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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**2008**

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 10/1/2008, and ending 9/30/2009

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 KSM Mission Foundation		A Employer identification number 75-2075030
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 4515 Cornell		B Telephone number (see page 10 of the instructions)
	City or town, state, and ZIP code Amarillo TX 79109-5810		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 ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,028,522			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	42,634	42,634		
	4 Dividends and interest from securities	77,316	77,316		
	5 a Gross rents		0		
	b Net rental income or (loss)	0			
	6 a Net gain or (loss) from sale of assets not on line 10	-73,652			
	b Gross sales price for all assets on line 6a	201,877			
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0				
11 Other income (attach schedule)	0	0	0		
12 Total. Add lines 1 through 11	46,298	119,950	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	650	650	0	0
	c Other professional fees (attach schedule)	0	0	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	2,699	2,699	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,377	1,377	0	0
	24 Total operating and administrative expenses. Add lines 13 through 23	4,726	4,726	0	0
	25 Contributions, gifts, grants paid	96,020			96,020
26 Total expenses and disbursements. Add lines 24 and 25	100,746	4,726	0	96,020	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	-54,448				
b Net investment income (if negative, enter -0-)		115,224			
c Adjusted net income (if negative, enter -0-)			0		

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	43,025	26,069	26,071
	2 Savings and temporary cash investments	123,273	112,295	112,295
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶	0	0	0
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶	30,841		
	Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	743,699	706,333	725,043
	c Investments—corporate bonds (attach schedule)	1,115,770	1,134,272	1,134,272
Liabilities	11 Investments—land, buildings, and equipment basis ▶	0		
	Less accumulated depreciation (attach schedule) ▶	0	0	0
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	0	0	0
	14 Land, buildings, and equipment basis ▶	0		
	Less accumulated depreciation (attach schedule) ▶	0	0	0
	15 Other assets (describe ▶)	0	0	0
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,064,258	2,009,810	2,028,522
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe ▶)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	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	2,064,258	2,009,810	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	2,064,258	2,009,810	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,064,258	2,009,810	

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	2,064,258
2 Enter amount from Part I, line 27a	2	-54,448
3 Other increases not included in line 2 (itemize) ▶	3	0
4 Add lines 1, 2, and 3	4	2,009,810
5 Decreases not included in line 2 (itemize) ▶	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,009,810

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 See Attached Statement				
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	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a	0	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
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	-73,652
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			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 page 18 of 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 (col. (b) divided by col. (c))
2007	109,020	1,716,898	0.063498
2006	110,549	1,948,919	0.056723
2005	96,420	1,614,967	0.059704
2004	84,379	1,406,760	0.059981
2003	82,260	1,080,480	0.076133
2 Total of line 1, column (d)			2 0.316039
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 0.063208
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5			4 1,716,898
5 Multiply line 4 by line 3			5 108,522
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 11,522
7 Add lines 5 and 6			7 120,044
8 Enter qualifying distributions from Part XII, line 4 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 on page 18.			8 96,022

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ 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 ☐ and enter 1% of Part I, line 27b		1	2,304	
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (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	2,304	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	2,304	
6 Credits/Payments.				
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	0		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	0		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d	7	0		
8 Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,304		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0		
11 Enter the amount of line 10 to be Credited to 2009 estimated tax Refunded	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 page 19 of the instructions for definition)? 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		X
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 (2) On foundation managers		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers		
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, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) TX		
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		
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 on page 27)? 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

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 page 20 of the 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?	13	X	

Website address ▶

14 The books are in care of ▶ N John Kletchka CPA Inc Telephone no ▶ (806) 223-7682
 Located at ▶ PO Box 33682 Amarillo TX ZIP+4 ▶ 79120-3682

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 ▶ 15 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
1a 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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ 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) ☐ Yes ☒ 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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	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?	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? ☐ Yes ☒ No If "Yes," list the years ▶ 20 _____, 20 _____, 20 _____, 20 _____		
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 page 20 of the instructions)	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 ▶ 20 _____, 20 _____, 20 _____, 20 _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	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?	4b	X

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 page 22 of the 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 page 22 of the instructions)?**5b** N/A

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?☐ 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?**6b** X

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****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 page 22 of the 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
Phil Sweeney 3919 Garwood Amarillo TX 79109	Pres 2.00	0	0	0
Billy Burr 3307 Higgins Amarillo TX 79109	Vice Pres 2.00	0	0	0
Ken Moss 3807 Teckla Amarillo TX 79109	Sec/Treas 2.00	0	0	0
	0.00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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	.00	0	0	0
	.00	0	0	0
	.00	0	0	0
	.00	0	0	0
	.00	0	0	0
	.00	0	0	0

