



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



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

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 , 2009, and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation SCHOWALTER FOUNDATION, INC.		A Employer identification number 48-0623544
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 900 N POPLAR		B Telephone number (see the instructions) (316) 283-3720
	City or town State ZIP code NEWTON KS 67114		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 ☐
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 15,915,812.			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)			

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc. received (att sch)				
2 Ck ☒ if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	1,755.	1,755.		
4 Dividends and interest from securities	202,806.	202,806.		
5a Gross rents	591,500.	591,500.		
b Net rental income or (loss)		L-6a Stmt		
6a Net gain/(loss) from sale of assets not on line 10	-123,385.			
b Gross sales price for all assets on line 6a	1,554,828.			
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				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule) OIL & GAS ROYALTY	257,919.	257,919.		
12 Total. Add lines 1 through 11	930,595.	1,053,980.		
13 Compensation of officers, directors, trustees, etc	53,935.	32,361.		21,574.
14 Other employee salaries and wages				
15 Pension plans, employee benefits	14,688.	8,813.		5,875.
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) L-16b Stmt	9,165.	6,874.		2,291.
c Other prof fees (attach sch) L-16c Stmt	2,575.	257.		2,318.
17 Interest	4,563.	4,563.		
18 Taxes (attach schedule)(see instr) See Line 18 Stmt	63,046.	47,436.		1,383.
19 Depreciation (attach sch) and depletion	12,895.	12,895.		
20 Occupancy	7,200.	4,320.		2,880.
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	129,285.	124,972.		4,313.
24 Total operating and administrative expenses. Add lines 13 through 23	297,352.	242,491.		40,634.
25 Contributions, gifts, grants paid	701,355.			701,355.
26 Total expenses and disbursements. Add lines 24 and 25	998,707.	242,491.		741,989.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-68,112.			
b Net investment income (if negative, enter -0-)		811,489.		
c Adjusted net income (if negative, enter -0-)				

P.D.

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	419,868.	351,591.	351,591.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use	18,953.	32,029.	32,029.
	9 Prepaid expenses and deferred charges		6,773.	6,773.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis	1,448,067.		
Less: accumulated depreciation (attach schedule) L-11 Stmt	529,870.	931,091.	918,197.	
12 Investments — mortgage loans				
13 Investments — other (attach schedule) L-13 Stmt	5,417,945.	6,426,779.	6,426,779.	
14 Land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe COOP EQUITY ACCTS)	35,949.	38,898.	38,898.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	6,823,806.	7,774,267.	15,915,812.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses	25,482.	33,643.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)	73,600.	56,826.	
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	99,082.	90,469.	
N E T A S S E T S O R F U N D B A L A N C E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☒			
	24 Unrestricted	6,724,724.	7,683,798.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☐			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	6,724,724.	7,683,798.	
	31 Total liabilities and net assets/fund balances (see the instructions)	6,823,806.	7,774,267.	

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	6,724,724.
2 Enter amount from Part I, line 27a	2	-68,112.
3 Other increases not included in line 2 (itemize) UNREALIZED GAINS	3	1,027,186.
4 Add lines 1, 2, and 3	4	7,683,798.
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	7,683,798.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a MENNONITE FOUNDATION INVESTMENTS		P	Various	Various
b EDWARD JONES INVESTMENTS		P	Various	Various
c FIRST NATIONAL BANK OF HUTCHINSON INVESTMENTS		P	Various	Various
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 657,715.		691,078.	-33,363.
b 698,101.		692,380.	5,721.
c 199,011.		294,755.	-95,744.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-33,363.
b 0.	0.	0.	5,721.
c			-95,744.
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	-123,386.
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 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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	639,163.	15,777,144.	0.040512
2007	595,738.	13,247,076.	0.044971
2006	603,109.	12,504,103.	0.048233
2005	551,205.	11,987,487.	0.045982
2004	539,770.	11,705,791.	0.046111

2 Total of line 1, column (d)	2	0.225809
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	0.045162
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	14,892,781.
5 Multiply line 4 by line 3	5	672,588.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,115.
7 Add lines 5 and 6	7	680,703.
8 Enter qualifying distributions from Part XII, line 4	8	741,989.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	8,115.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	8,115.
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	8,115.
6 Credits/Payments:			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	21,000.	
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	21,000.	
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	12,885.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	8,400.	Refunded 4,485.

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XIV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions)		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		X

BAA

Form 990-PF (2009)

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address <u>N/A</u>				
14	The books are in care of <u>JERRE BONTRAGER</u> Telephone no. <u>(316) 283-3720</u>			
Located at <u>900 N POPLAR, NEWTON, KS</u> ZIP + 4 <u>67114</u>				
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 <u>15</u>			

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

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

	Yes	No
1 a 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1 b	
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?	1 c	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 <u>20 08</u> , <u>20</u> , <u>20</u> , <u>20</u> .		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.)	2 b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u> .		
3 a 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.)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	X

BAA

Form 990-PF (2009)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

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

6b

If 'Yes' to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No

7b

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JERRE BONTRAGER 125 ERB ST HESSTON KS 67062	PRESIDENT 40.00	53,935.	14,688.	0.
MITCHELL KINGSLEY 313 CAMPUS DRIVE BLUFFTON OH 45817	CHAIRMAN 5.00	0.	0.	0.
EUGENE UNRUH 02304 W ROAD COPELAND KS 67837	VICE-CHAIR 5.00	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc.		0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

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

None

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 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		None

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	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	None

BAA

Form 990-PF (2009)

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	5,786,909.
b Average of monthly cash balances	1b	201,230.
c Fair market value of all other assets (see instructions)	1c	9,131,436.
d Total (add lines 1a, b, and c)	1d	15,119,575.
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	15,119,575.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	226,794.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	14,892,781.
6 Minimum investment return. Enter 5% of line 5	6	744,639.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	744,639.
2a Tax on investment income for 2009 from Part VI, line 5	2a	8,115.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	8,115.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	736,524.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	736,524.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	736,524.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	741,989.
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	741,989.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	8,115.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	733,874.

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 instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				736,524.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			762,335.	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 741,989.			741,989.	
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus	0.			
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	0.			
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				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount — see instructions			20,346.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010.				736,524.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	0.			
e Excess from 2009	0.			

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a</i> Paid during the year SCHEDULE ATTACHED		SEE SCH	SEE SCHEDULE	701,355.
Total			3a	701,355.
<i>b</i> Approved for future payment				
Total			3b	

**Form 990-PF
Part I, Line 6a**

Net Gain or Loss From Sale of Assets

2009

Name SCHOWALTER FOUNDATION, INC.	Employer Identification Number 48-0623544
--	---

Asset Information:

Description of Property: <u>MARKETABLE SECURITIES</u>	
Date Acquired: <u>Various</u>	How Acquired: <u>Purchased</u>
Date Sold: <u>Various</u>	Name of Buyer: _____
Sales Price: <u>1,554,828.</u>	Cost or other basis (do not reduce by depreciation) <u>1,678,213.</u>
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): <u>-123,385.</u>	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Description of Property: _____	
Date Acquired: _____	How Acquired: _____
Date Sold: _____	Name of Buyer: _____
Sales Price: _____	Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____	Valuation Method: _____
Total Gain (Loss): _____	Accumulation Depreciation: _____

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
FARM PROPERTY TAX	22,016.	22,016.		
OIL & GAS PROPERTY TAX	23,345.	23,345.		
PAYROLL TAX	3,458.	2,075.		1,383.
EXCISE TAX 990PF	8,123.			
EXCISE TAX 4720	6,104.			
Total	63,046.	47,436.		1,383.

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
FERTILIZER	52,417.	52,417.		
OTHER FARM EXPENSE	47,629.	47,629.		
OFFICE EXPENSE & GENERAL	2,212.	1,327.		885.
TRUSTEE EXPENSE	3,145.	315.		2,830.
INSURANCE	2,390.	1,792.		598.
IRRIGATION	21,492.	21,492.		
Total	129,285.	124,972.		4,313.

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person ☒ Business ☐ HEBER RAMER 502 W 15TH HARPER KS 67058	SECRETARY 5.00	0.	0.	0.
Person ☒ Business ☐ SUE ANN JANTZ 116 E BROADWAY NEWTON KS 67114	TREASURER 5.00	0.	0.	0.
Person ☒ Business ☐ WILLIAM KOEHN 0150 ZEBU BURNS KS 66840	DIRECTOR 5.00	0.	0.	0.
Person ☒ Business ☐ RON GOERTZEN 1008 ROAD D HENDERSON NE 68371	DIRECTOR 5.00	0.	0.	0.

Total

0. 0. 0.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
KNUDSEN MONROE & CO	AUDIT	9,165.	6,874.		2,291.
Total		<u>9,165.</u>	<u>6,874.</u>		<u>2,291.</u>

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
VARIOUS	APPRAISAL SERVICES	2,575.	257.		2,318.
Total		<u>2,575.</u>	<u>257.</u>		<u>2,318.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
CERTIFICATES OF DEPOSIT	51,525.	51,525.
TEMPORARY INVESTMENTS	306,844.	306,844.
MUTUAL FUNDS	4,407,918.	4,407,918.
GOVERNMENT SECURITIES	266,020.	266,020.
BONDS	246,240.	246,240.
STOCKS	1,148,232.	1,148,232.
Total	<u>6,426,779.</u>	<u>6,426,779.</u>

Form 990-PF, Page 2, Part II, Line 11

L-11 Stmt

Line 11b - Description of Investments Land, Buildings and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
REAL ESTATE	849,916.	0.	849,916.
MINERAL INTEREST	182,077.	148,157.	33,920.
FARM PROPERTY & EQUIPMENT	408,139.	374,443.	33,696.
OFFICE FURNITURE & EQUIPMENT	7,935.	7,270.	665.
Total	<u>1,448,067.</u>	<u>529,870.</u>	<u>918,197.</u>

Grants Approved & Paid Report

Spring 2009

Grant #	Grant Applicants & Projects	Approved	Check No.	Date & Address
	Church of God in Christ, Mennonite		9417	5-22-2009
A-1-09	Emeritus Aid Fund * (\$7,500 Church Grant)	10,000.00	Church of God in Christ, Mennonite	
A-2-09	Teach Biblical Non-Resistance as Lifestyle	5,000.00	PO Box 313	
A-3-09	Publish Youth Gospel Lesson for Missions	15,000.00	Moundridge, KS 67107	
A-4-09	CSI, Assist in Healthcare in Rural Russian Clinics	5,000.00		
A-5-09	Build Dam/Assist w School Const. Mozambique	12,500.00		
A-6-09	Rebuild Hurricane Damaged Homes, Haiti	10,000.00		
A-7-09	Assist w "way finding" Mission in Houston, TX	10,000.00		
A-8-09	Rebuild Flood Damaged Homes, Louis Co. WA	10,000.00		
A-9-09	Board Motion - General Grant	15,000.00		
	Mennonite Church USA		9418	5-22-2009
A-10-09	MC USA Executive Director Search Process	15,000.00	Mennonite Church USA	
			PO Box 1245	
			Elkhart, IN 46515-1245	
	Bethel College		9419	5-22-2009
A-11-09	International Student Scholarships	40,000.00	Bethel College	
			300 E. 27th St.	
			North Newton, KS 67117	
	Bluffton University		9421	5-22-2009
A-12-09	International Student Scholarships	40,000.00	Bluffton University	
			1 University Drive	
			Bluffton, OH 45817	
	Goshen College		9422	5-22-2009
A-13-09	International Student Scholarships	40,000.00	Goshen College	
			1700 S. Main Street	
			Goshen, IN 46526	
	Hesston College		9423	5-22-2009
A-14-09	International Student Aid Fund	40,000.00	Hesston College	
			PO Box 3000	
			Hesston, KS 67062	
	Associated Mennonite Biblical Seminary		9424	5-22-2009
A-15-09	J. A. Schowalter Seminary Scholarship	20,000.00	Assoc. Mennonite Biblical Seminary	
A-16-09	Pastoral Ministry Scholarship	20,000.00	3003 Benham Avenue	
			Elkhart, IN 46517-1999	
	Mennonite Central Committee		9425	5-22-2009
A-17-09	Create Spanish Study Guide on Cluster Munitions	3,000.00	Mennonite Central Committee	
			Box 235	
			North Newton, KS 67116	
	Mennonite Mission Network		9426	5-22-2009
A-18-09	Chaco Indigenous Accompaniment Book	2,000.00	Mennonite Mission Network	
A-19-09	China High School Tuition (3rd & last year of grant)	3,375.00	PO Box 370	
A-20-09	China Church-Run Drug Rehab Ministry	5,000.00	Elkhart, IN 46515-0370	
A-21-09	Korean Edition of <i>Changing Lenses</i>	5,000.00		
A-22-09	Bolivia Teaching Children and Youth	5,000.00		
A-23-09	Living Water Church Ministries, Thailand	10,000.00		
A-24-09	Trauma Counseling for Sichuan Earthquake Area	10,000.00		
A-25-09	Argentina Leadership/Mission Outreach	6,000.00		

Grant #	Grant Applicants & Projects	Approved	Check No	Date & Address
	Mennonite Church Historical Committee		9427	5-22-2009
A-26-09	Upgrade Online Anbaptist Menno Encyclopedia	3,500.00	Mennonite Church Historical Committee	
			1700 S. Main St.	
			Goshen, IN 46526	
	Offenders Victims Ministries		9428	5-22-2009
A-27-09	Rent Subsidy	3,110.00	Offender/Victim Ministries	
A-28-09	Board Motion Grant - Gen. Support of OVM	10,000.00	900 N. Poplar, Ste 200	
			Newton, KS 67114	
	Hopi Mission School		9429	5-22-2009
A-29-09	Assist w Const. of Volunter Center/Dormitory	7,000.00	Hopi Mission School	
			PO Box 39	
			Kykotsmovi, AZ 86039	
	King of Glory Mennonite Church / Mennonite Men		9430	5-22-2009
A-30-09	Assist Const. Church Worship/Comm. Center	15,000.00	Mennonite Men USA	
			PO Box 347	
			Newton, KS 67114	
	Africa Inter-Mennonite Mission		9431	5-22-2009
A-31-09	Publish Book on Congolese Christian Witness	6,500.00	Africa Inter Mennonite Mission	
			PO Box 744	
			Goshen, IN 46527	
	Nazareth Project		9432	5-22-2009
A-32-09	Funds for Nursing Merit Scholarship Program	10,000.00	Nazareth Project, Inc.	
			237 North Prince Street	
			Lancaster, PA 17603	
	Total of Grants Requested	411,985.00		

