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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning

, 2009, and ending

G Check all that apply

Initial return

Initial Return of a former public charity

Final return

Amended return

Address change

Name change

Use the
IRS label.
Otherwise,
print
or type.
See Specific
Instructions.

AUDREY HOLLIDAY SCHOLARSHIP FUND
HERITAGE BANK, TRUSTEE
PO BOX 1518
LONGVIEW, WA 98632

A Employer identification number

91-6340777

B Telephone number (see the instructions)

(206) 282-4000

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 foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) **J Accounting method** Cash Accrual
 Other (specify) **Part I, column (d) must be on cash basis**

► \$ 475,336.

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	5,157.	5,157.	5,157.	
	4 Dividends and interest from securities	13,921.	13,921.	13,921.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-9,851.			
	b Gross sales price for all assets on line 6a	34,245.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances.				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	9,227.	19,078.	19,078.	
	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	2,547.			2,547.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 2	896.			896.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	4,385.			4,385.
	24 Total operating and administrative expenses. Add lines 13 through 23	7,828.			7,828.
	25 Contributions, gifts, grants paid STMT 4	5,146.			5,146.
	26 Total expenses and disbursements. Add lines 24 and 25	12,974.	0.	0.	12,974.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	-3,747.			
	b Net investment income (if negative, enter -0-)		19,078.		
	c Adjusted net income (if negative, enter -0-)			19,078.	

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
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	220,329.	228,413.	228,413.
	3 Accounts receivable			
	Less allowance for doubtful accounts ►	2,027.		
	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) ►	4,483.	3,815.	3,815.
	Less. allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)	259,358.	249,768.	246,491.
	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 ► <u>SEE STATEMENT 5</u>)	416.	432.	432.	
16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I)	482,130.	478,613.	475,336.	
LIABILITIES	17 Accounts payable and accrued expenses	7,099.	7,329.	
	18 Grants payable	44,000.	44,000.	
	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 Total liabilities (add lines 17 through 22)	51,099.	51,329.	
NET FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	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"/>			
	27 Capital stock, trust principal, or current funds	360,466.	360,466.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	70,565.	66,818.	
	30 Total net assets or fund balances (see the instructions)	431,031.	427,284.	
	31 Total liabilities and net assets/fund balances (see the instructions)	482,130.	478,613.	

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	431,031.
2 Enter amount from Part I, line 27a	2	-3,747.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	427,284.
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	427,284.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a 25,000 CIT GROUP-NOTES			P	3/11/04	10/26/09
b 20,000 AT&T-NOTES			P	3/11/04	3/15/09
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 14,245.		25,569.	-11,324.		
b 20,000.		18,527.	1,473.		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(I) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))	
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any			
a					-11,324.
b					1,473.
c					
d					
e					
2 Capital gain net income or (net capital loss)	[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2		-9,851.
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		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)

N/A

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			
2007			
2006			
2005			
2004			

2 Total of line 1, column (d)

2

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

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

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.)	<table border="1" style="width: 100px; height: 100px; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> </table>										
1	382.											
2	0.											
3	382.											
4	0.											
5	382.											
6a	432.											
6b												
6c												
6d												
7	432.											
8												
9	0.											
10	50.											
11	0.											

Part VII-A Statements Regarding Activities

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?

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

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year.

(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

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

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

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

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

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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► _____

WA

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

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.

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SEE STATEMENT 6

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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 ► WWW.HERITAGEBANKWA.COM	13	X
14	The books are in care of ► <u>HERITAGE BANK TRUST SERVICES</u> Telephone no. ► <u>(206) 282-4000</u> Located at ► <u>1505 WESTLAKE AVE. N. SUITE 125 SEATTLE WA ZIP + 4</u> ► <u>98109</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	N/A	► 15 N/A

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
1b	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"/>	N/A
1c	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?		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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If 'Yes,' list the years ► 20_07 , 20_08 , 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.)		
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__		X
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	N/A		
4a			X
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))?

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

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

(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)

(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 Yes No Yes No Yes No Yes Nob 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)?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?

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
PATRICIA J. BRENNER 3116 WILDERNESS DRIVE S.E. OLYMPIA, WA 98501	TRUSTEE 1.00	0.	0.	0.

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

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

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	<u>SCHOLARSHIP PROGRAM</u>	
2		5,146.
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

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 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

b Average of monthly cash balances

c Fair market value of all other assets (see instructions)

d **Total** (add lines 1a, b, and c)

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

3 Subtract line 2 from line 1d

4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
(for greater amount, see instructions)

5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4

6 **Minimum investment return.** Enter 5% of line 5

1a	235,726.
1b	224,371.
1c	432.
1d	460,529.
2	0.
3	460,529.
4	6,908.
5	453,621.
6	22,681.

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 22,681.

2a Tax on investment income for 2009 from Part VI, line 5

2a 382.

b Income tax for 2009. (This does not include the tax from Part VI.)