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 page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
		0
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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	0
Total. Add lines 1 through 3	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	1,800,732
b	Average of monthly cash balances	1b	174,699
c	Fair market value of all other assets (see page 24 of the instructions)	1c	30,841
d	Total (add lines 1a, b, and c)	1d	2,006,272
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	138,583
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,006,272
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	30,094
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,976,178
6	Minimum investment return. Enter 5% of line 5	6	98,809

Part XI Distributable Amount (see page 25 of the 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	98,809
2a	Tax on investment income for 2008 from Part VI, line 5	2a	2,304
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,304
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	96,505
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	96,505
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	96,505

Part XII Qualifying Distributions (see page 25 of the 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	96,020
b	Program-related investments—total from Part IX-B	1b	0
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	96,020
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 page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	96,020

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.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				96,505
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	29,158			
b From 2004	16,304			
c From 2005	18,246			
d From 2006	15,712			
e From 2007	25,866			
f Total of lines 3a through e	105,286			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 96,020				
a Applied to 2007, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2008 distributable amount				96,020
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))	485			485
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	104,801			
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount—see page 27 of the 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 page 27 of the instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)	28,673			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	76,128			
10 Analysis of line 9				
a Excess from 2004	16,304			
b Excess from 2005	18,246			
c Excess from 2006	15,712			
d Excess from 2007	25,866			
e Excess from 2008	0			

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

Recipient Name and address (home or business)	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
a <i>Paid during the year</i>				
Johnny Eastep				
Philippines	None		Preaching the Gospel	36,000
Ron Bainbridge				
Perth Australia	None		Preaching the Gospel	6,000
Hali Project				
4515 Cornell Amarillo TX 79109	None		Working with families with	25,020
Jarod Looney				
Bronx NY	None		Preaching the Gospel	11,000
Africa International Press				
South Africa	None		Printing Bibles in differen	10,000
The Vineyard				
South Africa	None		Preaching the Gospel	3,500
Ken Kim Bail				
South Africa	None		Preaching the Gospel	2,500
Southwest Church of Christ				
4515 Cornell Amarillo TX 79109	None		Support short term missio	2,000
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			▶ 3a	96,020
b <i>Approved for future payment</i>				
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			▶ 3b	0

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | | | |
|--|--|--------------|------------|-----------|
| 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | | Yes | No |
| | | | | |
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | | | |
| (1) Cash | | 1a(1) | | X |
| (2) Other assets | | 1a(2) | | X |
| b Other transactions | | | | |
| (1) Sales of assets to a noncharitable exempt organization | | 1b(1) | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | 1b(2) | | X |
| (3) Rental of facilities, equipment, or other assets | | 1b(3) | | X |
| (4) Reimbursement arrangements | | 1b(4) | | X |
| (5) Loans or loan guarantees | | 1b(5) | | X |
| (6) Performance of services or membership or fundraising solicitations | | 1b(6) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 1c | | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received | | | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☐ No
- b** If "Yes," complete the following schedule.

[illegible]

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 or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee <i>Phillip R. Lawrence</i>		Date <i>2-6-10</i>		Title <i>President</i>	
	Preparer's signature <i>N. John Kletchka CPA</i>		Date <i>1/30/2010</i>		Check if self-employed ☐	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code <i>N John Kletchka CPA Inc PO Box 33682, Amarillo, TX 79120-3682</i>				Preparer's identifying number (see Signature on page 30 of the instructions) <i>EIN 20-8191257</i>	
	EIN <i>20-8191257</i>				Phone no	

	Gross sales	Cost, other basis and expenses	Net gain or loss
Totals	201,877	275,529	-73,652
Securities	0	0	0
Other sales	0	0	0

		Long Term CG Distributions		Short Term CG Distributions		Amount	
Index	Check box if gain/loss is from sale of security	Description	CUSIP #	Purchaser	Check box if purchaser is a business	Date acquired	Acquisition method
1	X	Fed Hm Mtg Bond - called		Market			
2	X	American Balanced Fund		Market			
3	X	American Capital Income Bldr		Market			
4	X	American Capital World Growth		Market			
5	X	American Capital Inc Fund of America		Market			
6	X	MFS Intermdt Income Trust		Market			
7	X	MFS Intermdt Income Trust		Market			
8							
9							
10							
						Securities	
						Other sales	
						201,877	
						275,529	
						0	
						0	
						-73,652	
						0	

