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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****Note:** The foundation may be able to use a copy of this return to satisfy state reporting requirements.**2008****For calendar year 2008, or tax year beginning** 10/01 , **2008, and ending** 9/30 , 2009**G** Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name changeUse the
IRS label.
Otherwise,
print
or type.
See Specific
Instructions.ANDERSON-PAFFARD FOUNDATION, INC.
P.O. BOX 88
NEW LONDON, CT 06320**A** Employer identification number

06-1047468

B Telephone number (see the instructions)

(860) 442-0367

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 ☐**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, column (c), line 16)**J** Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

(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 (att sch)**2** Ck ☒ if the foundn is not req to att Sch B**3** Interest on savings and temporary cash investments**4** Dividends and interest from securities

125,073.

125,073.

125,073.

5a Gross rents**b** Net rental income or (loss)**6a** Net gain/(loss) from sale of assets not on line 10

-220,212.

b Gross sales price for all assets on line 6a**7** Capital gain net income (from Part IV, line 2)**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/(loss) (att sch)**11** Other income (attach schedule) . . .**12 Total.** Add lines 1 through 11

-95,139.

125,073.

125,073.

13 Compensation of officers, directors, trustees, etc

0.

14 Other employee salaries and wages**15** Pension plans, employee benefits**16a** Legal fees (attach schedule)**b** Accounting fees (attach sch) SEE ST 1

1,400.

1,400.

c Other prof fees (attach sch)**17** Interest**18** Taxes (attach schedule) SEE STMT 2

750.

750.

19 Depreciation (attach sch) and depletion**20** Occupancy**21** Travel, conferences, and meetings**22** Printing and publications**23** Other expenses (attach schedule)

SEE STATEMENT 3

361.

361.

24 Total operating and administrative expenses. Add lines 13 through 23

2,511.

2,511.

25 Contributions, gifts, grants paid. PART. XV.

127,000.

127,000.

26 Total expenses and disbursements. Add lines 24 and 25

129,511.

2,511.

0.

127,000.

27 Subtract line 26 from line 12:**a** Excess of revenue over expenses and disbursements

-224,650.

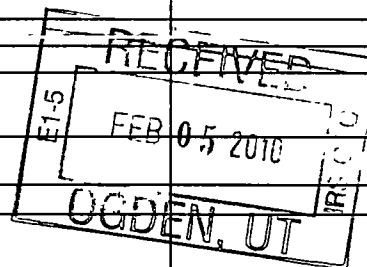
b Net investment income (if negative, enter -0-)

122,562.

c Adjusted net income (if negative, enter -0-)

125,073.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing		1,487.	3,977.	
	2	Savings and temporary cash investments		13,476.	17,275.	
	3	Accounts receivable				
		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 (attach schedule) (see the instructions)				
	7	Other notes and loans receivable (attach sch)				
		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 (attach schedule)				
	b	Investments — corporate stock (attach schedule)	2,984,258.	2,753,320.		
	c	Investments — corporate bonds (attach schedule)				
	11	Investments — land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
14	Land, buildings, and equipment: basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe)					
16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item i)			2,999,221.	2,774,572.	0.
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe SEE STATEMENT 4)			1.	
	23	Total liabilities (add lines 17 through 22)			0.	1.
FUNDS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	2,964,146.	2,999,221.		
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds	35,075.	-224,650.		
	30	Total net assets or fund balances (see the instructions)	2,999,221.	2,774,571.		
	31	Total liabilities and net assets/fund balances (see the instructions)	2,999,221.	2,774,572.		

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	2,999,221.
2	Enter amount from Part I, line 27a	2	-224,650.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,774,571.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	2,774,571.

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 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1 a SEE ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
b			
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			0.
b			
c			
d			
e			

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

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	0.
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) (see the instructions) If (loss), enter -0- in Part I, line 8	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div>	3	0.

