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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016 , and ending 12-31-2016

Name of foundation
KAY M ANDERSON FOUNDATION

A Employer identification number
42-1363292

Number and street (or P O box number if mail is not delivered to street address)
PO BOX 307

Room/suite

B Telephone number (see instructions)

City or town, state or province, country, and ZIP or foreign postal code
SHENANDOAH, IA 51601

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)*▶$ 1,712,564

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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 instructions))*

	Line	Description	(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 temporary cash investments				
	4	Dividends and interest from securities	57,969	57,969		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	124,518			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		124,518		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	182,487	182,487		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	4,200			4,200
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	5,400	5,400		
	c	Other professional fees (attach schedule)	10,757	10,757		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	1,954	1,954		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	124	124		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	22,435	18,235		4,200
	25	Contributions, gifts, grants paid	167,750			167,750
	26	**Total expenses and disbursements.** Add lines 24 and 25	190,185	18,235		171,950
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-7,698			
	b	**Net investment income** (if negative, enter -0-)		164,252		
	c	**Adjusted net income**(if negative, enter -0-)			0	

Part II	**Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	100,531	29,658	29,658
2	Savings and temporary cash investments			
3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	1,171,846	1,314,423	1,518,606
c	Investments—corporate bonds (attach schedule)	105,000	125,598	125,300
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	39,000	39,000	39,000
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	1,416,377	1,508,679	1,712,564
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 ▶)		100,000	
23	**Total liabilities**(add lines 17 through 22)	0	100,000	
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	1,416,377	1,408,679	
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check 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 instructions)	1,416,377	1,408,679	
31	**Total liabilities and net assets/fund balances** (see instructions)	1,416,377	1,508,679	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,416,377
2	Enter amount from Part I, line 27a	2	-7,698
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,408,679
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,408,679

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	CORPORATE STOCK	P		
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	124,518
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 instructions) If (loss), enter -0- in Part I, line 8	3	

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 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 (col (b) divided by col (c))
2015	45,292	1,696,114	0 026703
2014	60,200	1,701,822	0 035374
2013	58,937	1,484,426	0 039704
2012	83,466	1,328,168	0 062843
2011	60,736	1,317,348	0 046105

2	**Total** of line 1, column (d)	2	0 210729
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 042146
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,652,901
5	Multiply line 4 by line 3	5	69,663
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,643
7	Add lines 5 and 6	7	71,306
8	Enter qualifying distributions from Part XII, line 4	8	171,950

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 instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ (attach copy of letter if necessary–see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	1,643
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	1,643
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,643
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a		
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	
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	1,643
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2017 estimated tax** ▶ — **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?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*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?	1c		No
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*	2		No
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*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		No
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?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IA			
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*	8b		No
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶

14 The books are in care of ▶DAVID R LASHIER Telephone no ▶(712) 246-2029

Located at ▶513 W SHERIDAN AVE SHENANDOAH IA ZIP+4 ▶51601

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year . . . ▶ | 15 |

			Yes	No
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶			

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? (**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). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
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 2016?.	1c		No
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?. ☐ 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 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 2016 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 2016).*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2016?	4b		No

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 4945(d)(4)(A)? (see instructions)	☐ Yes ☑ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☑ No		
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?		**5b**	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945–5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☐ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**	No
	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**	

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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DAVID R LASHIER 513 W SHERIDAN AVE SHENANDOAH, IA 51601	TREASURER 0 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	Title, and average hours per week (b) 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. . . . . ▶

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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 . . . . ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations,see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	1,631,287
b	Average of monthly cash balances	1b	46,785
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	1,678,072
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,678,072
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	25,171
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,652,901
6	**Minimum investment return.** Enter 5% of line 5	6	82,645

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	82,645
2a	Tax on investment income for 2016 from Part VI, line 5	2a	1,643		
b	Income tax for 2016 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,643
3	Distributable amount before adjustments Subtract line 2c from line 1			3	81,002
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	81,002
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	81,002

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	171,950
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	171,950
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,643
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	170,307

