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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No 1545-0052

2009

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 01-01-2009 , and ending 12-31-2009

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.	Name of foundation GANDRUD FOUNDATION		A Employer identification number 41-6038629	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 528 GANDRUD ROAD		B Telephone number (see page 10 of the instructions) (507) 451-5430	
	City or town, state, and ZIP code OWATONNA, MN 550600528		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 ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 269,241		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	1,833	1,833		
	4 Dividends and interest from securities.	4,255	4,255		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-12,597			
	b Gross sales price for all assets on line 6a _____ 30,104				
	7 Capital gain net income (from Part IV , line 2)		0		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	-6,509	6,088		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1,334	0		1,334
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	25	0		25
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	1,359	0		1,359
	25 Contributions, gifts, grants paid	18,270			18,270
	26 Total expenses and disbursements. Add lines 24 and 25	19,629	0		19,629
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-26,138			
	b Net investment income (if negative, enter -0-)		6,088		
	c Adjusted net income (if negative, enter -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	6,001	4,374	4,374
	2	Savings and temporary cash investments	13,006	11,437	11,437
	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 15 of the instructions)			
	7	Other notes and loans receivable (attach 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)	175,801	 154,196	126,789
	b	Investments—corporate stock (attach schedule)	66,562	 74,777	70,456
	c	Investments—corporate bonds (attach schedule).	42,500	 42,500	42,821
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	20,313	 10,761	8,364
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)	 5,000	 5,000	 5,000	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	329,183	303,045	269,241	
Liabilities	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 ▶ _____)			
	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	329,183	303,045	
	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			
	30	Total net assets or fund balances (see page 17 of the instructions)	329,183	303,045	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	329,183	303,045	

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)	1 329,183
2	Enter amount from Part I, line 27a	2 -26,138
3	Other increases not included in line 2 (itemize) ▶ _____	3 0
4	Add lines 1, 2, and 3	4 303,045
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	6 303,045

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 Additional Data Table			
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	See Additional Data Table		
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	See Additional Data Table		
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	-12,597
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	19,443	330,306	0 058864
2007	19,092	340,097	0 056137
2006	11,750	354,646	0 033132
2005	16,598	337,155	0 049230
2004	14,933	4,925	3 032081

2	Total of line 1, column (d).	2	3 229444
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 645889
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	240,695
5	Multiply line 4 by line 3.	5	155,462
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	61
7	Add lines 5 and 6.	7	155,523
8	Enter qualifying distributions from Part XII, line 4.	8	19,629

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 VIExcise 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	122
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	122
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	122
6		Credits/Payments			
a	2009 estimated tax payments and 2008 overpayment credited to 2009		6a	130	
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	130
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	8
11		Enter the amount of line 10 to be Credited to 2010 estimated tax 8 Refunded		11	0

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
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)?			No
	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?.	1c		No
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.	2		No
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	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		No
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?	6	Yes	
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	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ MN			
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 .	8b	Yes	
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	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of DALE GANDRUD Telephone no (507) 451-5430 Located at 528 GANDRUD ROAD OWATONNA MN ZIP+4 550600528			
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.	1b		
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		No
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____			
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		
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.).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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)? Organizations relying on a current notice regarding disaster assistance check here.	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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	☐ 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? <i>If "Yes" to 6b, file Form 8870.</i>	6b		No
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
DALE E GANDRUD	PRESIDENT	0	0	0
528 GANDRUD ROAD	2 00			
OWATONNA, MN 550600528				
JADE GANDRUD	DIRECTOR	0	0	0
528 GANDRUD ROAD	0 50			
OWATONNA, MN 550600528				
LINDA GANDRUD	VICE PRESIDENT	0	0	0
528 GANDRUD ROAD	0 50			
OWATONNA, MN 550600528				
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.				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		

Total number of others receiving over \$50,000 for professional services.	0
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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 NONE - ALL CONTRIBUTIONS MADE TO 501 (C)(3) ORGANIZATIONS IN WHICH THE FOUNDATION HAS
NO INVOLVEMENT

0

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

1NONE - ALL INVESTMENTS ARE FOR PURPOSES OF PRODUCING INVESTMENT INCOME

0

2

All other program-related investments See page 24 of the instructions

3

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	226,952
b	Average of monthly cash balances.	1b	17,408
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	244,360
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	244,360
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	3,665
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	240,695
6	Minimum investment return. Enter 5% of line 5.	6	12,035

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	12,035
2a	Tax on investment income for 2009 from Part VI, line 5.	2a	122
b	Income tax for 2009 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	122
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	11,913
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	11,913
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	11,913

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	19,629
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	19,629
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	19,629
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				11,913
2 Undistributed income, if any, as of the end of 2008				
a Enter amount for 2008 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2009				
a From 2004.	14,831			
b From 2005.				
c From 2006.				
d From 2007.	2,930			
e From 2008.	3,146			
f Total of lines 3a through e.	20,907			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 19,629				
a Applied to 2008, 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 2009 distributable amount.				11,913
e Remaining amount distributed out of corpus	7,716			
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	28,623			
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 page 27 of the instructions . . .		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the 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 page 27 of the instructions)	0			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	14,831			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	13,792			
10 Analysis of line 9				
a Excess from 2005.				
b Excess from 2006.				
c Excess from 2007.	2,930			
d Excess from 2008.	3,146			
e Excess from 2009.	7,716			

Part XIV

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

[illegible]

1 Information Regarding Foundation Managers:

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

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

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

DALE GANDRUD
528 GANDRUD ROAD
OWATONNA, MN 55060
(507) 451-5430

c Any submission deadlines
NONE

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

NONE

Part XV

Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			▶ 3a	18,270
b Approved for future payment				
Total			▶ 3b	0

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2009)

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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.

