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Form **990-PF**Department of the Treasury
Internal Revenue Service

(77)

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 , 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.	Name of foundation KAY M ANDERSON		A Employer identification number 42-1363292
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 712-246-2029
	P O BOX 307		
	City or town, state, and ZIP code SHENANDOAH IA 51601		C If exemption application is pending, 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			D 1. Foreign organizations, check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,263,817			2. Foreign organizations meeting the 85% test, check here and attach computation ☐
J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)			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 ☐

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	62	62		
	4 Dividends and interest from securities	41,026	41,026		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	3,458			
	b Gross sales price for all assets on line 6a 120,000				
	7 Capital gain net income (from Part IV, line 2)		3,458		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
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	44,546	44,546			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	4,200			4,200
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	5,400	5,400		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	467	467		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	5,948	5,948		
	24 Total operating and administrative expenses. Add lines 13 through 23	16,015	11,815		4,200
	25 Contributions, gifts, grants paid	54,125			54,125
26 Total expenses and disbursements. Add lines 24 and 25	70,140	11,815		58,325	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	-25,594				
b Net investment income (if negative, enter -0-)		32,731			
c Adjusted net income (if negative, enter -0-)					

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

Form **990-PF** (2009)

(HTA)

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	49,333	70,500	70,500
	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			
	10 a Investments—U S and state government obligations (attach schedule)	72,893	699	554
	b Investments—corporate stock (attach schedule)	68,428	89,656	153,859
	c Investments—corporate bonds (attach schedule)	512,876	513,008	450,862
	11 Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans	37,140	37,140	39,000
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
Liabilities	15 Other assets (describe ▶)	686,552	690,625	549,042
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,427,222	1,401,628	1,263,817
	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)			
Net Assets or Fund Balances	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)			
	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	1,439,233	1,427,222	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	-12,011	25,594	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,427,222	1,401,628	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,427,222	1,401,628	

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	1,427,222
2 Enter amount from Part I, line 27a	2	-25,594
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,401,628
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	1,401,628

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 FEDERAL HOME LOAN	P	12/1/2004	1/15/2009
b FEDERAL NATIONAL MORTGAGE	P	2/23/2004	4/10/2009
c FEDERAL NATIONAL MORTGAGE	P	11/10/2003	5/10/2009
d STRATEGIC CORPORATION	P	5/21/2008	8/21/2009
e HILTON HOTELS	P	5/14/2008	12/20/2009

(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 25,000		23,875	1,125
b 20,000		19,600	400
c 30,000		28,200	1,800
d 20,000		20,005	-5
e 25,000		24,862	138

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			1,125
b			400
c			1,800
d			-5
e			138

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	3,458

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	58,280	1,264,348	0.046095
2007	75,125	1,479,202	0.050788
2006	47,405	1,409,731	0.033627
2005	67,552	1,375,415	0.049114
2004	47,666	1,358,713	0.035082

2 Total of line 1, column (d)	2	0.214706
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	0.042941
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,153,079
5 Multiply line 4 by line 3	5	49,514
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	327
7 Add lines 5 and 6	7	49,841
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	58,652

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see Instructions)	1	327
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		
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	
3	Add lines 1 and 2	3	327
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	327
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	327
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
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		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? <i>If "Yes," attach the statement required by General Instruction T</i>		
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? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ IA		
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? <i>If "No," attach explanation</i>	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)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	X	
14	The books are in care of ▶ TERRY MILLER, PRESIDENT Telephone no ▶ (712) 246-2029 Located at ▶ 513 W. SHERIDAN SHENANDOAH, IA ZIP+4 ▶ 51601			
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	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? ☒ Yes ☐ No If "Yes," list the years ▶ 20 08 , 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	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

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** N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
If "Yes," attach the statement required by Regulations section 53.4945–5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870 **6b**

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? ☐ Yes ☒ No **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 Attached Statement				

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 ▶ 1

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		
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	
2	
3	

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

Total. Add lines 1 through 3



Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,092,542
b	Average of monthly cash balances	1b	78,097
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,170,639
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,170,639
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	17,560
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,153,079
6	Minimum investment return. Enter 5% of line 5	6	57,654

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	57,654
2a	Tax on investment income for 2009 from Part VI, line 5	2a	327
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	327
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	57,327
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	57,327
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	57,327

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	58,325
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	58,325
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	327
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	58,652

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				57,327
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			47,282	
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				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 58,325				
a Applied to 2008, but not more than line 2a			47,282	
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				11,043
e Remaining amount distributed out of corpus				
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				
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				46,284
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				
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				

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

- 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)

- 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

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	
b 85% of line 2a			#VALUE!	#VALUE!
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			#VALUE!	#VALUE!
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).)

