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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

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 changeUse the  
IRS label.  
Otherwise,  
print  
or type.  
See Specific  
InstructionsFrank A. Morbeck Community Foundation,  
Inc.  
P.O. Box 709  
Wallace, ID 83873

A Employer identification number

82-0509175

B Telephone number (see the instructions)

208 752-1154

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, column (c), line 16)

► \$ 2,942,834.

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 neces-  
sarily 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 Cl ☒ if the foundn is not req to att Sch B3 Interest on savings and temporary  
cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income  
or (loss)

6a Net gain/(loss) from sale of assets not on line 10

b Gross sales price for all  
assets on line 6a 752,262.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less  
returns and  
allowancesb Less Cost of  
goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) See St 1

b Accounting fees (attach sch) See St 2

c Other prof fees (attach sch) See St 3

17 Interest

18 Taxes (attach schedule)(see instr) See Stm 4

19 Depreciation (attach  
sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

See Statement 5

24 Total operating and administrative  
expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid Part XV

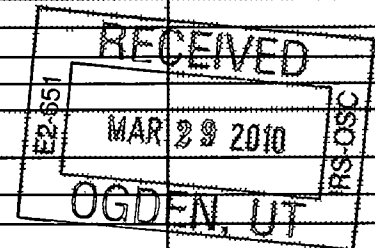
26 Total expenses and disbursements.  
Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses  
and disbursements

b Net investment income (if negative, enter -0)

c Adjusted net income (if negative, enter -0)



**Part II Balance Sheets**

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>A S S E T S</b>	1 Cash — non-interest-bearing	8,298.	11,200.	11,200.
	2 Savings and temporary cash investments			
	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			
	9 Prepaid expenses and deferred charges	3,200.	1,600.	1,600.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	3,024,235.	2,926,812.	2,930,034.
	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 <b>Total assets</b> (to be completed by all filers — see instructions. Also, see page 1, item I)	3,035,733.	2,939,612.	2,942,834.	
<b>L I A B I L I T I E S</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & 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>N E T A S S E T S O R F U N D B A L A N C E S</b>	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b>	<input type="checkbox"/>		
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b>	<input checked="" type="checkbox"/>		
	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	3,035,733.	2,939,612.	
	30 <b>Total net assets or fund balances</b> (see the instructions)	3,035,733.	2,939,612.	
	31 <b>Total liabilities and net assets/fund balances</b> (see the instructions)	3,035,733.	2,939,612.	

**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	3,035,733.
2 Enter amount from Part I, line 27a	2	-96,121.
3 Other increases not included in line 2 (itemize) _____	3	
4 Add lines 1, 2, and 3	4	2,939,612.
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	2,939,612.

**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)
1 a See Statement 6			
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			(l) 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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) <span style="float: right;">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	2 -92,673.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). <span style="float: right;">[ If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 ]</span>	3 0.

**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	171,808.	3,016,611.	0.056954
2007	178,428.	3,578,679.	0.049859
2006	160,993.	3,306,475.	0.048690
2005	182,782.	3,045,485.	0.060017
2004	105,493.	2,877,680.	0.036659

2 Total of line 1, column (d)	2 0.252179
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 0.050436
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4 2,534,618.
5 Multiply line 4 by line 3	5 127,836.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6 1,285.
7 Add lines 5 and 6	7 129,121.
8 Enter qualifying distributions from Part XII, line 4	8 129,774.

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 <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)		1	1,285.
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			
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	1,285.
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	1,285.
6 Credits/Payments.			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	1,600.	
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	1,600.	
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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	315.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 315. Refunded <input type="checkbox"/>	11	0.	

**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)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
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"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ID		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Hull &amp; Branstetter, Chartered</u> Telephone no. <u>208 752-1154</u> Located at <u>P.O. Box 709, Wallace, ID</u> ZIP + 4 <u>83873</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</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
<b>1 a</b> 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>b</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 <input type="checkbox"/>	1 b	N/A
<b>c</b> 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
<b>2</b> 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))		
<b>a</b> 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 checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> 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	N/A
<b>c</b> 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>		
<b>3 a</b> 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>b</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	N/A
<b>4 a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
<b>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?	4 b	X

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**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 N/A

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?N/A ☐ 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 X

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**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b N/A

**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
See Statement 7		650.	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				

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 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 The Foundation provides scholarships to young people and makes donations to qualified nonprofit organizations in and around the City of Wallace, Idaho to support their charitable activities.	
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 N/A	
2	
All other program-related investments See instructions.	
3	
Total. Add lines 1 through 3	0.

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**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	2,557,118.
b Average of monthly cash balances	1b	16,098.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	2,573,216.
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	2,573,216.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	38,598.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,534,618.
6 Minimum investment return. Enter 5% of line 5	6	126,731.

