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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 (77)

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 PEGGY UNRAU SCHOLARSHIP FOUNDATION		A Employer identification number 83-6051706
	Number/street (or P O box no if mail is not delivered to street add) P O BOX 1299	Room/suite	B Telephone number (see the instructions) 406-883-8800
	City or town, state, and ZIP code POLSON MT 59860		C If exemption application is pending check here ☐
	H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1 Foreign organizations check here ☐ 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 ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 425,433.		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), & (d) may not necessarily equal the amounts in column (a) (see instr.))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temp. cash investments				
	4 Dividends and interest from securities	10,348.	10,348.		
	5a Gross rents (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				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less rns & allowances				
	b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	10,348.	10,348.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	4,116.	4,116.		
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	225.	225.		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	(404.)	(404.)		
	19 Depreciation (attach sch.) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	3,937.	3,937.		
	25 Contributions, gifts, grants paid	22,000.			22,000.
26 Total exp. & disbursements. Add lines 24 and 25	25,937.	3,937.		22,000.	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	(15,589.)				
b Net investment income (if neg. enter -0-)		6,411.			
c Adjusted net income (if neg. enter -0-)					

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

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See inst.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing					
	2 Savings and temporary cash investments	25,708.	7,399.	7,399.		
	3 Accounts receivable ▶ Less allowance for doubtful accts ▶					
	4 Pledges receivable ▶ Less allowance for doubtful accts ▶					
	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 schedule) ▶ Less allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - US and state govt obligations (attach schedule)	25,688.				
	b Investments - corporate stock (attach schedule)	201,165.	231,810.	247,501.		
	c Investments - corporate bonds (attach schedule)	177,215.	171,199.	170,533.		
	11 Investments - land, buildings, and equipment (attach schedule) ▶ Less accumulated depreciation (attach schedule) ▶					
	12 Investments - mortgage loans					
	13 Investments - other (attach schedule)					
	14 Land, buildings, and equipment (attach schedule) ▶ 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)	429,776.	410,408.	425,433.			
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 ☒ and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted	36,227.	16,859.			
	25 Temporarily restricted					
	26 Permanently restricted	393,549.	393,549.			
	Foundations that do not follow SFAS 117, ck. here ☐ and complete lines 27 through 31.					
	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					
30 Total net assets or fund balances (see the instructions)	429,776.	410,408.				
31 Total liabilities and net assets/fund balances (see the instructions)	429,776.	410,408.				

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	429,776.
2 Enter amount from Part I, line 27a	2	(15,589.)
3 Other increases not included in line 2 (itemize) ▶ SCHEDULE A-B	3	97.
4 Add lines 1, 2, and 3	4	414,284.
5 Decreases not included in line 2 (itemize) ▶ LOSS SALE OF INVESTMENTS	5	3,876.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	410,408.

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.)
1 a AMERICAN EURPACIFIC GROWTH	P	09/01/2004	08/31/2009
b MORGAN STANLEY INST MID CAP	P	08/01/2006	08/31/2009
c VANGUARD INFLATION PROTECTED	P	09/01/2004	02/02/2009
d VANGUARD INFLATION PROTECTED	P	07/01/2004	07/09/2009
e SEE ATTACHED WORKSHEET			

(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 1,363.		1,191.	172.
b 6,290.		6,123.	167.
c 5,791.		6,236.	(445.)
d 500.		523.	(23.)
e 48,029.		51,774.	(3,745.)

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			172.
b			167.
c			(445.)
d			(23.)
e			(3,745.)

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 (loss), enter -0- in Part I, line 7	2	(3,874.)
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	(1,907.)

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 beg. in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	22,908.	437,132.	0.0524
2007	21,912.	477,298.	0.0459
2006	21,215.	450,633.	0.0471
2005	21,500.	438,164.	0.0491
2004	15,965.	428,853.	0.0372

2 Total of line 1, column (d)	2	0.2317
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	0.0463
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	382,314.
5 Multiply line 4 by line 3	5	17,701.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	64.
7 Add lines 5 and 6	7	17,765.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	22,000.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ & enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)	1	64.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	64.
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	64.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	92.
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	92.
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	28.
11	Enter the amount of line 10 to be Credited to 2010 estimated tax ☐ 28. Refunded ☐	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 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 ☐ \$ _____ (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
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, cd (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ☐ MT		
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 in instructions)? 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 instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13		X
14	The books are in care of ▶ <u>FIRST INTERSTATE FINANCI</u> Located at ▶ <u>PO BOX 1299 POLSON M MT POLSON</u>	Telephone no ▶ <u>406-883-8831</u> ZIP+4 ▶ <u>59860</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
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? ☐ Yes ☒ No 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)		
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 ▶ ☐	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No If "Yes," list the years ▶ 20 __, 20 __, 20 __, 20 __		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see the instructions)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 __, 20 __, 20 __, 20 __		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, (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)

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 the instructions)?

Organizations relying on a current notice regarding disaster assistance check here

☐

5b

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? If "Yes" to 6b, file Form 8870

6b

X

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

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 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 comp	(e) Expense account, other allowances
FIRST INTERSTATE FINANC POLSON MT 59860	TRUSTEE	4,116.		

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical info such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1	6 SCHOLARSHIPS	
		22,000.
2		
3		
4		

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1		
2		
	All other program-related investments See instructions	
3		

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 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	388,136.
b Average of monthly cash balances	1b	
c Fair market value of all other assets (see the instructions)	1c	
d Total (add lines 1a, b, and c)	1d	388,136.
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	388,136.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see the instructions)	4	5,822.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	382,314.
6 Minimum investment return. Enter 5% of line 5	6	19,116.

