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Form **990-PF**

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

, and ending

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

Bauervic-Paisley Foundation

Number and street (or P O box number if mail is not delivered to street address)

501 East Mullett Lake Road

Room/suite

City or town, state, and ZIP code

Indian River**MI 49749**

A Employer identification number

38-2494390

B Telephone number (see page 10 of the instructions)

231-238-7817C 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 foundationI Fair market value of all assets at end
of year (from Part II, col (c),
line 16) **\$ 875,414**J Accounting method ☐ Cash ☒ Accrual
☐ Other (specify)

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

Part I Analysis of Revenue and Expenses (Thetotal 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	384	384		
	4	Dividends and interest from securities	10,962	10,962		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	-52,072			
	b	Gross sales price for all assets on line 6a 75,460				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
b	Less cost of goods sold					
c	Gross profit or (loss) (attach schedule)					
11	Other income (attach schedule) Stmt 2	840				
12	Total. Add lines 1 through 11	-39,886	11,346	0		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	69,600	34,800		34,800
	14	Other employee salaries and wages	1,152			1,152
	15	Pension plans, employee benefits	1,496	748		748
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) Stmt 3	2,465	1,233		1,232
	c	Other professional fees (attach schedule) Stmt 4	953	953		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 5	5,616	2,808		2,808
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
23	Other expenses (att. sch) Stmt 6	875	437		438	
24	Total operating and administrative expenses. Add lines 13 through 23	82,157	40,979		41,178	
25	Contributions, gifts, grants paid	4,000			4,000	
26	Total expenses and disbursements. Add lines 24 and 25	86,157	40,979	0	45,178	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	-126,043				
b	Net investment income (if negative, enter -0-)		0			
c	Adjusted net income (if negative, enter -0-)			0		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

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Form 990-PF (2009) **Bauervic-Paisley Foundation****38-2494390**Page **2****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	5,000	5,000	5,000
	2 Savings and temporary cash investments	174,827	167,322	167,322
	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 page 16 of the instructions)			
	7 Other notes and loans receivable (att. schedule) ▶ 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) See Stmt 7	939,168	822,114	703,092
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment, basis ▶ 36,008 Less accumulated depreciation (attach sch.) ▶ Stmt 8 36,008			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
Liabilities	14 Land, buildings, and equipment, basis ▶ Less accumulated depreciation (attach sch.) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,118,995	994,436	875,414
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ See Statement 9)	2,614	4,098	
	23 Total liabilities (add lines 17 through 22)	2,614	4,098	
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			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,116,381	990,338	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,116,381	990,338	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,118,995	994,436	

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	1,116,381
2 Enter amount from Part I, line 27a	2	-126,043
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	990,338
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	990,338

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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 N/A			
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) F.M.V. as of 12/31/69

(j) Adjusted basis
as of 12/31/69(k) Excess of col. (i)
over col. (j), if any(l) Gains (Col. (h) gain minus
col. (k), but not less than -0-) or
Losses (from col. (h))

a			
b			
c			
d			
e			

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****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**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))
2008	57,056	1,116,381	0.051108
2007	40,818	1,233,974	0.033078
2006	62,057	1,173,405	0.052886
2005	56,731	1,143,732	0.049602
2004	60,252	1,219,751	0.049397

2 Total of line 1, column (d)**2**

0.236071

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**

0.047214

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5**4**

0

5 Multiply line 4 by line 3**5****6** Enter 1% of net investment income (1% of Part I, line 27b)**6****7** Add lines 5 and 6**7**

0

8 Enter qualifying distributions from Part XII, line 4**8**

45,178

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of 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	
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	
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	0
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	
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	
8	Enter any penalty for underpayment of estimated tax. Check here ☐ 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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ Refunded ☐	11	

Part VII A Statements Regarding Activities

	Yes	No
1a 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
1b 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
1c 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
4a 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?		
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	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) MI		
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 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

N/A

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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ Dan Nieland CPA 201 South Main St Located at ▶ Cheboygan, MI	Telephone no ▶ 231-627-4396 ZIP+4 ▶ 49721		
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		

