



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

OMB No 1545-0052

2009Department 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 2009, or tax year beginning , 2009, and ending

G Check all that apply ☐ Initial return ☐ Initial Return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

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

ARMSTRONG MCDONALD FOUNDATION
P. O. BOX 70110
TUCSON, AZ 85737-0110

A Employer identification number

36-3458711

B Telephone number (see the instructions)

520-742-2667/52

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)

▶ \$ 15,270,279.

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)

REVENUE

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

172,270.

172,270.

172,270.

4 Dividends and interest from securities

206,921.

206,921.

206,921.

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

-49,569.

b Gross sales price for all assets on line 6a 3,946,616.

7 Capital gain net income (from Part IV, line 2)

0.

8 Net short-term capital gain

9 Income modification

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

329,622.

379,191.

379,191.

13 Compensation of officers, directors, trustees, etc

0.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) See St 1

82.

41.

41.

b Accounting fees (attach sch) See St 2

12,740.

6,370.

6,370.

c Other prof fees (attach sch) See St 3

55,714.

55,714.

17 Interest

18 Taxes (attach schedule) See Stm 4

3,151.

19 Depreciation (attach sch) and depletion

1,080.

540.

540.

20 Occupancy

2,823.

339.

2,484.

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

See Statement 5

2,170.

1,086.

1,084.

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

77,760.

64,090.

10,519.

25 Contributions, gifts, grants paid Stmt 6

814,186.

814,186.

26 Total expenses and disbursements. Add lines 24 and 25

891,946.

64,090.

0.

824,705.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

-562,324.

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

315,101.

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

379,191.

9/14 21

SCANNED AUG 16 2010

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
A S S E T S	1 Cash — non-interest-bearing	10,463.	18,355.	18,355.
	2 Savings and temporary cash investments	3,245,979.	609,802.	609,802.
	3 ¹ 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		13,649.	13,649.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) Statement 7	9,459,891.	10,223,977.	10,818,258.
	c Investments — corporate bonds (attach schedule) Statement 8	2,369,736.	3,652,442.	3,810,215.
	11 Investments — land, buildings, and equipment basis			
L I A B I L I T I E S	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)	15,086,069.	14,518,225.	15,270,279.
	17 Accounts payable and accrued expenses	5,520.		
	18 Grants payable			
	19 Deferred revenue			
N E T F U N D A S S E T B A L A N C E S	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	5,520.	0.	
	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			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	15,080,549.	14,518,225.	
	30 Total net assets or fund balances (see the instructions)	15,080,549.	14,518,225.	
	31 Total liabilities and net assets/fund balances (see the instructions)	15,086,069.	14,518,225.	

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	15,080,549.
2 Enter amount from Part I, line 27a	2	-562,324.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	14,518,225.
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	14,518,225.

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)
1a See Statement 9				
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			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			
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	-49,569.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<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))
2008	497,056.	16,551,399.	0.030031
2007	1,030,781.	19,128,572.	0.053887
2006	1,214,795.	17,742,925.	0.068466
2005	861,504.	16,729,921.	0.051495
2004	853,136.	17,333,567.	0.049219

2 Total of line 1, column (d)	2	0.253098
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	0.050620
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	13,875,719.
5 Multiply line 4 by line 3	5	702,389.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,151.
7 Add lines 5 and 6	7	705,540.
8 Enter qualifying distributions from Part XII, line 4	8	824,705.

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 or determination letter _____ (attach copy of letter if necessary – see instr.)			
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	3,151.
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	3,151.
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	3,151.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	16,800.	
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	16,800.	
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	13,649.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax. 13,649. 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 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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 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) AZ		
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 2009 or the taxable year beginning in 2009 (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

BAA

Form 990-PF (2009)

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>www.armstrongmcdonaldfoundation.org</u>	13	X	
14	The books are in care of <u>GREGORY L. HEISEY, CPA, PC</u> Telephone no <u>520-742-4697</u> Located at <u>405 W. COOL DRIVE, SUITE 105 TUCSON AZ</u> ZIP + 4 <u>85704</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

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? <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 2009?	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <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)	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>		
3a 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 2009 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 2009)	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 2009?	4b	X

BAA

Form 990-PF (2009)

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)?

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?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?

6b X

If 'Yes' to 6b, 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
See Statement 10		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		0.	0.	0.

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

0

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	11,589,512.
b Average of monthly cash balances	1b	2,497,512.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	14,087,024.
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	14,087,024.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	211,305.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	13,875,719.
6 Minimum investment return. Enter 5% of line 5	6	693,786.