2b

c Add lines 2a and 2b

2c 382.

3 Distributable amount before adjustments Subtract line 2c from line 1

3 22,299.

4 Recoveries of amounts treated as qualifying distributions

4

5 Add lines 3 and 4

5 22,299.

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 22,299.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes

1a 12,974.

a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26

1b

b Program-related investments – total from Part IX-B

2

2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes

3

3 Amounts set aside for specific charitable projects that satisfy the.

3a

a Suitability test (prior IRS approval required)

3b

b Cash distribution test (attach the required schedule)

4 12,974.

4 **Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4

5

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)

6 12,974.

6 **Adjusted qualifying distributions.** Subtract line 5 from line 4

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				22,299.
2 Undistributed income, if any, as of the end of 2009				22,129.
a Enter amount for 2008 only				
b Total for prior years 20 07, 20 00, 20 00		1,557.		
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 ► \$ 12,974.			12,974.	
a Applied to 2008, but not more than line 2a				
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				0.
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.
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			1,557.	
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			1,557.	
e Undistributed income for 2008. Subtract line 4a from line 2a Taxable amount – see instructions			9,155.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				22,299.
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				

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

N/A

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 <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
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 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 7

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 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				
Total				► 3a
b Approved for future payment				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

	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	5,157.	
4 Dividends and interest from securities			14	13,921.	
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			1	-9,851.	
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)				9,227.	
13 Total Add line 12, columns (b), (d), and (e)				9,227.	13

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

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

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 the instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets

b Other transactions

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

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

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

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

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.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

► John Adamson
Signature of officer or trustee

11/10/11

► SENIOR TRUST OFFICER

Signature of officer or trustee		Date,	Title	
Paid Preparer's Use Only		Preparer's signature ► NEIL E. WOODY, CPA 	Date 11-7-1	Check if self-employed ► <input type="checkbox"/> N/A
Firm's name (or yours if self-employed), address, and ZIP code		MCSWAIN AND COMPANY, PS 	EIN ► N/A	Preparer's Identifying number (See Signature in the instrs) Phone no ► 360-357-9304
		222 N. CAPITOL WAY, SUITE 108 OLYMPIA, WA 98501		

BAA

Form 990-PF (2009)

AUDREY HOLLIDAY SCHOLARSHIP FUND

91-6340777

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	\$ 2,547.			\$ 2,547.
TOTAL	\$ 2,547.	\$ 0.	\$ 0.	\$ 2,547.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	\$ 896.			\$ 896.
TOTAL	\$ 896.	\$ 0.	\$ 0.	\$ 896.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATION FEES	\$ 4,321.			\$ 4,321.
BANK FEES	39.			39.
STATE FILING FEE	25.			25.
TOTAL	\$ 4,385.	\$ 0.	\$ 0.	\$ 4,385.

STATEMENT 4
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS

CASH GRANTS AND ALLOCATIONS

CLASS OF ACTIVITY: COLLEGE TUITION
 DONEE'S NAME: JULIE TROUTT
 DONEE'S ADDRESS: 94 NW TOWLE AVENUE
 GRESHAM, OR 97030
 RELATIONSHIP OF DONEE: NONE
 ORGANIZATIONAL STATUS OF DONEE: N/A
 AMOUNT GIVEN: \$ 730.

CLASS OF ACTIVITY: COLLEGE TUITION
 DONEE'S NAME: BRIANE LEHMAN
 DONEE'S ADDRESS: 1335 NW 1ST STREET
 GRESHAM, OR 97030
 RELATIONSHIP OF DONEE: NONE
 ORGANIZATIONAL STATUS OF DONEE: N/A

AUDREY HOLLIDAY SCHOLARSHIP FUND

91-6340777

STATEMENT 4 (CONTINUED)
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS

AMOUNT GIVEN:	\$ 2,250.
CLASS OF ACTIVITY:	COLLEGE TUITION
DONEE'S NAME:	MAI NGUYEN
DONEE'S ADDRESS:	GRESHAM HIGH SCHOOL GRESHAM, OR 97080
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	N/A
AMOUNT GIVEN:	1,458.
CLASS OF ACTIVITY:	COLLEGE TUITION
DONEE'S NAME:	MELISSA GREENAWAY
DONEE'S ADDRESS:	1409 SE 207TH AVENUE GRESHAM, OR 97030
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	N/A
AMOUNT GIVEN:	708.
TOTAL \$ <u>5,146.</u>	

STATEMENT 5
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
PREPAID INCOME TAX	\$ 432.	\$ 432.
TOTAL	<u>\$ 432.</u>	<u>\$ 432.</u>