K M ANDERSON CONTRIBUTED ALL OF HER ASSETS

- 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 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

TERRY MILLER BOX 307 SHENANDOAH IA 51601 (712) 246-2029

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

Printed applications are used

- c** Any submission deadlines

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

No

Enter gross amounts unless otherwise indicated

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
----------------------	---

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name			
CHRIS STRUNK			
		☒ Person	☐ Business
Street			
14122 220TH STREET			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Name			
SKYLER TEACHOUT			
		☒ Person	☐ Business
Street			
1653 400 AVENUE			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Name			
NICHOLAS DIAL			
		☒ Person	☐ Business
Street			
2345 US HWY 59			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Name			
RACHEL JONES			
		☒ Person	☐ Business
Street			
2742 FREMONT AVENUE			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Name			
OLIVIA LIVENGOD			
		☒ Person	☐ Business
Street			
507 S CENTER			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Name			
KELLY MCQUEEN			
		☒ Person	☐ Business
Street			
201 EAST NISHNA			
City	State	Zip code	Foreign Country
SHENANDOAH	IA	51601	
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
SCHOLARSHIP			500

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name KIRSTEN BORCHERDING					☒ Person	☐ Business
Street 121 SLEEPY HOLLOW						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 1,000	

Name ALEXIS ARMSTRONG					☒ Person	☐ Business
Street 300 W THOMAS						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 500	

Name KATELIN ATTERBERRY					☒ Person	☐ Business
Street 607 S CENTER						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 500	

Name JAKE SCHUBERT					☒ Person	☐ Business
Street 312 WEST STREET						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 500	

Name ASHLEIGH SONS					☒ Person	☐ Business
Street 113 E CLARINDA						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 500	

Name BRAD SWANK					☒ Person	☐ Business
Street 104 PIERSON AVENUE						
City SHENANDOAH		State IA	Zip code 51601	Foreign Country		
Relationship		Foundation Status				
Purpose of grant/contribution SCHOLARSHIP					Amount 500	

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name CHELSEY TEACHOUT				☒ Person	☐ Business
Street 1653 400TH AVENUE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution SCHOLARSHIP					Amount 500

Name TURNBULL CHILD DEVELOPMENT CENTER				☐ Person	☐ Business
Street 1501 MUSTANG DRIVE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution TOWARDS BUDGET					Amount 10,000

Name SHENANDOAH COMMUNITY SCHOOL				☐ Person	☐ Business
Street 601 DR CREIGHTON CIRCLE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution MATH PROGRAM					Amount 1,500

Name GREATER SHENANDOAH FOUNDATION				☐ Person	☐ Business
Street 301 MAPLE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution MENTORING PROGRAM					Amount 7,500

Name AMERICAN LEGION AUXILIARY				☐ Person	☐ Business
Street 1800 SO ELM					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution BEARS FOR HOSPITAL FOR CHILDRELN					Amount 425

Name SHENANDOAH MUSIC ASSOCIATION				☐ Person	☐ Business
Street 405 PARK AVENUE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution TOWARDS BUDGET					Amount 1,500

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name EMMANUEL LUTHERAN CHURCH				☐ Person	☐ Business
Street 406 E PIONEER					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution VACATION BIBLE SCHOOL					Amount 500

Name CITY OF SHENANDOAH				☐ Person	☐ Business
Street 500 W CLARINDA					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution DEVELOPMENT OF FITNESS CENTER					Amount 5,000

Name SHENANDOAH MEMORIAL HOSPITAL				☐ Person	☐ Business
Street 300 PERSHING AVENUE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution HOSPITAL BED					Amount 4,200

Name AMERICAN LEGION JR AUXILIARY				☐ Person	☐ Business
Street 609 9TH AVENUE					
City SHENANDOAH		State IA	Zip code 51601	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution YOUTH TO STATE LEGION CONVENTION					Amount 500

Name				☐ Person	☐ Business
Street					
City		State	Zip code	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution					Amount

Name				☐ Person	☐ Business
Street					
City		State	Zip code	Foreign Country	
Relationship		Foundation Status			
Purpose of grant/contribution					Amount