Line 16b (990-PF) - Accounting Fees

		650	650	0	0
	Name of organization or person providing service	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	N John Kletchka CPA Inc	650	650		
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

1,3771,37700

	Description	Revenue and expenses per books	Net investment income	Adjusted net income	Disbursements for charitable purposes
1	Amortization See attached statement	0	0	0	0
2	Fund Raising				
3	Investment Expenses	1,337	1,337		
4	Safe Deposit Box	40	40		
5					
6					
7					
8					
9					
10					

Part II, Line 7 (990-PF) - Other Notes

86,500 38,491 30,841 0

Borrower's Name		Business	Check if 501(c)3 org.	Original amount	Net balance due beginning of year	Balance due end of year	Allowance for doubtful accts end of year	Security provided Lein on real estate	Date of note
1	Action Design Group	X		86,500	38,491	30,841			11/27/1997
2					0				
3					0				
4					0				
5					0				
6					0				
7					0				
8					0				
9					0				
10					0				

30,841

[illegible]

Part II, Line 10b (990-PF) - Investments - Corporate Stock

			743,699	706,333	698,044	725,043
	Description	Num shares/ face value	(a) Book value beg. of year	(b) Book value end of year	FMV beg of year	(c) FMV end of year
1	Church Loans & Investments Stock	197,976	451,431	451,431	447,186	455,345
2	M/L American Capital	363	15,923	16,624	17,170	16,988
3	M/L Eaton Vance Strategic	2,429	20,473	21,486	17,042	19,189
4	C. Schwab Free Market Fixed Income	15,592	0	159,983	0	161,536
5	C. Schwab Free Market Intl Equity	2,574	0	17,043	0	21,754
6	C. Schwab Free Martket US Equity	5,814	0	39,766	0	50,231
7	C. Schwab Amer Fd World Growth	1,661	71,551	0	55,206	
8	C Schwab Amer Fd Balanced	2,123	41,720	0	34,515	
9	C Schwab Fd Capital Income	1,226	65,741	0	60,726	
10	C Schwab Amer Fd Income Fund	3,469	63,978	0	54,527	
11	C Schwab MFS Intermdt Income	1,975	12,882	0	11,672	
12						

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

				1,115,770	1,134,272	1,115,770	1,134,272
	Description	Interest Rate	Maturity Date	(a) Book value beg. of year	(b) Book value end of year	FMV beg. of year	(c) FMV end of year
1	Church Loans & Investments Master Note	3 00%		1,096,114	1,134,272	1,096,114	1,134,272
2	Fed Hm Ln Mtg 4 5% Bonds	4 50%		19,656	0	19,656	0
3							
4							
5							
6							
7							
8							
9							
10							

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	(a) Kind(s) of property sold	CUSIP #	(b) How acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(f) Depreciation Allowed	(g) Cost or other basis plus expense of sale	Amount	
									Long Term CG Distributions	Short Term CG Distributions
1	Fed Hm Mtg Bond - called		P		12/31/2008	20,000	0	19,656	0	0
2	American Balanced Fund		P		6/30/2009	29,336	0	41,720	0	0
3	American Capital Income Bldr		P		6/30/2009	50,419	0	65,742	0	0
4	American Capital World Growth		P		6/30/2009	44,756	0	71,551	0	0
5	American Capital Inc Fund of America		P		6/30/2009	44,607	0	63,978	0	0
6	MFS Intermdt Income Trust		P		6/30/2009	1,344	0	1,338	0	0
7	MFS Intermdt Income Trust		P		6/30/2009	11,415	0	11,544	0	0
8						0	0	0	0	0
9						0	0	0	0	0
10						0	0	0	0	0

Part IV (990-PF) - Capital Gains and Losses for

		Amount							
		Long Term CG Distributions	0						
		Short Term CG Distributions	0						
	(a) Kind(s) of property sold	CUSIP #	(h) Gain or Loss	(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (col (h) gain minus col (k), but not less than zero) or Losses (from col (h))		
1	Fed Hm Mfg Bond - called		344			0	344		
2	American Balanced Fund		-12,384			0	-12,384		
3	American Capital Income Bldr		-15,323			0	-15,323		
4	American Capital World Growth		-26,795			0	-26,795		
5	American Capital Inc Fund of America		-19,371			0	-19,371		
6	MFS Intermdt Income Trust		6			0	6		
7	MFS Intermdt Income Trust		-129			0	-129		
8			0			0	0		
9			0			0	0		
10			0			0	0		

2

[illegible]