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7					81,002
2 Undistributed income, if any, as of the end of 2016					
a Enter amount for 2015 only.				82,868	
b Total for prior years 2009 , 2010 , 2011			144,297		
3 Excess distributions carryover, if any, to 2016					
a From 2011.					
b From 2012.					
c From 2013.					
d From 2014.					
e From 2015.					
f **Total** of lines 3a through e.					
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 171,950					
a Applied to 2015, but not more than line 2a				82,868	
b Applied to undistributed income of prior years (Election required—see instructions).					
c Treated as distributions out of corpus (Election required—see instructions).					
d Applied to 2016 distributable amount.					81,002
e Remaining amount distributed out of corpus		8,080			
5 Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a))*					
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		8,080			
b Prior years' undistributed income Subtract line 4b from line 2b			144,297		
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 instructions			144,297		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions					
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)					
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)					
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a		8,080			
10 Analysis of line 9					
a Excess from 2012.					
b Excess from 2013.					
c Excess from 2014.					
d Excess from 2015.					
e Excess from 2016.	8,080				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2016	**(b)** 2015	**(c)** 2014	**(d)** 2013	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see instructions.)**

1 Information Regarding Foundation Managers:

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

See Additional Data Table

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 or e-mail address of the person to whom applications should be addressed

TERRY MILLER
BOX 307
SHENANDOAH, IA 51601
(712) 246-2029

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

PRINTED APPLICATIONS ARE USED

c Any submission deadlines

NO

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

NO

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* See Additional Data Table				
Total . . . . ▶ **3a**				67,750
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion 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					
4 Dividends and interest from securities. . . .			14		
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					
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). .					

13 **Total.** Add line 12, columns (b), (d), and (e). . . . . 13 ____________

(See worksheet in line 13 instructions 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 instructions)

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

		Yes	No
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.	**1a(1)**		**No**
(2) Other assets.	**1a(2)**		**No**
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	**1b(1)**		**No**
(2) Purchases of assets from a noncharitable exempt organization.	**1b(2)**		**No**
(3) Rental of facilities, equipment, or other assets.	**1b(3)**		**No**
(4) Reimbursement arrangements.	**1b(4)**		**No**
(5) Loans or loan guarantees.	**1b(5)**		**No**
(6) Performance of services or membership or fundraising solicitations.	**1b(6)**		**No**
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	**1c**		**No**

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

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

Sign Here

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) is based on all information of which preparer has any knowledge

******	2017-01-31	******	May the IRS discuss this return with the preparer shown below (see instr)? ☑ **Yes** ☐ **No**
Signature of officer or trustee	Date	Title	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
DAVID LASHIER		2017-02-13		P00295232
Firm's name ▶ MILLER SHEARER LASHIER & CO				Firm's EIN ▶42-1028246
Firm's address ▶ PO BOX 307 SHENANDOAH, IA 51601				Phone no (712) 246-2029

Form 990PF Part XV Line 1a - 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).

K M ANDERSON CONTRIBUTED
ALL OF HER ASSETS

Form 990PF Part XV Line 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*				
WHITNEY CROLL 120 VISTA AVE SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
JACOB DOERR 6163 NICHOLSON DR HUDSON, OH 44236			SCHOLARSHIP	1,000
KYLE HISER 608 S CENTER SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
SEAN SKILLERN 404 JOHNSON DR SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
RACHEL STAUFFER 301 MITCHELL ST SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
ELIZABETH WILSON 200 E NISHNA SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
ISAAC WOOLERY 709 CHURCH ST SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
JACKSON BAKER 23 KERRY CIR SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
ANDREA GOMEZ 104 CRESCENT SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
MEGAN HART 602 7TH AVE SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
SCOTT HASTINGS 2109 E AVE SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
ABIGAIL PETERSON 308 E NISHNA RD SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
JOSEPH BLAKE 607 S CENTER SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
FRANCES CLARK 14 COUNTRY CLUB LANE SHENANDOAH, IA 51601			SCHOLARSHIP	500
ABIGAIL HAYNIE 4233 240TH ST SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
Total . . . . ▶ **3a**				67,750

