

Return of Private Foundation
 or Section 4947(a)(1) Nonexempt Charitable Trust
 Treated as a Private Foundation

2008

Department of the Treasury
 Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2008, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: **SILVERTON FOUNDATION INC**

Number and street (or P.O. box number if mail is not delivered to street address): **1000 RIO GRANDE ST.**

Room/suite: _____

City or town, state, and ZIP code: **AUSTIN, TX 78701**

A Employer identification number: **74-2936881**

B Telephone number: **512-472-6262**

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16): **\$ 9,904,376.** (Part I, column (d) must be on cash basis.)

J Accounting method: Cash Accrual Other (specify) _____

C If exemption application is pending, check here

D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received					
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments 476.					
4 Dividends and interest from securities 362,696.					
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10 -1,325,226.					
b Gross sales price for all assets on line 6a 2,649,340.					
7 Capital gain net income (from Part IV, line 2) 0.					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income -254,367.					
12 Total. Add lines 1 through 11 -1,216,421.					
13 Compensation of officers, directors, trustees, etc. 124,400.					
14 Other employee salaries and wages 6,220.					
15 Pension plans, employee benefits 118,180.					
16a Legal fees					
b Accounting fees 13,794. STMT 5					
c Other professional fees 6,897.					
17 Interest					
18 Taxes -14,589. STMT 6					
19 Depreciation and depletion 738.					
20 Occupancy 37.					
21 Travel, conferences, and meetings 4,547.					
22 Printing and publications 0.					
23 Other expenses 235,941. STMT 7					
24 Total operating and administrative expenses. Add lines 13 through 23 223,837.					
25 Contributions, gifts, grants paid 364,831.					
26 Total expenses and disbursements. Add lines 24 and 25 238,000.					
27 Subtract line 26 from line 12: 141,108.					
a Excess of revenue over expenses and disbursements 479,752.					
b Net investment income (if negative, enter -0-) 479,752.					
c Adjusted net income (if negative, enter -0-) 620,860.					
N/A					

COPY FOR INTERNAL REVENUE SERVICE

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	2,893,444.	366,677.	366,677.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ 873.		873.	873.
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 9	10,035,376.	10,709,419.	7,945,388.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	2,224,375.	1,590,328.	1,590,330.
	14 Land, buildings, and equipment: basis ▶ 6,830.			
	Less: accumulated depreciation STMT 11 ▶ 5,722.	1,846.	1,108.	1,108.
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	15,155,041.	12,668,405.	9,904,376.
	17 Accounts payable and accrued expenses	10,962.		
	18 Grants payable			
19 Deferred revenue				
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶)				
23 Total liabilities (add lines 17 through 22)	10,962.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	1,500,000.	1,500,000.	
29 Retained earnings, accumulated income, endowment, or other funds	13,644,079.	11,168,405.		
30 Total net assets or fund balances	15,144,079.	12,668,405.		
31 Total liabilities and net assets/fund balances	15,155,041.	12,668,405.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	15,144,079.
2 Enter amount from Part I, line 27a	2	-2,061,004.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	13,083,075.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	414,670.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,668,405.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENTS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 2,649,340.		3,974,566.	-1,325,226.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			-1,325,226.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	-1,325,226.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	789,929.	16,262,956.	.048572
2006	669,803.	14,573,178.	.045961
2005	674,470.	13,122,293.	.051399
2004	524,190.	11,764,307.	.044558
2003	456,025.	8,597,715.	.053040

2 Total of line 1, column (d)	2	.243530
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.048706
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	14,148,137.
5 Multiply line 4 by line 3	5	689,099.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.
7 Add lines 5 and 6	7	689,099.
8 Enter qualifying distributions from Part XII, line 4	8	620,860.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

SILVERTON FOUNDATION INC
MKT: SNOW CAPITAL

2008 Year-End Schwab Gain/Loss Report

EIN: 74-2936881

Attachment to Form 990-PF

Realized Gain or (Loss)

Accounting Method: First In First Out [FIFO]