**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	126,731.
2a Tax on investment income for 2009 from Part VI, line 5	2a	1,285.
b Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,285.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	125,446.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	125,446.
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	125,446.

**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	129,774.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	129,774.
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	1,285.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	128,489.

**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				125,446.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			70,415.	
b Total for prior years 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 129,774.				
a Applied to 2008, but not more than line 2a			70,415.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2009 distributable amount				59,359.
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).)	0.			0.
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		0.		
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			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				66,087.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
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				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

**Part XIV Private Operating Foundations** (see instructions and Part VII-A, question 9)

N/A

1a 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	
2a 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 organization had \$5,000 or more in assets at any time during the year — see 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).)
- None

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
- None

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., (see 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.

See Statement 8

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

See Statement for Line 2a

- c Any submission deadlines.

See Statement for Line 2a

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

See Statement for Line 2a

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 9				
Total			▶ 3a	123,440.
b Approved for future payment				
Total			▶ 3b	

**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 the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion 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	1.	
4	Dividends and interest from securities			14	130,360.	
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					-92,673.
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				130,361.	-92,673.
13	Total. Add line 12, columns (b), (d), and (e)				13	37,688.

(See worksheet in the instructions for line 13 to verify calculations.)

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

[illegible]



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**Federal Supporting Detail**  
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**Balance Sheet**  
**Corporate stock (Form 990-PF)[O]**

D.A. Davidson mutual funds

Total \$ 3,024,235.  
\$ 3,024,235.

**Balance Sheet**  
**Corporate stock (Form 990-PF)[O]**

D.A. Davidson mutual funds

Total \$ 2,926,812.  
\$ 2,926,812.

**FMV of Assets (990-PF)**  
**Corporate stock [O]**

D.A. Davidson mutual funds

Total \$ 2,930,034.  
\$ 2,930,034.

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Statement 1  
Form 990-PF, Part I, Line 16a  
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal	\$ 2,973.			\$ 2,973.
Total	<u>\$ 2,973.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 2,973.</u>

Statement 2  
Form 990-PF, Part I, Line 16b  
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax return preparation	\$ 700.	\$ 700.		
Total	<u>\$ 700.</u>	<u>\$ 700.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 3  
Form 990-PF, Part I, Line 16c  
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Secretarial services	\$ 2,000.			\$ 2,000.
Total	<u>\$ 2,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 2,000.</u>

Statement 4  
Form 990-PF, Part I, Line 18  
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise	\$ 1,572.			
Foreign tax paid	1,113.	\$ 1,113.		
Total	<u>\$ 2,685.</u>	<u>\$ 1,113.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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**Statement 5**  
**Form 990-PF, Part I, Line 23**  
**Other Expenses**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Awards promotion and publicity	\$ 1,103.			\$ 1,103.
Office & meeting exp	258.			258.
Total	<u>\$ 1,361.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 1,361.</u>

**Statement 6**  
**Form 990-PF, Part IV, Line 1**  
**Capital Gains and Losses for Tax on Investment Income**

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	3039 Capital World G&I A	Purchased	11/05/2004	9/29/2009
2	1470 Capital World G&I A	Purchased	11/05/2004	12/11/2009
3	1329 Euro Pacific Growth A	Purchased	12/19/2002	9/29/2009
4	3084 Fundamental Inv CL A	Donated	5/18/2000	12/11/2009
5	4296 Income Fund of America A	Purchased	3/16/2001	3/20/2009
6	837 Income Fund of America A	Purchased	3/16/2001	4/01/2009
7	24634 Income Fund of America A	Purchased	6/18/2001	5/20/2009
8	5222 Lord Abbett Bond Deb	Purchased	10/28/2005	7/17/2009
9	1173 Lord Abbett Bond Deb	Purchased	10/28/2005	9/15/2009
10	4132 Lord Abbett Bond Deb	Purchased	5/09/2006	12/04/2009

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	99,995.		100,061.	-66.				\$ -66.
2	49,995.		48,412.	1,583.				1,583.
3	49,995.		35,463.	14,532.				14,532.
4	99,995.		104,255.	-4,260.				-4,260.
5	50,000.		67,790.	-17,790.				-17,790.
6	9,997.		13,208.	-3,211.				-3,211.
7	319,995.		392,896.	-72,901.				-72,901.
8	34,095.		41,257.	-7,162.				-7,162.
9	8,195.		9,268.	-1,073.				-1,073.
10	30,000.		32,325.	-2,325.				-2,325.
							Total	<u>\$ -92,673.</u>

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**Statement 7  
Form 990-PF, Part VIII, Line 1  
List of Officers, Directors, Trustees, and Key Employees**

