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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

**2009**Department 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

**KENNETH C. HILL FOUNDATION**

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

**9311 CANTERBURY**

Room/suite

City or town, state, and ZIP code

**LEAWOOD****KS 66206**

A Employer identification number

**43-1575852**

B Telephone number (see page 10 of the instructions)

**913-901-0575**C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the  
85% test, check here and attach computation ☐E If private foundation status was terminated under  
section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination  
under section 507(b)(1)(B), check here ☐H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end  
of year (from Part II, col (c),  
line 16) **\$ 642,176**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)

		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	6,955	6,955		
	4 Dividends and interest from securities	7,783	7,783		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 <b>Stmt 1</b>	27,983			
	b Gross sales price for all assets on line 6a <b>193,627</b>				
	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				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) <b>Stmt 2</b>	432			
	12 Total. Add lines 1 through 11	43,153	14,738	0	
	13 Compensation of officers, directors, trustees, etc	24,000	6,000		18,000
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) <b>See Stmt 3</b>	45			45
	b Accounting fees (attach schedule) <b>Stmt 4</b>	1,875	938		937
	c Other professional fees (attach schedule) <b>Stmt 5</b>	4,480	2,240		2,240
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) <b>Stmt 6</b>	48	48		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch)				
	24 Total operating and administrative expenses. Add lines 13 through 23	30,448	9,226		21,222
	25 Contributions, gifts, grants paid	31,565			31,565
	26 Total expenses and disbursements. Add lines 24 and 25	62,013	9,226	0	52,787
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-18,860			
	b Net investment income (if negative, enter -0-)		5,512		
	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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<b>Part II Balance Sheets</b>		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
<b>Assets</b>	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	94,090	58,342	58,342
	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 (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) Stmt 7	150,546	60,547	63,012
	b	Investments—corporate stock (attach schedule) See Stmt 8	327,972	385,419	459,317
	c	Investments—corporate bonds (attach schedule) See Stmt 9		51,582	53,094
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) See Statement 10	10,424	8,282	8,411
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶ See Statement 11 )	7,292	7,292	
	16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	590,324	571,464	642,176
<b>Liabilities</b>	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	<b>Total liabilities</b> (add lines 17 through 22)	0	0	
<b>Net Assets or Fund Balances</b>		<b>Foundations that follow SFAS 117, check here ▶</b> <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		<b>Foundations that do not follow SFAS 117, check here ▶</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 31.</b>			
	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	590,324	571,464	
	30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	590,324	571,464	
	31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	590,324	571,464	

**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	590,324
2	Enter amount from Part I, line 27a	2	-18,860
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	571,464
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5)—Part II, column (b), line 30	6	571,464

**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 <b>N/A</b>				
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)			2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	
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				

**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.

(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	69,300	736,927	0.094039
2007	66,209	863,611	0.076665
2006	65,333	796,593	0.082016
2005	64,520	800,060	0.080644
2004	47,570		
2 Total of line 1, column (d)			2 0.333364
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 0.083341
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 591,337
5 Multiply line 4 by line 3			5 49,283
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 55
7 Add lines 5 and 6			7 49,338
8 Enter qualifying distributions from Part XII, line 4			8 52,787
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)**

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	<b>55</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>55</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>55</b>
<b>6</b>	Credits/Payments		
<b>a</b>	2009 estimated tax payments and 2008 overpayment credited to 2009	<b>6a</b>	<b>94</b>
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	<b>94</b>
<b>8</b>	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	<b>10</b>	<b>39</b>
<b>11</b>	Enter the amount of line 10 to be Credited to 2010 estimated tax <b>39</b> Refunded	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		<b>X</b>
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <b>\$</b> (2) On foundation managers <b>\$</b>		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b>		
<b>2</b> 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		<b>X</b>
<b>3</b> 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		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		<b>X</b>
<b>6</b> 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?	<b>X</b>	
<b>7</b> 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	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>KS</b>		
<b>b</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	<b>X</b>	
<b>9</b> 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		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

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		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	13	<b>X</b>	
14	The books are in care of ► <b>TAXMASTERS, INC</b> <b>11305 HICKMAN MILLS DRIVE</b> Located at ► <b>KANSAS CITY, MO</b>	Telephone no ► <b>816-763-5680</b> ZIP+4 ► <b>64134</b>		
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		► <input type="checkbox"/>

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days )	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<b>N/A</b> ► <input type="checkbox"/>	
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?	<b>N/A</b>	
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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 )	<b>N/A</b>	
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009 )	<b>N/A</b>	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		<b>X</b>
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?		<b>X</b>

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

<p><b>5a</b> During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes?</p> <p>(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)</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?</p> <p><b>b</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</p> <p><b>c</b> 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? If "Yes," attach the statement required by Regulations section 53.4945-5(d)</p> <p><b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</p> <p><b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870</p> <p><b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?</p> <p><b>b</b> If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>N/A</b> <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>N/A</b></p>	<p><b>5b</b></p> <p><b>6b</b></p> <p><b>7b</b></p>	<p><b>X</b></p>
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**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
CHARLOTTE HILL 9311 CANTERBURY LEAWOOD KS 66206	TRUSTEE	20.00	24,000	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