*****	2010-11-09	*****
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only	Preparer's Signature  Catherine Piepho	Date 2010-11-08	Check if self-employed 	Preparer's identifying number (see Signature on page 30 of the instructions)
	Firm's name (or yours if self-employed), address, and ZIP code LARSONALLEN LLP PO BOX 586 OWATONNA, MN 55060	EIN 	Phone no (507) 446-7100	

Additional Data

Software ID: 09000028

Software Version: 2009.05000

EIN: 41-6038629

Name: GANDRUD FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
ALLIANCEBERNSTEIN INTL	P		2009-03-19
HARTFORD MUTUAL FUNDS	P		2009-03-19
JANUS CONTRARIAN FUND 539 291 sh	P		2009-03-19
JANUS CONTRARIAN FUND	P		2009-03-19
JANUS CONTRARIAN FUND	P		2009-12-17
SAUER DANFOSS INC	P		2009-03-19
SAUER DANFOSS INC	P		2009-03-19
FIDELITY ADV NEW INSIGHTS	P	2004-07-23	2009-09-11
HARTFORD MUTUAL FUNDS	P	2006-11-16	2009-03-19
HARTFORD MUTUAL FUNDS	P	2007-11-16	2009-03-19
HARTFORD MUTUAL FUNDS	P	2007-11-16	2009-03-19

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
3,508		9,611	-6,103
47		50	-3
4,401		10,490	-6,089
180		198	-18
29		32	-3
4,429		1,651	2,778
5,889		1,651	4,238
3,000		2,369	631
7,818		15,000	-7,182
591		1,214	-623
212		435	-223

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-6,103
			-3
			-6,089
			-18
			-3
			2,778
			4,238
			631
			-7,182
			-623
			-223

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN SOC TESTING & MATERIALS100 BARR HARBOR DRIVE WEST CONSHOHOCKEN,PA 19428	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	75
BIG BROTHERS BIG SISTERS OF STEELE COUNTY545 DUNNEL DRIVE OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	100
GAMEHAVEN COUNCIL BSA1124 11-1/2 STREET SE ROCHESTER,MN 55904	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	1,000
HEALTHY SENIORS2250 NW 26TH STREET OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	2,000
LUTHERAN SOCIAL SERVICE609 LINCOLN AVE owATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	1,000
MN CHAMBER400 ROBERT STREET ST PAUL,MN 55101	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	410
MN PUBLIC RADIO45 S 8TH STREET MINNEAPOLIS,MN 55402	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	80
OWATONNA BUSINESS & PROFESSIONAL WOMEN320 HOFFMAN DRIVE OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	140
OWATONNA CHAMBER320 HOFFMAN DRIVE OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	850
OWATONNA FOUNDATION107 WEST MAIN STREET OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	1,000
OWATONNA HEALTHY SENIORS 2250 NW 26TH STREET OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	3,000
OWATONNA SADDLE CLUB320 HOFFMAN DRIVE OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	25
POOL TOGETHER135 W PEARL ST OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	2,000
STEELE COUNTY CLOTHESLINE155 OAKDALE ST OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	500
STEELE COUNTY FAIR1535 S CEDAR AVE OWATONNA,MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	1,000
Total  3a				18,270

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
STEELE COUNTY FOODSHELF155 OAKDALE ST OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	500
STEELE COUNTY HISTORICAL SOCIETY1448 AUSTIN ROAD OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	200
UNITED WAY OF STEELE COUNTY 144 W MAIN ST OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	1,500
WEED SCIENCE SOC OF AMERICA 810 E 10TH ST LAWRENCE, KS 66044	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	500
WOMEN'S CLUB320 HOFFMAN DRIVE OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	125
GAINEY CONFERENCE CENTER 2480 S COUNTY ROAD 45 OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	2,000
ST MARYSPO BOX 1014 OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	25
OWATONNA ELKS126 E VINE ST OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	65
OWATONNA FIRE DEPT107 WEST MAIN STREET OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	100
OWATONNA EAGLES141 EAST ROSE ST OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	35
FOUR SEASONS CENTER1525 SOUTH ELM AVE OWATONNA, MN 55060	NONE	501(C)(3)	TO PROVIDE ASSISTANCE TO FURTHER PROGRAM MISSION	40
Total  3a				18,270

TY 2009 Accounting Fees Schedule

Name: GANDRUD FOUNDATION

EIN: 41-6038629

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	1,334	0		1,334

**TY 2009 Investments Corporate
Bonds Schedule**

Name: GANDRUD FOUNDATION
EIN: 41-6038629

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BONDS	42,500	42,821

**TY 2009 Investments Corporate
Stock Schedule**

Name: GANDRUD FOUNDATION
EIN: 41-6038629

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MIXED ASSETS	74,777	70,456

TY 2009 Investments Government Obligations Schedule

Name: GANDRUD FOUNDATION

EIN: 41-6038629

US Government Securities - End of Year Book Value:	154,196
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US Government Securities - End of Year Fair Market Value:	126,789
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State & Local Government Securities - End of Year Book Value:	0
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State & Local Government Securities - End of Year Fair Market Value:	0
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TY 2009 Investments - Other Schedule

Name: GANDRUD FOUNDATION

EIN: 41-6038629

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INT'L EQUITIES	AT COST	10,761	8,364

TY 2009 Other Assets Schedule

Name: GANDRUD FOUNDATION

EIN: 41-6038629

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
OCC FOUNDATION DEPOSIT	5,000	5,000	5,000

TY 2009 Taxes Schedule

Name: GANDRUD FOUNDATION

EIN: 41-6038629

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	25	0		25