Part XI Distributable Amount (see 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	19,116.
2 a Tax on investment income for 2009 from Part VI, line 5	2a	64.	
b Income tax for 2009 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	64.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	19,052.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	19,052.	
6 Deduction from distributable amount (see the instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	19,052.	

Part XII Qualifying Distributions (see 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	22,000.
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	22,000.
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 the instructions)	5	64.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	21,936.

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.

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Part XIII Undistributed Income (see the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				19,052.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			21,695.	
b Total for prior yrs 20__, 20__, 20__				
3 Excess distribs carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 22,000.				
a Applied to 2008, but not more than line 2a			21,695.	
b Applied to undistributed income of prior years (Election required - see the instr.)				
c Treated as distributions out of corpus (Election required - see the instructions)				
d Applied to 2009 distributable amount				305.
e Remaining amt distributed out of corpus				
5 Excess distribs carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in col (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, & 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				18,747.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part 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 Paid during the year GONZAGA LINFIELD UNIVERSI 59801 UNIVERSI 59801 GONZAGA FLATHEAD 59901		PUBLIC PUBLIC PUBLIC PUBLIC PUBLIC PUBLIC	SCHOLARSHIP SCHOLARSHIP SCHOLARSHIP SCHOLARSHIP SCHOLARSHIP SCHOLARSHIP	4,000. 4,000. 4,000. 4,000. 3,000. 3,000.
Total			▶ 3a	22,000.
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)
		(a) Business code	(b) Amount	(c) Excl code	(d) Amount	Related or exempt function income (See the instructions)
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					
4	Dividends and interest from securities					10,348.
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental inc or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					
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)					10,348.
13	Total. Add line 12, columns (b), (d), and (e)					10,348.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Schedule of Contributors

OMB No 1545-0047

▶ Attach to Form 990, 990-EZ, and 990-PF.

2009

Name of the organization

PEGGY UNRAU SCHOLARSHIP FOUNDATION

Employer identification number

83-6051706

Organization type (check one)

Filers of.

Section.

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ▶ \$ _____

Caution Organization that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

These instructions will be issued separately.

Name of organization

PEGGY UNRAU SCHOLARSHIP FOUNDATION

Employer identification number

83-6051706

Part I Contributors (see instructions)

(a) No	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
	NONE	\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

US 990	Investments: Corporate Stock as of Year End	2009
Description	Book value	FMV
LKCM SMALL CAP EQ INSTITUTIONAL	8,678.	8,669.
MORGAN STANLEY INST MID CAP	13,658.	17,745.
T ROWE PRICE MID CAP VALUE	11,743.	12,976.
VANGUARD INDEX TRUST FUND 500	17,411.	17,060.
AMERICAN EUROPACIFIC GROWTH	19,347.	21,061.
EATON VANCE TAX MANAGED EMERGIN MARKETS	11,457.	13,232.
HARBOR INTERNATIONAL FUND	20,882.	26,059.
CORE GROWTH	64,291.	69,993.
CORE VALUE	64,343.	60,706.
	231,810.	247,501.

COPY

US 990

Investments: Corporate Bonds as of Year End

2009

Description	Book value	FMV
VANGUARD INFLATION PROTECTED	18,929.	19,334.
VANGUARD GNMA FUND 36	15,532.	15,741.
CORE FIXED	136,738.	135,458.
	171,199.	170,533.

First Interstate Bank
P.O. Box 1299
Polson, MT 59860

Gentlemen:

If awarded the Peggy Unrau Scholarship, I agree to attend _____, the school of my selection for the one-year period of the award. I understand that if I do not complete a one-year period that I will reimburse the Foundation a pro-rata share of my award.

I understand that the Scholarship Funds are for the payment of:

1. tuition,
2. fees,
3. board and room,
4. books and other study materials.

I understand the funds cannot be used for travel expenses.

I will submit to First Interstate Bank the following:

1. each quarter/semester a transcript of grades,
2. an accounting of expenses.

I understand that the Peggy Unrau Scholarship is for education, not recreation.

I understand that the Peggy Unrau Scholarship can be terminated for lack of diligence and success on my part or for failure to quarterly account for scholarship funds in a manner determined by the Trustee.

Dated this _____ day of _____ 20 _____.

Sincerely,

Recipient's Signature

PEGGY UNRAU SCHOLARSHIP FOUNDATION

Application for Scholarship Award

"A scholarship award available to Polson, Montana High School seniors and graduates applicable to any accredited college, university, technical or vocational training school."

.....

This form should be filled out by the applicant and submitted with a school transcript, a completed Financial Aid Form and three references, with only one associated with a Montana High School. The application should be mailed to the scholarship committee no later than April 1, to the following address: The Peggy Unrau Scholarship Foundation, c/o First Interstate Bank, P.O. Box 1299, Polson, MT. 59860. Please type or print clearly.

Date of Submission _____

Applicant's name _____

Address _____

Date of Birth _____ Place of Birth _____

Name of Father _____ Occupation _____

Name of Mother _____ Occupation _____

Name of Guardian _____ Occupation _____
(if other than parent)

Date of Graduation _____ No. in class _____ Rank in Class _____

Grade point avg. _____

Sex _____ Social Security No. _____

High Schools previously attended:

Name _____

Place _____

Years _____

Honors in high school _____

High School Activities

Out of School Activities

Types of summer and part-time employment

In 200 words or less please summarize your higher educational objectives stating why you have chosen so and how this scholarship will help you achieve your goals.

1. Applicants may attach supplementary pages for any section of the application.
2. Photo copies of letters of recommendation, transcripts and financial aid forms are acceptable.