**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

1 N/A	Amount
2	
All other program-related investments See page 24 of the instructions	
3	
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	523,757
b	Average of monthly cash balances	1b	76,585
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	600,342
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	600,342
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	9,005
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	591,337
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	29,567

**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	29,567
2a	Tax on investment income for 2009 from Part VI, line 5	2a	55
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	55
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	29,512
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	29,512
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	29,512

**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	52,787
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	52,787
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	55
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	52,732

**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				29,512
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	47,902			
b From 2005	24,913			
c From 2006	25,807			
d From 2007	23,276			
e From 2008	32,646			
f Total of lines 3a through e	154,544			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 52,787				
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				29,512
e Remaining amount distributed out of corpus	23,275			
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	177,819			
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)	47,902			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	129,917			
10 Analysis of line 9				
a Excess from 2005	24,913			
b Excess from 2006	25,807			
c Excess from 2007	23,276			
d Excess from 2008	32,646			
e Excess from 2009	23,275			



**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)				
<b>a</b> Paid during the year <b>See Statement 12</b>				<b>31,565</b>
<b>Total</b>			<b>▶ 3a</b>	<b>31,565</b>
<b>b</b> Approved for future payment <b>N/A</b>				
<b>Total</b>			<b>▶ 3b</b>	

## 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	6,955	
4	Dividends and interest from securities			14	7,783	
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					27,983
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b	<b>CLASS ACTION SETTLEMENT</b>					432
c						
d						
e						
12	Subtotal Add columns (b), (d), and (e)		0		14,738	28,415
13	Total. Add line 12, columns (b), (d), and (e)				13	43,153

(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]

**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

(2) Other assets

**b** Other transactions

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees

**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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		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 \_\_\_\_\_

Title

Preparer's  
signature

ANH TRAN, JD, LLM

Date \_\_\_\_\_

08/03/10

Check if self-employed ► ☐

Preparer's identifying  
number (see **Signature** on  
page 30 of the instructions)  
**P00093317**

Firm's name (or yours if self-employed), address, and ZIP code

**TaxMasters Inc.**  
**11305 Hickman Mills Drive**  
**Kansas City, MO 64134**

EIN ▶ **43-1553386**

Phone no **816-763-5680**

Form **990-PF** (2009)

## Federal Statements

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

Description	Whom Sold	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
PARAGON CAPITAL-SEE ATTACHED SCHEDULE	Various	Various	Various	140,972 \$	137,946 \$				3,026
PARAGON CAPITAL-SEE ATTACHED SCHEDULE	Various	Various	Various	52,655	27,698				24,957
Total				193,627 \$	165,644 \$		0 \$	0	27,983

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
CLASS ACTION SETTLEMENT	\$ 432	\$	\$
Total	\$ 432	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Legal Fees	\$ 45	\$	\$	45
Total	\$ 45	\$ 0	\$ 0	45

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 1,875	\$ 938	\$	937
Total	\$ 1,875	\$ 938	\$ 0	937

## Federal Statements

Statement 5 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT ADVISORY FEES	\$ 4,480	\$ 2,240	\$	\$ 2,240
Total	\$ 4,480	\$ 2,240	\$ 0	\$ 2,240

Statement 6 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES PAID	\$ 48	\$ 48	\$	\$
Total	\$ 48	\$ 48	\$ 0	\$ 0



43-1575852

**Federal Statements**

FYE: 12/31/2009

**Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GOVERNMENT BONDS	\$ 150,546	\$ 60,547	Cost	\$ 63,012
Total	\$ 150,546	\$ 60,547		\$ 63,012

**Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
COMMON STOCK	\$ 327,972	\$ 360,258	Cost	\$ 434,077
PREFERRED STOCK		25,161	Cost	25,240
Total	\$ 327,972	\$ 385,419		\$ 459,317

**Statement 9 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORPORATE BONDS	\$	\$ 51,582		\$ 53,094
Total	\$ 0	\$ 51,582		\$ 53,094

**Statement 10 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GNMA	\$ 10,424	\$ 8,282	Cost	\$ 8,411
Total	\$ 10,424	\$ 8,282		\$ 8,411

**Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
INCOME RECEIVABLE	\$ 7,292	\$ 7,292	\$
Total	\$ 7,292	\$ 7,292	\$ 0

## Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year

Name	Address	Relationship	Status	Purpose	Amount
ADVOCATE CARE SERVICES					
AMERICAN DIABETES					
AMORC-NEFERTITI LODGE					200
API					
ASPCA					
AUDABON SOCIETY					200
BURGE BIRD RESCUE					200
DEAF CULTURAL CENTER					
DEFENDERS OF WILDLIFE					200
ENVIRONMENTAL DEFENSE					200
EVANGEL TEMPLE					
FRIENDS OF ZOO					75
HOSPITALIZED VETERANS WRI					130
HUMANE SOCIETY OF GREATER					
HUMANE SOCIETY OF US					200
IFAW					300
INSTITUTE OF NOETIC SCIEN					50
IPAW					200
					12

## Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
JOHNSON COUNTY MISSING CT					
KCPT					
KCUR					5,500
NATIONAL DEFENSE					
NATIONAL WILDLIFE FUND					200
NEFERTITI LODGE					300
NELSON GALLERY					250
OES ROSEBURG					100
ORDER OF EASTERN STAR					
PARALYZED VETS					
PAWS FOR FREEDOM					5,000
PLANNED PARENTHOOD					200
PRESBYTERIAN MANOR					50
RENAISSANCE WEST					100
SANCTUM LUX					200
SEA TURTLE INC					
SERTOMA					
SILENT UNITY					

## Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
SOUTHWEST BLVD HEALTH CAR					1,000
ST LOUIS LODGE					300
ST MARYS UNIVERSITY					5,000
UMKC SCHOLARSHIPS					10,000
UNITY TEMPLE					100
UNIVERSITY OF ST MARY					
USUS					
VETERANS OF FOREIGN WARS					250
WAYSIDE WAIFS					100
WORLD MINISTRY					560
WORLD WILDLIFE FUND					200
Total					31,565

**PARAGON CAPITAL MANAGEMENT, LLC**

**REALIZED GAINS AND LOSSES  
KENNETH C. HILL FOUNDATION  
5019-4740**

*From 01-01-09 Through 12-31-09*

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
05-01-03	01-20-09	129	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0.199344100000 5.500% Due 05-20-33	134	129		-5
04-07-08	02-02-09	90,000	FEDERAL FARM CR BKS CONS 4.830% Due 04-14-15	90,000	90,000	0	
05-01-03	02-20-09	112	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0.199344100000 5 500% Due 05-20-33	117	112		-4
11-27-00	02-25-09	150	EXXON MOBIL CORPORATION	2,370	10,947		8,576
11-27-00	03-12-09	25	EXXON MOBIL CORPORATION	395	1,656		1,261
05-01-03	03-20-09	157	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0 199344100000 5 500% Due 05-20-33	163	157		-6
05-01-03	04-20-09	160	GNMA II 003390 5.5%33 DUE 05/20/33 FACTOR= 0.199344100000 5 500% Due 05-20-33	167	160		-6
11-27-00	04-30-09	250	ENTERGY CORP NEW	10,227	16,104		5,877
05-01-03	05-20-09	132	GNMA II 003390 5.5%33 DUE 05/20/33 FACTOR= 0.199344100000 5 500% Due 05-20-33	137	132		-5
05-27-09	05-27-09	0	HARRIS STRATEX NTWRKS CL A	3	3	0	
05-27-09	06-02-09	49	HARRIS STRATEX NTWRKS CL A	252	270	17	
05-01-03	06-20-09	197	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0.199344100000 5 500% Due 05-20-33	204	197		-7
05-01-03	07-20-09	185	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0 199344100000 5.500% Due 05-20-33	192	185		-7
05-01-03	08-20-09	166	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0.199344100000 5 500% Due 05-20-33	172	166		-6
03-29-06	09-01-09	50	HELMERICH & PAYNE INC	1,757	1,643		-113
07-26-06	09-01-09	150	HELMERICH & PAYNE INC	4,168	4,930		762
05-01-03	09-20-09	233	GNMA II 003390 5.5%33 DUE 05/20/33 FACTOR= 0.199344100000 5.500% Due 05-20-33	242	233		-9
04-28-04	10-13-09	400	GARMIN LTD	6,635	15,308		8,673
05-01-03	10-20-09	198	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= 0 199344100000 5.500% Due 05-20-33	206	198		-7

**PARAGON CAPITAL MANAGEMENT, LLC****REALIZED GAINS AND LOSSES  
KENNETH C. HILL FOUNDATION  
5019-4740***From 01-01-09 Through 12-31-09*

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
05-01-03	11-20-09	170	GNMA II 003390 5.5%33 DUE 05/20/33 FACTOR= 0.199344100000 5.500% Due 05-20-33	177	170		-6
05-13-09	12-08-09	50,000	MEDTRONIC INC 1.5%11 CONV NOTES DUE 04/15/11 1.500% Due 04-15-11	47,691	50,700	3,008	
05-01-03	12-20-09	216	GNMA II 003390 5 5%33 DUE 05/20/33 FACTOR= , 0.199344100000 5 500% Due 05-20-33	224	216		-8
TOTAL GAINS						3,026	25,150
TOTAL LOSSES						0	-193
TOTAL REALIZED GAIN/LOSS						3,026	24,957
		27,983		165,643	193,627		