Short-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
AMERICAN INTL GROUP INC: AIG	120.0000	09/26/07	09/17/08	\$279.59	\$8,119.98	(\$7,840.39)
AMERICAN INTL GROUP INC: AIG	70.0000	04/02/08	09/17/08	\$163.08	\$3,292.80	(\$3,129.72)
Security Subtotal				\$442.67	\$11,412.78	(\$10,970.11)
AMGEN INCORPORATED: AMGN	170.0000	01/16/08	12/11/08	\$9,832.01	\$8,150.91	\$1,681.10
BRUNSWICK CORP: BC	895.0000	04/02/08	10/01/08	\$11,200.77	\$15,114.76	(\$3,913.99)
CHEVRON CORPORATION: CVX	155.0000	10/13/08	12/11/08	\$12,336.75	\$9,651.74	\$2,685.01
CITIGROUP INC: C	850.0000	08/13/07	07/23/08	\$17,774.25	\$39,892.54	(\$22,118.29)
CITIGROUP INC: C	105.0000	09/26/07	07/23/08	\$2,195.64	\$4,919.25	(\$2,723.61)
CITIGROUP INC: C	485.0000	04/02/08	07/23/08	\$10,141.78	\$11,677.83	(\$1,536.05)
Security Subtotal				\$30,111.67	\$56,489.62	(\$26,377.95)
COUNTRYWIDE FINANCIAL CP: CFC	2,130.0000	08/16/07	01/23/08	\$11,837.07	\$38,340.64	(\$26,503.57)
HLTH MGMT ASSOC CL A: HMA	2,620.0000	04/02/08	09/23/08	\$12,168.78	\$15,088.58	(\$2,919.80)
MACYS INC: M	170.0000	04/02/08	10/13/08	\$1,861.05	\$4,191.86	(\$2,330.81)
MERRILL LYNCH & CO INC: MER	655.0000	10/25/07	07/23/08	\$22,321.62	\$39,982.31	(\$17,660.69)
MERRILL LYNCH & CO INC: MER	105.0000	04/02/08	07/23/08	\$3,578.27	\$4,771.20	(\$1,192.93)
Security Subtotal				\$25,899.89	\$44,753.51	(\$18,853.62)
PILGRIMS PRIDE CORP: PPC	880.0000	01/04/08	04/04/08	\$17,118.63	\$21,868.62	(\$4,749.99)
SUNTRUST BANKS INC: STI	330.0000	07/25/08	09/29/08	\$15,861.76	\$12,808.49	\$3,053.27
WACHOVIA CORP NEW: WB	835.0000	07/24/08	10/27/08	\$4,879.71	\$13,186.15	(\$8,306.44)

Report Period
January 1 - December 31,
2008

SILVERTON FOUNDATION INC
MKT: SNOW CAPITAL

2008 Year-End Schwab Gain/Loss Report

EIN: 74-2936881

Attachment to Form 990-PF

Realized Gain or (Loss) (continued)

Accounting Method: First In First Out [FIFO]

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
WACHOVIA CORP NEW: WB	920.0000	09/10/08	10/27/08	\$5,376.45	\$13,985.01	(\$8,608.56)
Security Subtotal				\$10,256.16	\$27,171.16	(\$16,915.00)
WAL-MART STORES INC: WMT	180.0000	08/15/07	05/08/08	\$10,287.64	\$7,834.97	\$2,452.67
WAL-MART STORES INC: WMT	190.0000	08/15/07	05/29/08	\$10,925.48	\$8,270.24	\$2,655.24
WAL-MART STORES INC: WMT	535.0000	08/15/07	07/23/08	\$31,293.04	\$23,287.27	\$8,005.77
Security Subtotal				\$52,506.16	\$39,392.48	\$13,113.68
Total Short-Term				\$211,433.37	\$304,435.15	(\$93,001.78)
Long-Term						
ABBOTT LABORATORIES: ABT	455.0000	01/25/06	07/23/08	\$25,965.38	\$19,015.31	\$6,950.07
ABBOTT LABORATORIES: ABT	220.0000	09/29/06	07/23/08	\$12,554.69	\$10,687.49	\$1,867.20
ABBOTT LABORATORIES: ABT	50.0000	10/02/06	07/23/08	\$2,853.34	\$2,411.50	\$441.84
Security Subtotal				\$41,373.41	\$32,114.30	\$9,259.11
AMERICAN INTL GROUP INC: AIG	180.0000	06/15/06	09/17/08	\$419.38	\$10,747.53	(\$10,328.15)
AMERICAN INTL GROUP INC: AIG	120.0000	07/17/06	09/17/08	\$279.59	\$6,954.00	(\$6,674.41)
AMERICAN INTL GROUP INC: AIG	200.0000	09/29/06	09/17/08	\$465.98	\$13,244.00	(\$12,778.02)
AMERICAN INTL GROUP INC: AIG	45.0000	10/02/06	09/17/08	\$104.85	\$2,972.70	(\$2,867.85)
Security Subtotal				\$1,269.80	\$33,918.23	(\$32,648.43)
APACHE CORP: APA	125.0000	09/29/06	01/25/08	\$11,730.79	\$7,848.69	\$3,882.10