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 the 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 (column (b) divided by column (c))
2007	192,515.	3,697,557.	0.052065
2006	166,500.	3,949,450.	0.042158
2005	186,900.	3,521,993.	0.053067
2004	174,270.	3,507,074.	0.049691
2003	110,000.	3,273,272.	0.033606

2 Total of line 1, column (d)	2	0.230587
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	0.046117
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	2,649,995.
5 Multiply line 4 by line 3	5	122,210.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,226.
7 Add lines 5 and 6	7	123,436.
8 Enter qualifying distributions from Part XII, line 4	8	127,000.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,226.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,226.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,226.
6 Credits/Payments:			
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a	2,325.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	2,325.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,099.	
11 Enter the amount of line 10 to be Credited to 2009 estimated tax <input checked="" type="checkbox"/> 1,099. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? ... If 'Yes,' attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? ... If 'Yes,' attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) N/A		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>ROBERT P. ANDERSON, JR.</u> Telephone no. <u>(860) 442-0367</u> Located at <u>P.O. BOX 88, NEW LONDON, CT.</u> ZIP + 4 <u>06320</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>		N/A	<input type="checkbox"/> N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008? <input type="checkbox"/>	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.) <input type="checkbox"/>	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.) <input type="checkbox"/>	3b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/>	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008? <input type="checkbox"/>	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered 'Yes' to 6b, also file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FREDERICK P. ANDERSON, MD 85 DURHAM ROAD GUILFORD, CT	PRESIDENT 1.00	0.	0.	0.
WILLA T. SCHUSTER 3 PARK PLACE MYSTIC, CT	V-PRESIDENT 1.00	0.	0.	0.
ROBERT P. ANDERSON, JR. 19 LATHAM LANE NOANK, CT	SECY/TREAS 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services — (see instructions). If none, enter 'NONE'.

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	2,637,125.
b Average of monthly cash balances	1b	53,225.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	2,690,350.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	2,690,350.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	40,355.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,649,995.
6 Minimum investment return. Enter 5% of line 5	6	132,500.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	132,500.
2a Tax on investment income for 2008 from Part VI, line 5	2a	1,226.
b Income tax for 2008. (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	1,226.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	131,274.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	131,274.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	131,274.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	127,000.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	127,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	1,226.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	125,774.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

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Form 990-PF (2008)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				131,274.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				10,815.
f Total of lines 3a through e	10,815.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ 127,000.				
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2008 distributable amount				127,000.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	4,274.			4,274.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	6,541.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	6,541.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				6,541.
e Excess from 2008				

Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a</i> Paid during the year SEE ATTACHED SCHEDULE		EXEMPT	EXEMPT PURPOSES OF DONEE	127,000.
Total				127,000.
<i>b</i> Approved for future payment				
Total				

2008

FEDERAL STATEMENTS

PAGE 1

ANDERSON-PAFFARD FOUNDATION, INC.

06-1047468

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 1,400.	\$ 1,400.		
TOTAL	<u>\$ 1,400.</u>	<u>\$ 1,400.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAXES	\$ 750.	\$ 750.		
TOTAL	<u>\$ 750.</u>	<u>\$ 750.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK FEES	\$ 83.	\$ 83.		
OFFICE EXPENSE	253.	253.		
SECRETARY OF STATE	25.	25.		
TOTAL	<u>\$ 361.</u>	<u>\$ 361.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

ROUNDING

1.
TOTAL \$ 1.

ANDERSON-PAFFARD FOUNDATION, INC
SCHEDULE OF INVESTMENTS
AS OF SEPTEMBER 30, 2009

<u># Shares or Face Value</u>	<u>Securities, Bonds and Mutual Funds</u>	<u>Cost Basis</u>	<u>Fair Market Value</u>
2,500	Abbott Laboratories	\$ 36,802	\$ 123,675
3,000	AG L Resources, Inc	44,097	105,810
2,500	Bank of America	90,057	42,300
2,000	B P Amoco PLC	83,796	106,460
1,000	Chevron Corp	57,052	70,430
2,000	Citigroup, Inc.	93,335	9,680
1,000	Cullen Frost Bkrs.	31,696	51,640
800	Deutsche Bank Cont Capital Tr	19,902	16,592
4,000	Dominion Resources, Inc.	67,299	138,000
4,000	Exxon Corp.	97,480	274,440
4,500	Gabelli Dividend & Income Trust	84,642	55,755
3,000	General Electric	105,030	49,260
2,000	General Mills, Inc.	93,738	128,760
1,000	Johnson & Johnson, Inc.	53,550	60,890
1,300	Seaspan Corporation	24,890	11,635
5,000	Senior HSG PPTYSTR	60,138	95,550
3,500	Suburban Propane L.P.	121,743	146,370
1,000	Verizon Communications	12,745	30,270
2,500	Wells Fargo & Co. New	88,871	70,450
		<hr/>	<hr/>
		\$ 1,266,862	\$ 1,587,967