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contri- bution to EBP &amp; DC</u>	<u>Expense Account/ Other</u>
Michael K. Branstetter P.O. Box 709 Wallace, ID 83873	President/Direc 0	\$ 100.	\$ 0.	\$ 0.
Dick L. Vester 425 Pine Street Wallace, ID 83873	Director/VP 0	100.	0.	0.
Bill Mooney 516 Pine Street Wallace, ID 83873	Director 0	50.	0.	0.
Marilyn White P.O. Box 1089 Wallace, ID 83873	Director/Sec. 0	100.	0.	0.
Robert Rannells PO Box 951 Osburn, ID 83849	Director 0	100.	0.	0.
Kathy Zanetti P.O. Box 926 Wallace, ID 83873	Director 0	100.	0.	0.
Jennifer Carrico 307 Cedar Street Wallace, ID 83873	Director 0	100.	0.	0.
Total		\$ 650.	\$ 0.	\$ 0.

**Statement 8  
Form 990-PF, Part XV, Line 2a-d  
Application Submission Information**

Name of Grant Program:

Name: Marilyn White

Care Of:

Street Address: P.O. BOX 709

City, State, Zip Code: Wallace, ID 83873

Telephone:

Form and Content: Application received from above.

Submission Deadlines: March 1st

Restrictions on Awards: Restricted to organizations in or benefiting the City of  
Wallace, Idaho.

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Statement 9  
Form 990-PF, Part XV, Line 3a  
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Wallace School District 401 River Street Wallace, ID 83873	No	Public	Educational support and equipment	\$ 32,950.
Nine Mile Cemetery Assoc, Inc. P.O. Box 469 Wallace, ID 83873	No	Public	Cemetery maintenance	1,000.
Wallace Little League Wallace,, ID 83873	No	Public	To buy equipment	3,100.
Silver Valley Baseball Wallace, ID 83873	No	Public	To buy equipment	750.
S.V. American Legion Wallace, ID 83873	No	Public	Youth activities	800.
Wallace Chamber of Commerce P.O. Box 1167 Wallace, ID 83873	No	Public	Festival expenses	2,425.
University of Idaho Financial Aid Office Moscow, ID 83844	No	Public	Scholarships	23,070.
Lewis Clark State College Lewiston, ID	No	Pvt Sc	Scholarship	900.
North Idaho College 1000 W. Garden Ave Coeur d'Alene, ID 83814	No	Public	Scholarships	28,920.
Eastern Washington University 102 Sutton Hall Cheney, WA 99004	No	Public	Scholarships	600.
University of N Carolina PO Box 1080 Chapel Hill, NC	No	Public	Scholarship	1,100.
Youth Basketball League Wallace,, ID 83873	No	Public	Youth activities	200.
Wallace Mining Museum PO Box 469 Wallace, ID 83873	No	Public	Museum	1,000.
Sierra Silver Mine Tour PO Box 712 Wallace, ID 83873	No	Public	Education	500.

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Statement 9 (continued)  
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Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Morbeck Community Committee PO Box 709 Wallace, ID 83873		Public	Youth	\$ 2,000.
Morbeck Youth Committee PO Box 709 Wallace, ID 83873	No	Public	Youth activities	2,000.
Damiano Bartel Dance Studio Mullan Ave Osburn, ID 83873	No	Public	Education	500.
City of Wallace 703 Cedar St Wallace, ID 83873	No	Public	Swimming Pool operaitons	2,000.
Friends of Sather Field 510 Pine St Wallace, ID 83873	No	Public	Youth Activities	2,100.
American Legion Boys State P.O. BOX Kellogg, ID 83837	No	Public	Boys State Comp.	1,300.
Gozaga University Boone Street Spokane, WA 99201	No	Public	Education	1,000.
Spokane Community College Spokane, WA 99201	No	Public	Education	1,800.
Arizona State University Univ Dr. & Mill Ave Tempe, AZ 85287	No	Public	Scholarships	1,500.
Bethel University 3900 Bethel Drive St. Paul, MN 55112	No	Public	Scholarships	1,250.
Mine Heritage Exhibition, Inc PO Box 469 Wallace, ID 83873	No	Public	Historic exhibits	475.
Violin Making School of America 304 E 200 South Salt Lake City, UT 84111	No	Public	Scholarship	1,400.
Apollo College 10102 E Knox Spokane, WA 99206	No	Public	Scholarships	1,900.

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Statement 9 (continued)  
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Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
First Judicial CASA Program 700 Bank St Wallace, ID 83873	No	Public	Youth Advocacy	\$ 2,500.
SV Junior Red Cross Kellogg, ID 83837	No	Public	Public safety	300.
Wallace USA Wrestling Club Front St Wallace, ID 83873	No	Public	Youth activities	600.
Wallace Auditorium Assn PO Box 469 Wallace, ID 83873	No	Public	Youth activities	1,500.
Wallace Alumni Assn Front St Wallace, ID 83873	No	Public	Community activities	2,000.
Total				\$ <u>123,440.</u>