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## Short Form

## Return of Organization Exempt From Income Tax

OMB No 1545-1150

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

- Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions). All other organizations with gross receipts less than \$200,000 and total assets less than \$500,000 at the end of the year may use this form
- The organization may have to use a copy of this return to satisfy state reporting requirements

2011

Open to Public  
Inspection

112

A For the 2011 calendar year, or tax year beginning

, 2011, and ending

B Check if applicable

- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C

Sandpiper Gallery  
PO Box 273  
Big Arm, MT 59910-0273

D Employer identification number

81-6035607

E Telephone number

406-849-5242

F Group Exemption  
NumberG Accounting Method  Cash  Accrual Other (specify) ►

Website: ► N/A

H Check ►  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

J Tax-exempt status (ck only one) —  501(c)(3)  501(c) ( )  (insert no)  4947(a)(1) or  527

K Check ►  if the organization is not a section 509(a)(3) supporting organization or a section 527 organization and its gross receipts are normally not more than \$50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, line 25, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ ► \$ 47,125.

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I.)

Check if the organization used Schedule O to respond to any question in this Part I 

1 Contributions, gifts, grants, and similar amounts received	1	886.
2 Program service revenue including government fees and contracts	2	
3 Membership dues and assessments	3	3,376.
4 Investment income	4	428.
5a Gross amount from sale of assets other than inventory	5a	
b Less cost or other basis and sales expenses	5b	
c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
6 Gaming and fundraising events		
a Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
b Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	
c Less direct expenses from gaming and fundraising events	6c	3,399.
d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d	4,781.
7a Gross sales of inventory, less returns and allowances	7a	34,199.
b Less cost of goods sold	7b	25,021.
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	9,178.
8 Other revenue (describe in Schedule O)	8	56.
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	18,705.
10 Grants and similar amounts paid (list in Schedule O)	10	1,000.
11 Benefits paid to or for members	11	
12 Salaries, other compensation, and employee benefits	12	
13 Professional fees and other payments to independent contractors	13	
14 Occupancy, rent, utilities, and maintenance	14	11,608.
15 Printing, publications, postage, and shipping	15	240.
16 Other expenses (describe in Schedule O)	16	6,308.
17 Total expenses. Add lines 10 through 16	17	19,156.
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	-451.
19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	40,058.
20 Other changes in net assets or fund balances (explain in Schedule O)	20	
21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	39,607.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2011)

**Part II Balance Sheets.** (see the instructions for Part II.)Check if the organization used Schedule O to respond to any question in this Part II 

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	40,058.	39,607.
23 Land and buildings	23	
24 Other assets (describe in Schedule O)	24	
25 <b>Total assets</b>	40,058.	39,607.
26 Total liabilities (describe in Schedule O)	0.	0.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	40,058.	39,607.

**Part III Statement of Program Service Accomplishments** (see the instrs for Part III.)Check if the organization used Schedule O to respond to any question in this Part III What is the organization's primary exempt purpose? See Schedule O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title

**Expenses**  
(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts, optional for others )

28 <u>Various workshops are sponsored, art festivals organized, workrooms provided</u>	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	28a	18,156.
29 <u>Art school scholarships are provided</u>	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	29a	1,000.
30 <u>-----</u>	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	30a	
31 <u>Other program services (describe in Schedule O)</u>	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	31a	
<b>32 Total program service expenses</b> (add lines 28a through 31a)		<b>32</b>	<b>19,156.</b>

**Part IV List of Officers, Directors, Trustees, and Key Employees.** List each one even if not compensated (see the instructions for Part IV)Check if the organization used Schedule O to respond to any question in this Part IV 

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Reportable compensation (Form W-2/1099-MISC) (If not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
<u>Patricia Wallace</u> PO Box 273 Big Arm, MT 59910	Treasurer 0	0.	0.	0.
<u>Mary Sale</u> 819 Bayview Dr Polson, MT 59860	President 0	0.	0.	0.
<u>Carol Daniels</u> 308 22nd Ave W Polson, MT 59860	Director 0	0.	0.	0.
<u>Toby Hunter</u> 316 Montana Landing Polson, MT 59860	Vice President 0	0.	0.	0.
<u>Carolyn Heinz</u> PO Box 87 Polson, MT 59860	Secretary 0	0.	0.	0.
<u>Jay Cross</u> PO Box 1595 Polson, MT 59860	Director 0	0.	0.	0.
<u>JoAnn Simpson</u> PO Box 1617 Polson, MT 59860	Past President 0	0.	0.	0.
<u>Marjorie Hendricks</u> 42 Littler Ln Polson, MT 59860	Director 0	0.	0.	0.
<u>Sue Williamson</u> 140 Pinewood Dr Polson, MT 59860	Director 0	0.	0.	0.