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

		Amount		Totals				Cost, Other Basis and Expenses		Net Gain or Loss	
		Long Term CG Distributions	Short Term CG Distributions	Securities				Gross Sales		Other sales	
Check Box Is From Sale of Security	Description	CUSIP #	Purchaser	Check Box if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only)	Expense of Sale and Cost of Improve- ments	Depreciation
Index									Cost	Donated Value	
1								140,507	130,678		
2											
3											
4											
5											
6											
7											
8											
9											
10											
								140,507	130,678		9,829

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

[illegible]

Part

4,200

	Compensation	Benefits	Expense Account	Explanation
1	600			
2	600			
3	600			
4	600			
5	600			
6	600			
7	600			
8				
9				
10				

Line 16b (990-PF) - Accounting Fees

		5,400	5,400		
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MILLER SHEARER LASHIER & CO PC	5,400	5,400		
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		467	467		
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income				
3	Income tax	467	467		
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

5,948

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization See attached statement				
2	Fund Raising				
3	INVESTMENT ADVISORY FEE	5,841			
4	POSTAGE AND SUPPLIES	107			
5					
6					
7					
8					
9					
10					

KAY M ANDERSON FOUNDATION
BOX 307
SHENANDOAH, IOWA 51601

December 31, 2009

Part II - Balance Sheet - Line 10c

Investment in Corporate Bonds

	Cost	Market Value
American General Finance	\$50,000 00	\$34,202 45
Goodyear Tire and Rubber	15,112 50	15,506 25
GMAC Term Note	20,000.00	13,993 06
General Motors Acceptance	25,077 50	6,562 50
HSBC Finance Corp	25 000 00	25 107 17
John Deere Cap Corp	25,000 00	25,296 67
Prudential Financial	30,000 00	27,971 28
Dow Chemical	20,000 00	19,795 56
General Electric Corp.	10,000 00	9,869 26
Gen Worth Global Funding	30,000 00	28,909.14
Hartford Life Insurance	30,000 00	27,787 50
Hartford Life Insurance	30,000 00	25,469 10
Western Puerto Rico	25,000 00	25,068 05
CIT Group Inc	40,000 00	27,345 16
Merrily Lunch & Co	19,669.80	20,179 96
Paine Weber Group	23,728 75	24,991 25
GMAC Smart Note	29,655 00	29,098.65
Goldman Joes	20,000 00	19,847 38
Ford Motor Credit	25,000 00	23,664 20
Ford Motor Credit	19,764 00	20,197 84
TOTAL	<u>\$513,007 55</u>	<u>\$450,862 43</u>

Part II Balance Sheet - Line 13

Investments Other

	Cost	Market Value
Comfed Dodge - Ltd Part	\$37,140 00	\$39,000 00
<u>Mutual Funds</u>		
Van Guard Global Equity Fd	\$111,028 24	\$70,202 32
Habor Capital	58,267 25	55,098 34
Mairs & Power	86,332 69	85,592 42
T Rowe Price Fd	83,368 33	66,191 34
American Beacon Large Cap	80,548.07	56,776 85
Columbia Value and Restructung	76,872 44	58,808 82
Perkins Mid Cap	87,706.71	70,611 67
Janus Orion Fd	50,462 14	39,228 17
Meridian Growth Fd	56,039 62	46,532 16
TOTAL	<u>\$690,625 49</u>	<u>\$549,042 09</u>

KAY M ANDERSON FOUNDATION
BOX 307
SHENANDOAH, IOWA 51601

December 31, 2009

Part II - Balance Sheet - Line 10a

Investments - U S & Govt Obligations

Federal Home Loan

TOTAL

Cost	Market Value
698 82	553 75
<u>\$698 82</u>	<u>\$553 75</u>

Part II - Balance Sheet - Line 10b

Investment - Corporate Stock

AT&T

Hospira, Inc

Abbott Laboratories

John Hancock Adv Global

Bristol Myers

Squibb

Alcatel--Lucent

Qwest

Western Union

Zimmermann Holding

Proctor & Gamble Co

TOTAL

Cost	Market Value
\$3,101 73	\$3,507 88
3,252 22	6,222.00
13,284.53	65,867.58
20,000 00	13,250 00
12,540 23	20,200 00
4,488.82	5,816 70
1,260 21	116 20
6,742 49	2,357 60
3,184 63	7,540 00
635 37	4,728 80
21,165.94	24,252 00
<u>\$89,656 17</u>	<u>\$153,858.76</u>