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	693,786.
2a Tax on investment income for 2009 from Part VI, line 5	2a	3,151.	
b Income tax for 2009 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	3,151.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	690,635.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	690,635.	
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	690,635.	

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	824,705.
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	824,705.
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	3,151.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	821,554.

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.

BAA

Form 990-PF (2009)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				690,635.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			13,462.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 824,705.				
a Applied to 2008, but not more than line 2a			13,462.	
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 2009 distributable amount				690,635.
e Remaining amount distributed out of corpus	120,608.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	120,608.			
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 2008 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				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 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	120,608.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009	120,608.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test — enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed

See Statement 11

b The form in which applications should be submitted and information and materials they should include

See Statement for Line 2a

c Any submission deadlines

See Statement for Line 2a

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

See Statement for Line 2a

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 Paid during the year				
Total				3a
b Approved for future payment				
Total				3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1 Program service revenue						
a						
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments			14	172,270.		
4 Dividends and interest from securities			14	206,921.		
5 Net rental income or (loss) from real estate						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory						-49,569.
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue						
a						
b						
c						
d						
e						
12 Subtotal. Add columns (b), (d), and (e)				379,191.		-49,569.
13 Total. Add line 12, columns (b), (d), and (e)				13		329,622.

(See worksheet in the instructions for line 13 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUFFIELD, YOUNG & ADAMSON, P. C.	\$ 82.	\$ 41.		\$ 41.
Total	<u>\$ 82.</u>	<u>\$ 41.</u>	<u>\$ 0.</u>	<u>\$ 41.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
GREGORY L. HEISEY, CPA, PC.	\$ 12,740.	\$ 6,370.		\$ 6,370.
Total	<u>\$ 12,740.</u>	<u>\$ 6,370.</u>	<u>\$ 0.</u>	<u>\$ 6,370.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
HARTLINE INVESTMENT CORPORATION	\$ 48,878.	\$ 48,878.		
LA SALLE BANK N.A.	6,836.	6,836.		
Total	<u>\$ 55,714.</u>	<u>\$ 55,714.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXCISE TAX	\$ 3,151.			
Total	<u>\$ 3,151.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
COMPUTER CHARGES	\$ 290.	\$ 145.		\$ 145.
INSURANCE	1,193.	597.		596.
OFFICE	687.	344.		343.
Total	\$ 2,170.	\$ 1,086.	\$ 0.	\$ 1,084.

Statement 6
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity:	Animal Welfare	
Donee's Name:	Zoological Society of San Diego	
Donee's Address:	P.O. Box 120551 San Diego, CA 92112	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		\$ 51,667.
Class of Activity:	Education	
Donee's Name:	Bellevue University	
Donee's Address:	1000 Galvin Road Bellevue, NE 68005	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		28,154.
Class of Activity:	Education	
Donee's Name:	College of St. Mary	
Donee's Address:	1901 S 72nd Street Omaha, NE 68124	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		91,225.
Class of Activity:	Education	
Donee's Name:	College of Ozarks	
Donee's Address:	PO Box 17 Point Lookout, MO 65726	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		265,000.
Class of Activity:	Education	
Donee's Name:	Hastings College Fdn	
Donee's Address:	11422 Miracle Hills Dr Ste 550 Hastings, NE 68154	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		50,000.
Class of Activity:	Education	

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 6 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Donee's Name:	Omaha Street School	
Donee's Address:	3223 N 45th Street	
	Omaha, NE 68104	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		\$ 10,000.
Class of Activity:	Health	
Donee's Name:	Carondelet Foundation Assoc	
Donee's Address:	120 N. Tucson Blvd	
	Tucson, AZ 85716	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		50,990.
Class of Activity:	Health	
Donee's Name:	Casa de los Ninos	
Donee's Address:	1101 N. 4th Avenue	
	Tucson, AZ 85705	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		30,000.
Class of Activity:	Health	
Donee's Name:	Southern Az Aids Foundation	
Donee's Address:	375 S. Euclid Avenue	
	Tucson, AZ 85719	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		50,000.
Class of Activity:	Relief & Social	
Donee's Name:	AZ Children's Foundation	
Donee's Address:	4710 E 29th Street, Bldg 7	
	Tucson, AZ 85711	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		25,000.
Class of Activity:	Relief & Social	
Donee's Name:	Mobile Meals of Tucson	
Donee's Address:	3003 S. Country Club Ste 229	
	Tucson, AZ 85713	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		8,000.
Class of Activity:	Children & Youth	
Donee's Name:	Big Brothers Big Sisters of the Midlands	
Donee's Address:	10831 OLD MILL ROAD, SUITE #400	
	Omaha, NE 68154	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		3,000.
Class of Activity:	Special Needs	
Donee's Name:	Mosaic	