Equity Defined Portfolio

4706.86647	First Trust Unit 1688	50,000	32,101
16097.7054	First Trust Unit 1740	159,117	116,225
2089.6883	First Trust Unit 1812	20,688	18,159
		<hr/>	<hr/>
		\$ 229,805	\$ 166,486

Attachment #1

ANDERSON-PAFFARD FOUNDATION, INC
SCHEDULE OF INVESTMENTS
AS OF SEPTEMBER 30, 2009

<u># Shares or Face Value</u>	<u>Securities, Bonds and Mutual Funds</u>	<u>Cost Basis</u>	<u>Fair Market Value</u>
<u>Taxable Bonds</u>			
1000	FPL Group Capital Inc	30,477	26,650
800	JP Morgan Chase Capital	19,565	19,640
20,000	Houma La Rfdg Ctfs Indbt	21,347	20,217
20,000	Allegheny Cnty pa Redev	21,898	20,459
25,000	New York Tel Co.	26,340	20,913
20,000	Genl Elec Cap Corp Internotes	20,380	20,009
25,000	Fannie Mae/Fedl Natl Mtg Assn 6.25%	20,058	25,034
5,000	Los Angeles Ca Conv & Exhib	5,239	5,001
20,000	Allen City in War Mem	21,794	20,415
21,000	Merck & Co Inc	22,051	24,164
15,000	Central Greene Pa Sch Dist	19,004	17,188
45,000	GTE California Inc.	50,542	46,357
3,000	Genl Elec Cap Corp	3,020	2,870
25,000	El Dupont Nemour	27,455	28,516
35,000	Fannie Mae/Fedl Nat'l Mtg Assn 6.375%	36,103	35,000
23,000	Fannie Mae/Fedl Nat'l Mtg Assn 6.375%	23,612	23,000
40,000	Walmart	44,276	47,012
5,000	Pacific Bell	5,305	5,216
25,000	AT&T	25,599	26,896
10,000	Rhode Island Clean Water	10,420	8,207
20,000	Geico Corp Deb	22,255	23,225
25,000	Johnson & Johnson Deb	29,988	30,958
20,000	Fannie Mae/ Fedl Natl Mtg Assn 6%	20,072	19,976
2,000	Fannie Mae/Fedl Nat'l Mtg Assn 6.25%	2,000	2,000
10,000	Tennessee Valley Auth Power Bond	10,181	10,544
15,000	Hydro Quebec	18,671	19,286
		<u>\$ 557,652</u>	<u>\$ 548,749</u>
<u>Mutual Funds</u>			
1,789.869	Capital Income Bldr Fd	\$ 100,000	\$ 83,748
3,707.460	Capital World Growth & Income Fund Inc.	150,000	122,050
3,275.233	Euro Pacific Growth FD Class A shares	150,000	123,411
3,017.581	Fundamental Invr Inc	115,000	93,454
7,954.613	Income Fd of America Inc. Class A shares	134,000	117,887
834.307	New World Fd Inc.	50,000	37,827
		<u>\$ 699,000</u>	<u>\$ 578,378</u>
Total portfolio value at September 30, 2009		<u>\$ 2,753,320</u>	<u>\$ 2,881,579</u>