**Part V Other Information** (Note the Schedule A and personal benefit contract statement requirements in **See Schedule O**, the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V

**33** Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' provide a detailed description of each activity in Schedule O

**34** Were any significant changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)

**35a** Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?

**b** If 'Yes,' to line 35a, has the organization filed a Form 990-T for the year? If 'No,' provide an explanation in Schedule O

**c** Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If 'Yes,' complete Schedule C, Part III

**36** Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N

**37a** Enter amount of political expenditures, direct or indirect, as described in the instructions ► **37a** **0.**

**b** Did the organization file **Form 1120-POL** for this year?

**38a** Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?

**b** If 'Yes,' complete Schedule L, Part II and enter the total amount involved

**39** Section 501(c)(7) organizations. Enter

**a** Initiation fees and capital contributions included on line 9

**b** Gross receipts, included on line 9, for public use of club facilities

**40a** Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under

section 4911 ► **0.**, section 4912 ► **0.**, section 4955 ► **0.**

**b** Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I

**c** Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ► **0.**

**d** Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ► **0.**

**e** All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T

**41** List the states with which a copy of this return is filed ► **None**

**42a** The organization's books are in care of ► **Patricia Wallace** Telephone no ► **406-849-5242**  
Located at ► **PO Box 273 Big Arm MT** ZIP + 4 ► **59910-0273**

**b** At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

If 'Yes,' enter the name of the foreign country ►

	Yes	No
<b>42b</b>		X

See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts

**c** At any time during the calendar year, did the organization maintain an office outside of the U S ?

If 'Yes,' enter the name of the foreign country ►

	Yes	No
<b>42c</b>		X

**43** Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** — Check here and enter the amount of tax-exempt interest received or accrued during the tax year ► **43** **N/A**

**44a** Did the organization maintain any donor advised funds during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ

**b** Did the organization operate one or more hospital facilities during the year? If 'Yes,' Form 990 must be completed instead of Form 990-EZ

**c** Did the organization receive any payments for indoor tanning services during the year?

**d** If 'Yes' to line 44c, has the organization filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O

**45a** Did the organization have a controlled entity of the organization within the meaning of section 512(b)(13)?

**b** Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)

	Yes	No
<b>44a</b>		X
<b>44b</b>		X
<b>44c</b>		X
<b>44d</b>		
<b>45a</b>		X
<b>45b</b>		X



**SCHEDULE A**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No 1545-0047

**2011****Open to Public  
Inspection**

Name of the organization

Sandpiper Gallery

Employer identification number

81-6035607

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1  A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.  
 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)  
 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.  
 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state  
 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)  
 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.  
 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)  
 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II)  
 9  An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III)  
 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.  
 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
 a  Type I      b  Type II      c  Type III – Functionally integrated      d  Type III – Other  
 e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)  
 f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box   
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g (i)		
11g (ii)		
11g (iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of support	
			Yes	No	Yes	No	Yes	No		
(A)										
(B)										
(C)										
(D)										
(E)										
Total										

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►

	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')	12,959.	4,930.	6,607.	3,927.	4,262.	32,685.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3	12,959.	4,930.	6,607.	3,927.	4,262.	32,685.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0.
6 Public support. Subtract line 5 from line 4						32,685.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►

	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	12,959.	4,930.	6,607.	3,927.	4,262.	32,685.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	226.	1,498.	845.	763.	428.	3,760.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						0.
11 Total support. Add lines 7 through 10						36,445.
12 Gross receipts from related activities, etc (see instructions)					12	0.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	89.68 %
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	85.11 %
16a 33-1/3% support test – 2011. If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33-1/3% support test – 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test – 2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test – 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

BAA

Schedule A (Form 990 or 990-EZ) 2011

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support.</b> (Add lns 9, 10c, 11, and 12)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%
<b>19a 33-1/3% support tests – 2011.</b> If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b 33-1/3% support tests – 2010.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

## Part IV

**Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

OMB No. 1545-0047

**2011**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
► Attach to Form 990 or 990-EZ.**Open to Public  
Inspection**

Name of the organization

Sandpiper Gallery

Employer identification number

81-6035607**Scholarship Listing**Part I, Line 10Activity: ScholarshipGrantee: Barbara KenmilleAddress: 1604 SW Clay St #426City: PortlandState: ORZip: 97201Relation: NoneAmount: \$1,000**Other Revenue (Part I, Line 8)**Rental Income.....\$760Rental Commissions.....\$704Net Rental.....\$ 56**Form 990-EZ - Explanation of Amended Return**Did not include the expenses for various workshops are sponsored, art festivals  
organized, workrooms provided**Form 990-EZ, Part III - Organization's Primary Exempt Purpose**Encourage & Promote Fine Arts**Form 990-EZ, Part V - Regarding Transfers Associated with Personal Benefit Contracts**(a) Did the organization, during the year, receive any funds, directly or  
indirectly, to pay premiums on a personal benefit contract? No(b) Did the organization, during the year, pay premiums, directly or  
indirectly, on a personal benefit contract? No

Sandpiper Gallery

81-6035607

**Form 990-EZ, Part I, Line 8**  
**Other Revenue**

Total	\$	56.
	\$	<u>56.</u>

**Form 990-EZ, Part I, Line 16**  
**Other Expenses**

Advertising and Promotion	\$	2,035.
Bank Charges		778.
Dues		185.
Insurance		423.
Library		36.
Office Expenses		798.
Reception		799.
Supplies		1,186.
Web Site		68.
Total	\$	<u>6,308.</u>

2011

**Federal Supporting Detail**

**Page 1**

**Sandpiper Gallery**

**81-6035607**

**Other Revenue  
Amount**

Rental Income	\$	760.
Rental Expense		-704.
	Total \$	<u>56.</u>