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 6 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Donee's Address:	2226 W. NORTHERN AVE., SUITE C140 PHOENIX, AZ 85021	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		\$ 35,000.
Class of Activity:	Education	
Donee's Name:	Doane College	
Donee's Address:	1014 Boswell Ave. Crete, NE 68333	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		31,150.
Class of Activity:	Relief & Social	
Donee's Name:	Phoenix Rescue Mission	
Donee's Address:	P. O. BOX 6708 Phoenix, AZ 85005	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		10,000.
Class of Activity:	Special Needs	
Donee's Name:	N. W. School for the Hearing Impaired	
Donee's Address:	P. O. Box 31325 Seattle, WA 98103	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		7,500.
Class of Activity:	Health	
Donee's Name:	Cascade Foundation	
Donee's Address:	P.O. Box 40397 Tucson, AZ 85717	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		27,500.
Class of Activity:	Special Needs	
Donee's Name:	A.R.C.H.	
Donee's Address:	1550 W. COLTER ST. PHOENIX, AZ 85015	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		5,000.
Class of Activity:	Special Needs	
Donee's Name:	BLIND, INC.	
Donee's Address:	100 E. 22ND ST. MINNEAPOLIS, MN 55404	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		35,000.

Total \$ 814,186.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 7
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
BERKSHIRE HATHAWAY-B	Cost	\$ 359,067.	\$ 591,480.
CISCO SYSTEMS INC	Cost	310,967.	323,190.
ILLINOIS TOOL WORKS INC	Cost	363,055.	431,910.
MICROSOFT CORP	Cost	230,968.	243,840.
TARGET CORP	Cost	322,294.	362,775.
GOOGLE, INC. CLASS-A	Cost	456,280.	569,142.
JONES LANG LASALLE, INC.	Cost	364,988.	271,800.
UNITED TECHNOLOGIES CORP	Cost	325,306.	347,050.
NOVO-NORDISK ADR	Cost	185,223.	319,250.
AMERICA MOVIL	Cost	329,562.	352,350.
BOEING CO.	Cost	446,639.	324,780.
AFLAC, INC.	Cost	335,953.	277,500.
BRITISH PETROLEUM	Cost	293,352.	405,790.
CONOCO PHILLIPS	Cost	318,349.	204,280.
EMERSON ELECTRIC	Cost	356,684.	304,590.
GENERAL ELECTRIC	Cost	260,850.	226,950.
GP STRATEGIES	Cost	435,184.	376,500.
JOHNSON & JOHNSON	Cost	288,356.	289,845.
PEPSICO, INC.	Cost	371,880.	334,400.
ABBOTT LABS	Cost	248,235.	296,945.
BURL. NORTHN SANTA FE CORP.	Cost	291,180.	295,860.
CAREFUSION CORP.	Cost	248,870.	250,100.
CHEVRON CORP.	Cost	394,959.	384,950.
COCA COLA CO.	Cost	297,627.	342,000.
IBM	Cost	278,875.	287,980.
MONSANTO CO.	Cost	306,907.	359,700.
ORACLE CORP.	Cost	280,715.	282,095.
PROCTOR & GAMBLE CO.	Cost	254,056.	303,150.
VERIZON COMMUNICATIONS, INC.	Cost	299,000.	331,300.
VISA, INC.	Cost	246,277.	437,300.
BLACKSTONE GRP. L. P.	Cost	272,500.	236,160.
ISHARES MSCI EAFE INDEX FD.	Cost	449,819.	453,296.
Total		\$ 10,223,977.	\$ 10,818,258.

Statement 8
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
GENERAL ELECTRIC CAPITAL BOND	Cost	\$ 199,250.	\$ 210,850.
FRANK RUSSELL CORP.	Cost	0.	0.
BANKAMERICA CORPORATION	Cost	0.	0.
VESSEL MANAGEMENT SERVICES INC	Cost	238,481.	258,509.
HSBC FINANCE CORP	Cost	0.	0.
GOLDMAN SACHS-SATURN-6%	Cost	253,680.	260,880.
HEWLETT PACKARD	Cost	0.	0.
CHARLES SCHWAB	Cost	205,690.	202,300.
WISCONSIN PUB SVC CORP	Cost	205,450.	212,370.
AT&T (BELL SOUTH)	Cost	197,400.	216,264.
DISNEY, WALT, CO, MTNS	Cost	202,814.	218,462.
BNI	Cost	231,639.	256,558.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 8 (continued)
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
CATERPILLAR FINL SVCS CORP.	Cost	\$ 178,878.	\$ 177,320.
AMERICAN EXPRESS CENTURION BK.	Cost	206,600.	206,916.
GOLDMAN SACHS GROUP, INC. NT	Cost	200,500.	212,086.
MARRIOTT INTL, INC.	Cost	178,850.	175,956.
MORGAN STANLEY, SR, MTN, SER, F	Cost	228,582.	239,389.
COOPER U. S., INC.	Cost	85,000.	91,213.
VERIZON COMMUNICATIONS, INC.	Cost	207,920.	215,594.
ALLSTATE LIFE GLOBAL FDG SECD, MTN	Cost	207,300.	213,494.
BANK OF AMERICA CORP.	Cost	198,200.	203,264.
PRAXAIR, INC.	Cost	226,208.	238,790.
	Total	\$ 3,652,442.	\$ 3,810,215.