ANDERSON-PAFFARD
STOCK SALES/RETURN OF CAPITAL
9/30/2009

SALES

STOCK	DATE	SHARES	PROCEEDS	COST	REALIZED GAIN/(LOSS)
CLAYMORE SECS UNIT 417	11/05/08	1,012.00	5,085.50	9,991.00	(4,905.50)
FIRST TRUST UNIT 1440	11/05/08	2,000.14	11,420.20	20,000.00	(8,579.80)
FIRST TRUST UNIT 1470	11/13/08	4,915.45418	27,182.37	50,000.00	(22,817.63)
CITIGROUP CAPITAL XIX	01/15/09	1,000.00	12,756.16	25,000.00	(12,243.84)
ROYAL BANK OF SCOTLAND 6.75%	01/20/09	900.00	3,966.78	22,500.00	(18,533.22)
ROYAL BANK OF SCOTLAND 6.75%	01/20/09	100.00	440.38	2,500.00	(2,059.62)
ROYAL BANK OF SCOTLAND 6.25%	01/20/09	700.00	2,905.77	17,994.38	(15,088.61)
ROYAL BANK OF SCOTLAND 6.25%	01/20/09	100.00	410.58	2,570.63	(2,160.05)
BARCLAYS BANK PLC	01/21/09	1,000.00	7,177.49	25,706.00	(18,528.51)
FIRST TRUST UNIT 1409	10/03/08	3,004.86788	20,687.91	30,000.00	(9,312.09)
BANK OF AMERICA DEP SHS	02/04/09	950.00	8,768.34	24,000.80	(15,232.46)
BANK OF AMERICA DEP SHS	02/04/09	200.00	1,844.41	5,052.80	(3,208.39)
BANK OF AMERICA DEP SHS	02/04/09	150.00	1,391.88	3,789.60	(2,397.72)
BANK OF AMERICA DEP SHS	02/04/09	100.00	925.94	2,526.40	(1,600.46)
BANK OF AMERICA DEP SHS	02/04/09	100.00	919.77	2,526.40	(1,606.63)
FIRST TRUST UNIT 1719	03/04/09	3,397.00000	16,308.07	33,565.41	(17,257.34)
FIRST TRUST UNIT 1719	03/04/09	0.26200	1.26	2.59	(1.33)
FIRST TRUST UNIT 1720	03/04/09	3,256.00000	13,814.44	32,114.09	(18,299.65)
FIRST TRUST UNIT 1720	03/04/09	0.09200	0.39	0.91	(0.52)
FED NATL MTG ASSN 6%	04/27/09	16,000.00	16,000.00	16,024.55	(24.55)
ST PAUL MN SLS TX REV	05/01/09	20,000.00	20,600.00	21,581.00	(981.00)
TOTAL			172,607.64	347,446.55	(174,838.91)

Form 990PF, Page 3, Part IV, Line 1a

Attachment # 2

**ANDERSON-PAFFARD FOUNDATION
CONTRIBUTIONS
9/30/2009**

	<u>September-09</u>	<u>September-08</u>
A MOVEABLE FEAST	\$ -	\$ 3,000.00
CONN. EARLY MUSIC SOCIETY	14,000	18,000
CONN LYRIC OPERA	1,500	2,000
CONN. TRUST FOR HISTORIC PRESERVATION	1,500	5,000
CONSERVATION & RESEARCH FOUNDATION	500	1,000
GROTON OPEN SPACE ASSOCIATION	20,000	20,000
HABITAT FOR HUMANITY	-	10,000
L&M HOSPITAL	1,000	2,000
LOWER MYSTIC CEMETARY ASSOC.	1,500	2,000
METROPOLITAN OPERA	1,000	1,000
MYSTIC ART ASSOCIATION	3,000	10,000
MYSTIC AREA SHELTER & HOSP.	-	10,000
MYSTIC NOANK LIBRARY	-	1,000
MYSTIC RIVER HOMES, INC.(CONGREGATE)	-	5,000
MYSTIC SEAPORT	14,000	16,000
NATCHAUG HOSPITAL	10,000	15,000
NEW LONDON COMMUNITY MEAL CENTER	2,000	3,000
NOANK BAPTIST CHURCH	13,500	7,500
NOANK HISTORICAL SOCIETY	3,500	2,800
PLANNED PARENTHOOD	4,000	10,000
RELIANCE HOUSE	-	4,000
SALT MARSH OPERA	1,500	2,000
SALVATION ARMY	1,500	2,500
SMITH COLLEGE	1,000	2,000
THAMES VALLEY MUSIC SCHOOL	-	1,000
TOWN OF GROTON	-	1,500
UNITED WAY	1,000	1,000
VISITING NURSE ASSOCIATION OF S.E. CT	2,000	5,000
WATERFORD COUNTRY SCHOOL	25,000	25,000
WGBH BROADCASTING, INC.	-	1,000
WOMEN'S CENTER	4,000	5,000
	<u>\$ 127,000</u>	<u>\$ 194,300</u>