 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.

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income (loss), 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.

Totals ... Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions on page 20)

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). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions on page 21)

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). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions on page 21)

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) VILLAGE NEWS	140,287.	186,320.				
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		140,287.	186,320.	<46,033.>		0.

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)						
(5) Totals from Part I	140,287.	186,320.				0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 140,287.	Enter here and on page 1, Part I, line 11, col. (B). 186,320.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

Montgomery Village Foundation, Inc.
10120 Appleridge Road
Montgomery Village, MD 20886-1030

EIN: 52-0857236
Form 990-T

Schedule of Net Operating Loss Carryovers:

<u>Tax Year</u>	<u>Loss for the Year</u>	<u>NOL Utilized</u>	<u>NOL Expired</u>	<u>NOL Carryover</u>
2003	\$ 31,017	\$ -	\$ -	\$ 31,017
2004	35,976	-	-	35,976
2005	99,816	-	-	99,816
2006	20,245	-	-	20,245
2007	12,891	-	-	12,891
2008	53,321	-	-	53,321
	<u>\$ 253,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,266</u>

Post 1987 NOL's have a 20 year carryforward