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	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?	N/A	
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? If "Yes," list the years ▶ 20, 20, 20, 20	☐ Yes	☒ No
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.)	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 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.)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

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Bauervic-Paisley Foundation**38-2494390**Page **6****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)?	N/A		5b
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		
	If "Yes," attach the statement required by Regulations section 53.4945-5(d).	☐ Yes	☐ No	
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
	If "Yes" to 6b, file Form 8870.			X
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?	N/A		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
See Statement 10				

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				

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

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Form 990-PF (2009) **Bauervic-Paisley Foundation****38-2494390**Page **7****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		

Total number of others receiving over \$50,000 for professional services ▶**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 page 24 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 N/A	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3 ▶	

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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	0
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	0
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	0
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	0
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	0
6	Minimum investment return. Enter 5% of line 5	6	0

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	
2a	Tax on investment income for 2009 from Part VI, line 5	2a	
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	0

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	45,178
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	45,178
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	45,178

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				0
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006			25,921	
d From 2007				
e From 2008			57,056	
f Total of lines 3a through e		82,977		
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 45,178				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus		45,178		
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	128,155			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
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 page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	128,155			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006			25,921	
c Excess from 2007				
d Excess from 2008			57,056	
e Excess from 2009			45,178	

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year

Prior 3 years

(a) 2009

(b) 2008

(c) 2007

(d) 2006

(e) Total

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 foundation had \$5,000 or more in assets at any time during the year—see page 28 of the 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))

N/A

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

N/A

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 page 28 of the 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:

Bauervic-Paisley Fdn
501 East Mullett Lake Indian River MI 49749

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

See copy of Grant Application attached

c Any submission deadlines.

By October 1st of the year in which a grant is requested.

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

None

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion 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	384		
4 Dividends and interest from securities			14	10,962		
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						-52,072
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue a _____						
b Miscellaneous Income			1	840		
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)			0	12,186		-52,072
13 Total. Add line 12, columns (b), (d), and (e)					13	-39,886

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

[illegible]

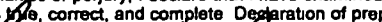
Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
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?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash		X
	(2) Other assets		X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		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		X

[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		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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		Date 5-14-10
			Title President
Paid Preparer's Use Only	Preparer's signature 	Date 05/03/10	Check if self-employed ☐
	Firm's name (or yours if self-employed), address, and ZIP code Nieland & Kosanke, P.C. 201 S Main Suite 2 Cheboygan, MI 49721-1950		Preparer's identifying number (see page 30 of the instructions) P00532265
			EIN  20-8136220 Phone no 231-627-4396

Federal Statements

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Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description				How Received		Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	
Cogent Inc. 800 Shares	5/11/06	4/30/09	\$			
			Purchase			
Whole Foods Market Inc 450 Shrs	5/15/07	5/08/09				
			Purchase			
St Jude Medical Inc 300 Shrs	6/29/04	5/26/09				
			Purchase			
Cisco Systems Inc 1000 Shrs	12/29/99	12/31/09				
			Purchase			
Cisco Systems Inc 200 Shrs	5/15/00	12/31/09				
			Purchase			
William Blair Inter S\C GR-1	12/20/07	12/31/09				
			882			
William Blair Inter S\C GR-1	1/31/07	12/31/09				
			Purchase			
William Blair Inter S\C GR-1	12/18/08	12/31/09				
			Purchase			
William Blair Inter S\C GR-1	12/20/07	12/31/09				
			113			
William Blair Inter S\C GR-1	12/20/07	12/31/09				
			Purchase			
William Blair Inter S\C GR-1	12/17/09	12/31/09				
			Purchase			
William Blair Inter S\C GR-1	12/31/07	12/31/09				
			1			
Total			\$	75,460	\$	127,532
					\$	0
					\$	0
					\$	-52,072

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Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Miscellaneous Income	\$ 840	\$	\$
Total	\$ 840	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 2,465	\$ 1,233	\$	\$ 1,232
Total	\$ 2,465	\$ 1,233	\$ 0	\$ 1,232