Statement 9
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	19943 BNI	Purchased	Various	1/02/2009
2	250000 FRANK RUSSELL CORP	Purchased	Various	1/15/2009
3	4000 TOYOTA MTR. ADR	Purchased	Various	2/02/2009
4	10000 B OF A CAP TR II	Purchased	Various	2/04/2009
5	200000 B OF A 7.125 %	Purchased	Various	3/01/2009
6	10000 AMB PROPERTY	Purchased	Various	3/03/2009
7	9000 JOHNSON CONTROLS	Purchased	Various	3/05/2009
8	7000 VESSEL MGMT SVCS	Purchased	Various	5/20/2009
9	200000 HSBC	Purchased	Various	6/15/2009
10	16503 LOGITECH ADR	Purchased	Various	8/25/2009
11	3000 COSTCO WHOLESALE CORP	Purchased	Various	9/11/2009
12	4000 DENTSPLY INTL	Purchased	Various	10/15/2009
13	200000 HEWLETT PACKARD	Purchased	Various	10/15/2009
14	6700 LIBERTY PROPERTY TR.	Purchased	Various	11/06/2009
15	9600 STERICYCLE	Purchased	Various	11/10/2009
16	7300 EXXONMOBIL	Purchased	Various	11/12/2009
17	7000 VESSEL MGMT SVCS	Purchased	Various	11/20/2009
18	12000 DENTSPLY INTL	Purchased	Various	12/04/2009
19	700 CHICAGO MERCANTILE EX	Purchased	Various	12/22/2009
20	RECOVERY	Purchased	Various	6/10/2009
21	SEE ATTACHED-HARTLINE STMT	Purchased	Various	12/31/2009

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	19,943.		19,964.	-21.				\$ -21.
2	250,000.		250,000.	0.				0.
3	254,475.		284,819.	-30,344.				-30,344.
4	116,723.		271,800.	-155,077.				-155,077.
5	200,000.		202,404.	-2,404.				-2,404.
6	102,005.		305,600.	-203,595.				-203,595.
7	90,089.		117,165.	-27,076.				-27,076.
8	7,000.		7,134.	-134.				-134.
9	200,000.		199,176.	824.				824.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 9 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
10	293,226.		471,212.	-177,986.				\$ -177,986.
11	170,231.		107,515.	62,716.				62,716.
12	142,656.		98,614.	44,042.				44,042.
13	200,000.		203,200.	-3,200.				-3,200.
14	190,079.		252,821.	-62,742.				-62,742.
15	521,370.		234,787.	286,583.				286,583.
16	525,335.		285,712.	239,623.				239,623.
17	7,000.		7,134.	-134.				-134.
18	409,648.		295,841.	113,807.				113,807.
19	227,814.		381,287.	-153,473.				-153,473.
20	282.		0.	282.				282.
21	18,740.		0.	18,740.				18,740.
Total								\$ -49,569.

Statement 10
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
LAURIE L. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	President 0	\$ 0.	\$ 0.	\$ 0.
RYAN M. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
CORBY L. LUST 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
TODD McDONALD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
MICHAEL J. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Secretary/Treas 0	0.	0.	0.
Total		\$ 0.	\$ 0.	\$ 0.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 11
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:

Name:

WWW.ARMSTRONGMCDONALDFOUNDATION.ORG

Care Of:

Street Address:

City, State, Zip Code:

Telephone:

Form and Content:

APPLICATION MUST BE DOWNLOADED FROM WEBSITE AT
WWW.ARMSTRONGMCDONALDFOUNDATION.ORG AND COMPLETED IN ITS
ENTIRETY, INCLUDING ALL REQUIRED ATTACHMENTS.
PER WEBSITE

Submission Deadlines:

Restrictions on Awards: