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

OMB No 1545-0052

2009

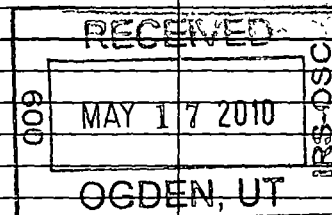
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year **2009**, or tax year beginning , **2009**, and ending , **20**

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 OTTER ISLAND FOUNDATION		A Employer identification number 76-0421104
	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) (713) 622-0016
	700 LOUISIANA, STE. 1900		
	City or town, state, and ZIP code HOUSTON, TX 77002		
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 2,335,663.		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 . <input type="checkbox"/>			
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . <input type="checkbox"/>			

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 <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments	30.	30.		
4 Dividends and interest from securities	13,970.	13,970.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	21,630.			
b Gross sales price for all assets on line 6a	21,630.			
7 Capital gain net income (from Part IV, line 2)		21,630.		
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 or (loss) (attach schedule)				
11 Other income (attach schedule)	7,308.	7,308.		
12 Total. Add lines 1 through 11	42,938.	42,938.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	32,500.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 1	7,411.	7,411.		
24 Total operating and administrative expenses. Add lines 13 through 23	39,911.	7,411.		
25 Contributions, gifts, grants paid	58,310.			58,310.
26 Total expenses and disbursements. Add lines 24 and 25	98,221.	7,411.		58,310.
27 Subtract line 26 from line 12	-55,283.			
a Excess of revenue over expenses and disbursements		35,527.		
b Net investment income (if negative, enter -0-)				
c Adjusted net income (if negative, enter -0-)			-0-	



SCANNED MAY 18 2010

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	72,638.	25,539.	25,539.
	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			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) <u>ATCH 2</u>	1,347,966.	1,339,782.	2,310,124.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶))			
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	1,420,604.	1,365,321.	2,335,663.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶))			
	23 Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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. <input checked="" type="checkbox"/> X			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,420,604.	1,365,321.	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,420,604.	1,365,321.	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,420,604.	1,365,321.	

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	1,420,604.
2 Enter amount from Part I, line 27a	2	-55,283.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,365,321.
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	1,365,321.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(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			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	21,630.	
<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px; margin-right: 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> </div>					
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3		
<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px; margin-right: 5px;"> 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. </div> </div>					

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	645,093.	4,024,678.	0.160284
2007	796,796.	5,038,553.	0.158140
2006	685,813.	5,120,605.	0.133932
2005	671,512.	4,463,096.	0.150459
2004	422,234.	3,749,545.	0.112609
2 Total of line 1, column (d)			2 0.715424
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 0.143085
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 2,081,821.
5 Multiply line 4 by line 3			5 297,877.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 355.
7 Add lines 5 and 6			7 298,232.
8 Enter qualifying distributions from Part XII, line 4			8 58,310.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		
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	1	355.
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	355.
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	355.
6 Credits/Payments		
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,292.
b Exempt foreign organizations-tax withheld at source	6b	0.
c Tax paid with application for extension of time to file (Form 8868)	6c	0.
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	1,292.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	937.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input checked="" type="checkbox"/> 937. Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
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 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
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 <input checked="" type="checkbox"/> \$ (2) On foundation managers <input checked="" type="checkbox"/> \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input checked="" type="checkbox"/> TX,		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ EEPB, PC	Telephone no ▶	713-622-0016	
Located at ▶ 1333 WEST LOOP SOUTH, STE 1400 HOUSTON, TX		ZIP + 4 ▶	77027	
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?	<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)?	1b	
Organizations relying on a current notice regarding disaster assistance check here ▶ <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?	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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "Yes," list the years ▶		
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 ▶		
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)	3b	
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

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

5 a 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)? ☐ Yes ☒ No **5 b**

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)

6 a 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 **6 b** X

If "Yes" to 6b, file Form 8870

7 a 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 **7 b** X

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
ATTACHMENT 3		32,500.	0.	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 ☐

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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 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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	2,075,461.
b	Average of monthly cash balances	1b	38,063.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	2,113,524.
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	0.
3	Subtract line 2 from line 1d	3	2,113,524.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	31,703.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,081,821.
6	Minimum investment return. Enter 5% of line 5	6	104,091.

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	104,091.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	355.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	355.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	103,736.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	103,736.
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	103,736.

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	58,310.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	58,310.
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	355.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	57,955.

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				103,736.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years 20 07, 20 06, 20 05		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004	241,493.			
b From 2005	461,173.			
c From 2006	440,737.			
d From 2007	564,648.			
e From 2008	446,443.			
f Total of lines 3a through e	2,154,494.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 58,310.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				58,310.
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))	45,426.			45,426.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,109,068.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010.				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	196,067.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	1,913,001.			
10 Analysis of line 9				
a Excess from 2005	461,173.			
b Excess from 2006	440,737.			
c Excess from 2007	564,648.			
d Excess from 2008	446,443.			
e Excess from 2009				

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Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

MATTHEW & ELLEN SIMMONS

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

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
a <i>Paid during the year</i> SEE ATTACHED LIST				58,310.
Total.			▶ 3a	58,310.
b <i>Approved for future payment</i>				
Total.			▶ 3b	

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Enter gross amounts unless otherwise indicated

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

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 29 of the instructions)

NOT APPLICABLE

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash			X
(2) Other assets			X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization			X
(2) Purchases of assets from a noncharitable exempt organization			X
(3) Rental of facilities, equipment, or other assets			X
(4) Reimbursement arrangements			X
(5) Loans or loan guarantees			X
(6) Performance of services or membership or fundraising solicitations			X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		1c	X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

Form 990-PF (2009)

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
29,844.		500 SHS SCHLUMBERGER LTD PROPERTY TYPE: SECURITIES 8,214.					06/25/1996 21,630.	12/09/2009
TOTAL GAIN(LOSS)					<u>21,630.</u>	

ATTACHMENT 1

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT FEES	4,060.	4,060.
ACCOUNTING FEES	2,101.	2,101.
BANK FEES	45.	45.
MISCELLANEOUS	1,205.	1,205.
TOTALS	<u>7,411.</u>	<u>7,411.</u>

FORM 990PF, PART II - CORPORATE STOCK

ATTACHMENT 2

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
WEATHERFORD	65,675.	304,470.
SCHLUMBERGER	185,629.	735,517.
TRANSOCEAN	317,452.	934,978.
ZIONS BANCORP	743,363.	250,903.
NATIONAL OILWELL VARCO	27,663.	84,256.
TOTALS	<u>1,339,782.</u>	<u>2,310,124.</u>

OTTER ISLAND FOUNDATION

76-0421104

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 3

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
MATTHEW R. SIMMONS 700 LOUISIANA, STE. 1900 HOUSTON, TX 77002	DIRECTOR, PRESIDENT	0.	0.	0.
ELLEN C.L. SIMMONS 700 LOUISIANA, STE. 1900 HOUSTON, TX 77002	VP, TREASURER	0.	0.	0.
WHEELER E.S. GRIFFITH 700 LOUISIANA, STE. 1900 HOUSTON, TX 77002	EXECUTIVE DIRECTOR	32,500.	0.	0.
GRAND TOTALS		<u>32,500.</u>	<u>0.</u>	<u>0.</u>

OTTER ISLAND FOUNDATION

EIN 76-0421104

CONTRIBUTIONS

1/1/2009 through 12/31/2009 (Cash Basis)