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Advisory Fee	\$ 953	\$ 953	\$	\$
Total	\$ 953	\$ 953	\$ 0	\$ 0

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Payroll Taxes	\$ 5,413	\$ 2,706	\$	\$ 2,707
Foreign Taxes	41	21		20
Other Taxes & Licenses	162	81		81
Total	\$ 5,616	\$ 2,808	\$ 0	\$ 2,808

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
Office Expense	748	374		374
Telephone	77	38		39
Bank Charges	50	25		25
Dues & Subscriptions				
Total	<u>\$ 875</u>	<u>\$ 437</u>	<u>\$ 0</u>	<u>\$ 438</u>

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Federal Statements

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Accenture Ltd	\$ 9,824	\$ 9,824	Cost	\$ 16,780
Cisco Systems Inc.	64,404		Cost	
Coach Inc.	11,515	11,515	Cost	15,018
Cogent Inc	12,478		Cost	
Ecolab	12,263	12,263	Cost	17,580
EOG Res Inc	13,910	13,910	Cost	18,588
Federated Kaufman Fd B	205,797	205,797	Cost	103,627
General Electric			Cost	
IMS Health Solutions			Cost	
Intel			Cost	
Iron Mountain Inc.	12,886	12,886	Cost	16,440
Pepsico Inc.			Cost	
Rockwell Collins Inc.	18,178	18,178	Cost	24,800
St. Jude Medical Inc.	11,195		Cost	
S & P Depository Receipts			Cost	
Starbucks Corp			Cost	
Suncor Energy	13,278	13,278	Cost	32,540
VCA Antech Inc	11,731	11,731	Cost	16,818
Wm Blair Emerging Mkts Grwth Cl I	54,854	55,429	Cost	60,216
Wm Blair Income Funds Cl I	146,760	155,437	Cost	144,837
Wm Blair Intl Grwth Fd Cl I	169,009	170,125	Cost	139,152
Wm Blair Intl Sm Cap Grwth Fd I	21,819		Cost	
Wm Blair Sm Cap Grwth Fd Cl I	44,115	44,115	Cost	39,994
Wm Blair Value Disc Fd Cl I	30,000	30,085	Cost	22,865
Whole Foods Market Inc	17,611		Cost	
Gamestop Corp	19,498	19,498	Cost	10,407

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
Microsoft Corp	\$ 38,043	\$ 38,043	Cost	\$ 23,430
Total	<u>\$ 939,168</u>	<u>\$ 822,114</u>		<u>\$ 703,092</u>

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Statement 8 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Equipment	\$	\$ 36,008	\$ 36,008	\$
Total	\$ 0	\$ 36,008	\$ 36,008	\$ 0

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Federal Statements

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Statement 9 - Form 990-PF, Part II, Line 22 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Payroll Taxes Payable	\$ 2,614	\$ 4,098
Total	\$ 2,614	\$ 4,098

Federal Statements

Statement 10 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Beverly Paisley 501 East Mullett Lake Rd Indian River MI 49749	President	25.00	69,600	0	0
Bonnie Paisley 501 East Mullett Lake Rd Indian River MI 47949	Director	1.00	0	0	0
Peter Paisley 501 East Mullett Lake Rd Indian River MI 49749	Director	1.00	0	0	0
Martha Paisley Miller 501 East Mullett Lake Rd Indian River MI 49749	Director	1.00	0	0	0
Peter Paisley Jr. 501 East Mullett Lake Dr Indian River MI 49749	Director	1.00	0	0	0
Charles Paisley 501 East Mullett Lake Rd Indian River MI 49749	Director	1.00	0	0	0

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Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description

See copy of Grant Application attached

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description

By October 1st of the year in which a grant is requested.

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

None

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Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
ShoreBank	\$ 280		14	
William Blair & Company	104		14	
Total	<u>\$ 384</u>			

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
William Blair & Company	\$ 10,962		14	
Total	<u>\$ 10,962</u>			