Grants Approved Audit Report

Fall 2009

Gant #	Grant Applicants & Projects	Approved	Check No	Date & Address
	Church of God in Christ, Mennonite		9556	12-14-2009
B-1-09	Emeritus Aid Fund * (\$7,500 is denomination grant)	10,000.00	Church of God in Christ, Mennonite	
B-2-09	Construction of a Storage Building	10,000.00	PO Box 313	
B-3-09	Elderly Housing/Medical Needs in China	10,000.00	Moundridge, KS 67107	
B-4-09	Missionary Language Study on Location -Ethiopia	5,000.00		
B-5-09	Missionary Language Study on Location -Malawi, Africa	6,000.00		
B-6-09	Repair Hurricane Damaged Homes / School, Haiti	10,000.00		
B-7-09	Support for Service Unit in Vernonia, Oregon	10,000.00		
B-8-09	Peace and Social/Legal Issues Counseling and Lectures	15,000.00		
B-9-09	Printing of Tracts & Other Printing Projects, China	10,000.00		
B-10-09	Start up costs for Tract Work in Cameroon, Africa	15,000.00		
	Mennonite Church USA		9557	12-14-2009
B-11-09	Joanna Shenk MVS and Employment Arrangement	6,000.00	Mennonite Church USA	
B-12-09	Follow up of (3) Resolutions from MC USA Convention	9,000.00	PO Box 1245	
			Elkhart, IN 46515-1245	
	Mennonite Central Committee		9558	12-14-2009
B-13-09	Restorative Justice Practitioners Networking & Renewal	6,750.00	Mennonite Central Committee	
			PO Box 500	
			Akron, PA 17501-0500	
	Mennonite Mission Network		9559	12-14-2009
B-14-09	Urban Expression Church Planting Development Project	13,260.00	Mennonite Mission Network	
B-15-09	Joint Christian Services Building Project	8,000.00	PO Box 370	
B-16-09	China Seminary Student Internship	5,000.00	Elkhart, IN 46515-0370	
B-17-09	China Lay Leadership Training Courses	8,000.00		
B-18-09	Menno Village, Hokkaido, Japan	5,000.00		
B-19-09	Paraguay Leadership Development and Evangelism	6,000.00		
B-20-09	TV Documentary on Christian and Muslim Peacemaking	15,000.00		
	Western District Conference		9560	12-14-2009
B-21-09	Print Church Membership Materials for Spanish Churches	4,950.00	Western District Conference	
			PO Box 306	
			N. Newton, KS 67117	
	South Central Mennonite Conference		9561	12-14-2009
B-22-09	Conference Growth through Sharing Church Histories	6,000.00	South Central Conference	
			PO Box 564	
			Hesston, KS 67062	
	Mennonite Men		9562	12-14-2009
B-23-09	Structural repair needs-Church of the Overcomer, PA	15,000.00	Mennonite Men USA	
			PO Box 347	
			Newton, KS 67114	
	Mennonite Women		9563	12-14-2009
B-24-09	Update Sister-Care w/ cultural/racial awareness issues	7,000.00	Mennonite Women USA	
			PO Box 347	
			Newton, KS 67114	
	Bethel College		9564	12-14-2009
B-25-09	Anniversary Celebration-Dr. King's visit to Bethel College	6,000.00	Bethel College	
			300 E. 27th St.	
			North Newton, KS 67117	