STATEMENT 6
FORM 990-PF
REASONABLE CAUSE FROM LATE PENALTIES

A REQUEST FOR WAIVER OF THE LATE FILING PENALTY FOR FORM 990-PF FOR "REASONABLE CAUSE" IS BEING MADE. THE TRUSTEE, PATRICIA J. BRENNER, WAS IN ILL HEALTH IN 2010 PRIMARILY DUE TO A FALL WHICH LEFT HER WITH PARTIAL MEMORY LOSS. MS. BRENNER PASSED AWAY ON JUNE 14, 2011. THERE WAS NOT A CO-TRUSTEE OR A SUCCESSOR TRUSTEE WITH ACCESS TO THE RECORDS. UPON MS. BRENNER'S DEATH, HERITAGE BANK TRUST SERVICES WAS APPOINTED AS THE SUCCESSOR TRUSTEE ON JULY 27, 2011 BY THE SUPERIOR COURT OF WASHINGTON FOR THURSTON COUNTY (COPY OF COURT ORDER ATTACHED). A REQUEST FOR WAIVER OF THE LATE PAYMENT PENALTY FOR FORM 990-PF FOR "REASONABLE CUASE" IS BEING MADE BASED UPON THE FACTS ABOVE.

STATEMENT 7
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM: GRESHAM UNION HIGH SCHOOL SCHOLARSHIP PR
NAME: SCHOLARSHIP COMMITTEE
CARE OF: GRESHAM UNION HIGH SCHOOL
STREET ADDRESS: GRESHAM, OR 97080
CITY, STATE, ZIP CODE: TELEPHONE:
FORM AND CONTENT: SCHOLARSHIP COMMITTEE SCREENS STUDENTS FOR APPROVAL
SUBMISSION DEADLINES: NONE
RESTRICTIONS ON AWARDS: STUDENTS MUST HAVE ATTENDED GRESHAM UNION HIGH SCHOOL AND
MET ACADEMIC REQUIREMENTS.

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7 SUPERIOR COURT OF WASHINGTON FOR THURSTON COUNTY
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9 NO. 114 00377 3
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Estate of

PATRICIA J. BRENNER,

Deceased.

AMENDED ORDER ADMITTING WILL
TO PROBATE, APPOINTING PERSONAL
REPRESENTATIVE, ADJUDICATING
SOLVENCY, WAIVING BOND,
DIRECTING ISSUANCE OF LETTERS
TESTAMENTARY, GRANTING
NONINTERVENTION POWERS, AND
APPOINTING HERITAGE BANK
SUCCESSOR TRUSTEE OF THE
AUDREY HOLIDAY SCHOLARSHIP
TRUST.

16 (Clerk's action required)
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THIS MATTER having come before the undersigned Judge/Court Commissioner upon the Petition of MARGARET C. HOLM, by and through petitioner's attorney, Edward G. Holm, and it appearing to this Court that said petition sets forth facts essential to give this Court jurisdiction to admit said Will to probate; and the Court being fully advised in the premises, now, therefore, it is hereby

ORDERED, ADJUDGED and DECREED as follows:

1. It is adjudged that the decedent died testate and that the offered Last Will and Testament dated NOVEMBER 9, 2000 and First Codicil to the Last Will dated APRIL 28, 2011 was executed and witnessed by competent subscribing witnesses in the manner prescribed by law, and said Last Will and Testament and First Codicil to the Last Will is hereby admitted to probate;

2. MARGARET C. HOLM is hereby appointed as personal representative of the estate to serve without bond;

ORDER ADMITTING - 1

CGT

Edward G. Holm
Attorney
PO Box 13350
Olympia, WA 98508
(360) 943-6933

1
2 3. HERITAGE BANK, a Washington State banking institution, its successors and
assigns, is hereby appointed successor trustee of the AUDREY HOLIDAY SCHOLARSHIP
TRUST. A copy of their Agreement Letter and Fee Agreement is attached hereto.
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4 4. The estate is adjudged to be fully solvent, and further administration thereof shall
be handled in accordance with the laws of the State of Washington pertaining to the
settlement of estates without the intervention of Court;
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6 Clerk's Action
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5 5. The Clerk of the Court is directed to issue Letters Testamentary to MARGARET C.
HOLM upon filing of the Oath of Personal Representative;
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8 6. Upon filing of MARGARET C. HOLM's Oath, said personal representative is hereby
9 granted non- intervention powers, shall serve without bond, shall have the power to transfer
10 any and all of the real and personal property of the above-named decedent without further
Order of this Court, and shall complete the administration of said estate without further
intervention of this Court.
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12

13 DONE IN OPEN COURT this 27th day of July, 2011.
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16 INDU THOMAS
17 _____
18 JUDGE/COURT COMMISSIONER
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Presented by:
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19 Edward G. Holm, WSBA #1455
20 Attorney for Personal Representative
21 P. O. Box 13350
22 Olympia, WA 98508
23 (360)943-6933
24
25
26

ORDER ADMITTING - 2

Edward G. Holm
Attorney
PO Box 13350
Olympia, WA 98508
(360) 943-6933