Date	Description	Memo	Amount
1/1/2009	Tanglewood 4-H Camp & Learning Center	Blueberry Cove Campaign	-5,000.00
1/1/2009	National Epilepsy Foundation	2008 Year End Contribution: In Honor of Lydia F. Simmons	-5,000.00
1/3/2009	Coastal Mountains Land Trust	Beech Nut Hill Project	-1,000.00
1/3/2009	Museum of Fine Arts, Houston	2009 Floreance (with L.E. and Ginny Simmons)	-2,500.00
2/17/2009	NAMI Metropolitan Houston	NAMI Walks 2009 - Gold Sponsor	-5,000.00
2/17/2009	The Children's Museum of Houston	2009 Parents and Families Luncheon (To be donated to AOS	-1,500.00
3/9/2009	COFAM	Junior Committee of the Fine Arts Museums of San Francisco	-6,500.00
3/19/2009	Planned Parenthood Houston	In honor of Eleanor Tinsley	-1,000.00
3/19/2009	Bud Collins Tennis Courts	International Hall of Fame: In honor of Anita & Bud Collins	-500
3/19/2009	The American-Scandinavian Foundation	2009 Contributing Associate	-150
3/19/2009	National Multiple Sclerosis Society	MS 150 Bike Ride (John Pearson)	-500
3/19/2009	National Multiple Sclerosis Society	MS 150 Bike Ride (Jack Kelly)	-100
5/8/2009	Emily K Center	Sigma Nu Auction: in honor of Chris Sanders	-600
6/11/2009	Farnsworth Art Museum	2009 Maine in America	-1,000.00
6/26/2009	Annunciation Orthodox School	Annual Fund: In Honor of Emma and Winnie Simmons	-1,000.00
6/26/2009	Cambridge Forum	Membership-Supporter Level	-150
6/26/2009	Camden Public Library	Millay Society	-1,000.00
6/26/2009	Connecticut College	Underwrite '69 Reunion Dinner	-780
6/26/2009	Friends Of Fleming Park	We Love Fleming Park! Annual Support	-100
6/26/2009	Groton School	In Honor of Abigail and Lydia Simmons '00 & 05	-1,000.00
6/26/2009	Harvard Club Of New York Foundation	2009 Supporter	-250
6/26/2009	Historic New England	2009 Supporting Membership	-200
6/26/2009	Historic New England	Annual Fund	-100
6/26/2009	NRCM	Membership: Moosehead Lake/Plum Creek issues	-1,000.00
6/26/2009	The Max Warburg Courage Curriculum, Inc.	Support in memory of Max Warburg	-500
6/26/2009	Menil Collection	2009 Associate Member	-1,000.00
6/26/2009	Merryspring Nature Center	2009 Membership Steward level	-500
6/26/2009	National Audubon Society	Puffin Project	-500
6/26/2009	Owls Head Transportation Museum	2009 Membership: Supporting level	-250
6/26/2009	Penobscot Marine Museum	2009 Annual Appeal	-1,000.00
6/26/2009	Pomfret School	in honor of Wheeler Simmons Griffith '97	-1,000.00
6/26/2009	St. George's School	Annual Fund: In Honor of Emma Simmons	-500
6/26/2009	The North Haven Foundation	2009 Annual Appeal	-1,000.00
6/26/2009	Vesterheim Norwegian-American Museum	2009 Annual Giving (In Honor of Mary Lougee Ripley)	-100
6/26/2009	Vesterheim Norwegian-American Museum	Membership renewal Supporter level	-250

Date	Description	Memo	Amount
6/26/2009	Vinalhaven Land Trust	In Honor of David and Susie Lawrence	-250
6/26/2009	Penobscot Bay YMCA	4 kids to summer camp	-580
6/26/2009	Colorado College	Annual Fund: in honor of Emma Simmons '06	-1,000.00
6/26/2009	Episcopal High School	Annual Fund: in honor of Winnie & Emma Simmons	-1,000.00
6/26/2009	Texas Christian University	Annual Support: in honor of Winifred Simmons '07	-1,000.00
6/26/2009	The Children's Fund	In honor of Huntley & Dan Kubitza	-500
6/26/2009	United Way Of The Texas Gulf Coast	2009 Annual Support	-1,000.00
6/26/2009	St. John's School	For the Olga McLaren Poetry Fund	-250
6/26/2009	North Haven Arts And Enrichment	2009 Annual Fund	-500
6/29/2009	Maine Olmsted Alliance for Parks & Landscape	in honor of Noni & Charlton Ames' 40 Anniversary	-500
6/30/2009	The Heritage Society	2009 Sponsor Membership	-500
6/30/2009	The Jung Center	2009 Membership (Donor Level)	-150
6/30/2009	The Nature Conservance	2009 Membership Renewal	-100
7/14/2009	Center For Maine Contemporary Art	32nd Annual Benefit Auction & Dinner	-800
7/14/2009	Connecticut College	Abby Simmons '04 Class Challenge	-2,500.00
8/11/2009	Trees For Houston / Boca	Tree Hugger	-150
12/16/2009	The Georges River Land Trust	2009 Annual Appeal	-250
12/16/2009	10th Mountain Division Hut Association	2010 Membership	-100
12/16/2009	Broadreach Maine	2009 Annual Fund: In Honor of Polly Chatfield	-500
12/16/2009	Buffalo Bayou Partnership	2009 Annual Fund	-500
12/16/2009	Canterbury Shaker Village	2009 Annual Fund	-100
12/17/2009	Tanzanian Children's Fund	In honor of Nano Chatfield & Emma Simmons	-1,000.00
12/18/2009	Megunticook Golf Club	History Book Project	-500
12/18/2009	Friends Of Colonial Pemaquid	Membership: House level	-100
12/18/2009	Herring Gut Learning Center	In Honor of Phyllis Wyeth	-500
12/18/2009	Houston PBS	2009 Membership Renewal	-200
12/18/2009	Mormon History Association	2010 Patron Membership	-250
12/18/2009	Rice Design Alliance	2010 Membership Renewal (Sustaining)	-500
12/18/2009	Vinalhaven Land Trust	In Honor of Susie Lawrence	-250
12/18/2009	Center For Furniture Craftsmanship	Annual Fund: Cherry level	-250
OVERALL TOTAL			-58,310.00