Gant #	Grant Applicants & Projects	Approved	Check No	Date & Address
	Nueva Vida Norristown New Life Mennonite Church		9565	12-14-2009
B-26-09	Upgrading Youth/Community Center facilities	5,000.00		Nueva Vida Norristown New Life Mennonite Church
				3 E Marshall Street
				Norristown, PA 19401
	Anabaptist Disabilities Network		9566	12-14-2009
B-27-09	Promote Inclusion of Disabled Persons in Congregations	10,000.00		Anabaptist Disabilities Network
				PO Box 959
				Goshen, IN 46527
	Offender/Victim Ministries		9567	12-14-2009
B-28-09	Rent Subsidy	3,110.00		Offender/Victim Ministries
B-29-09	Assist with Costs of Prison Arts Drama Presentation	2,000.00		900 N. Poplar St, Ste 200
				Newton, KS 67114
B-30-09	American Bible Society	1,000.00	9568	12-14-2009
				American Bible Society
				Charles E. Krueger
				1865 Broadway
				New York, NY 10023
B-31-09	United Way of Harvey County	250.00	9569	12-14-2009
				United Way of Harvey County
				103 E. Broadway
				Newton, KS 67114
	Harvey County Homeless Shelter		9570	12-14-2009
B-32-09	Renovate kitchen to extend community meal distribution	16,800.00		Harvey County Homeless Shelter, Inc.
				P.O. Box 978
				Newton, KS 67114
	Trinity Heights Respite Care, Inc		9571	12-14-2009
B-33-09	Volunteer to design/implement a volunteer program	1,850.00		Trinity Heights Respite Care, Inc.
				PO Box 232
				Newton, KS 67114
	St. Matthews Representative Payee Program		9572	12-14-2009
B-34-09	Manage disability benefits for Harvey Co Disabled	5,000.00		St. Matthews Representative Payee Program
				PO Box 342
				Newton, KS 67114
	The Associated Churches of Moundridge		9573	12-14-2009
B-35-09	Community backed Project to improve Community Life	2,000.00		The Associated Churches of Moundridge
				C/o Eden Mennonite Church Office
				109 E Hirschler St., Box 408
				Moundridge, KS 67107
	Peace Connections		9574	12-14-2009
B-36-09	"Getting Ahead" classes for persons w/ limited resources	7,500.00		Peace Connections
				C/o Myrna Krehbiel
				612 N. Main
				Newton, Kansas 67114
	Valley Brethren-Mennonite Heritage Center		9575	12-14-2009
B-37-09	Preservation Repairs to Burkholder-Myers House	5,000.00		Valley Brethren-Mennonite Heritage Center
				1921 Heritage Center Way
				PO Box 1563
				Harrisonburg, VA 22803

[illegible]

The Schowalter Foundation

Newton, Kansas

Mission Statement:

The Schowalter Foundation began in 1954 upon the implementation of J. A. Schowalter's will. His desire was to create a foundation to support programs developed by three Mennonite denominations: General Conference Mennonite Church, Mennonite Church, and Church of God in Christ, Mennonite. The General Conference Mennonite Church and the Mennonite Church have since combined into the Mennonite Church USA. Schowalter Foundation board members are chosen from among these two Mennonite Church denominations.

Schowalter Foundation is committed to generating income within the bounds of Christian ethics as defined by the Mennonite Church USA, and the Church of God in Christ, Mennonite. The Foundation strives to maintain low overhead and prevent the dissipation of assets, while using its resources to challenge, encourage, and stimulate further outreach and witness.

Funding Policies:

Priority consideration is given to grant requests originating from the two Mennonite denominations and their institutions. These include relief organizations, overseas and home missionary endeavors, peace and social concerns, feeding the hungry, and such other programs as are initiated and carried on by official boards and committees of those denominations. Also included in this category are agencies directly or indirectly related to the two denominations such as colleges, seminaries, and the Mennonite Central Committee.

Grant requests that originate outside the two Mennonite denominations may qualify. However, in those instances, local requests and geographical proximity to Newton, Kansas are taken into account.

The Foundation is interested in projects that need seed money grants for start-up costs related to new programs which have broad application.

The Board of Directors may, in its discretion, offer grants with "strings"—those which generate additional funding, such as matching grants or challenge grants. It may also fund causes which are initiated by board members.

Only entities with IRS tax-exempt status (**documentation required**) may receive Schowalter grants.

All grant requests are due March 1 and September 1 of each year. Grant requests not received by those deadlines may not be considered. An applicant may be asked to resubmit the request for the next upcoming deadline.

Please observe the following guidelines when applying for a grant:

- The grant application must be on the Foundation grant form or use the Foundation's format.
(Grant applications not using the Foundation's format will be asked to resubmit their application or may not be considered.)
- Should not exceed two pages.
- Should not be numbered.
- TWO COPIES of the grant application must be submitted**
- Please, DO NOT STAPLE**
- Please, DO NOT HOLE PUNCH**

Schowalter Foundation **does not** fund the following categories:

1. Endowments
2. Fellowships and travel grants, loans or scholarship assistance to individuals.
3. Grants outside the United States and its possessions.
4. Private elementary or secondary schools or equipment for such schools.
5. Retirement centers or equipment relating to such centers.