Form 990PF Part XV Line 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*				
SERENA PARKER 209 E GRANT SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
DARBY SKILLERN 404 JOHNSON DR SHENANDOAH, IA 51601			SCHOLARSHIP	1,000
BLAIR DEBOLT 1196 190TH ST SHENANDOAH, IA 51601			SCHOLARSHIP	500
ZACHARY DUDLEY 316 E WASHINGTON SHENANDOAH, IA 51601			SCHOLARSHIP	500
BRIANNA HOLMES 2021 E AVE SHENANDOAH, IA 51601			SCHOLARSHIP	500
JAKE JOHNSON 1307 MITCHELL ST SHENANDOAH, IA 51601			SCHOLARSHIP	500
TAYLOR MCGARGILL 3690 110TH ST RANDOLPH, IA 51649			SCHOLARSHIP	500
LOGAN ROBERTS 506 CHURCH ST SHENANDOAH, IA 51601			SCHOLARSHIP	500
PREVIOUSLY VOIDED SCHOLARSHIP CHECK BOX 307 SHENANDOAH, IA 51601			VOIDED CHECKS	-1,250
BAILEY DEBOLT 1196 190TH ST SHENANDOAH, IA 51601			SCHOLARSHIP	500
LINDSEY HASTINGS 2109 E AVE SHENANDOAH, IA 51601			SCHOLARSHIP	500
SAMANTHA BAKER 23 KERRY CIR SHENANDOAH, IA 51601			SCHOLARSHIP	500
DEVIN EDDS 1010 TECUMSEH SHENANDOAH, IA 51601			SCHOLARSHIP	500
HAYLEY ELLIS 807 S ELM SHENANDOAH, IA 51601			SCHOLARSHIP	500
OUR HOUSE CDC 1501 MUSTANG DR SHENANDOAH, IA 51601			HEAT PUMPS	20,000
Total . . . . ▶ **3a**				67,750

Form 990PF Part XV Line 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*				
VETERANS MEMORIAL MUSEUM 315 CRESCENT SHENANDOAH, IA 51601			DISPLAY CASES	2,000
FIRST UNITED METHODIST CHURCH PO BOX 394 SHENANDOAH, IA 51601			EARLY OUT PROGRAM	2,000
AMERICAN LEGION JR AUXILIARY 609 9TH AVE SHENANDOAH, IA 51601			PATRIOTISM	1,000
SHENANDOAH ECUMENICAL VBS 26 MAYRIDGE DR SHENANDOAH, IA 51601			BIBLE SCHOOL	500
PORTERS LAKE LUTHERAN FOUNDERS 1695 B AVE SHENANDOAH, IA 51601			FLOOD CONTROL	5,000
GREATER SHENANDOAH FOUNDATION 301 MAPLE SHENANDOAH, IA 51601			MAY MENTORING	7,500
UNITED CONGREGATIONAL CHURCH 300 CHURCH ST SHENANDOAH, IA 51601			PLEDGE	1,000
SHENANDOAH PARKS REC 500 W CLARINDA SHENANDOAH, IA 51601			BALLFIELD IMPROVEMENTS	8,000
Total . . . . ▶ **3a**				67,750

TY 2016 Accounting Fees Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	5,400	5,400	0	0

TY 2016 Investments Corporate Bonds Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Name of Bond	End of Year Book Value	End of Year Fair Market Value
PHILLIPS 66 PARTNERS SR	25,309	24,923
DEUTSCHE BK MED TERM	25,289	24,611
ROYAL BANK OF SCOTLAND	25,000	25,223
GENERAL ELECTRIC CORP	0	0
BANK OF AMERICA	0	0
HARTFORD LIFE INSURANCE	30,000	30,000
GENERAL ELECTRIC CORP	20,000	20,543

TY 2016 Investments Corporate Stock Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Name of Stock	End of Year Book Value	End of Year Fair Market Value
AT&T	8,532	13,142
ABBVIE INC	4,066	37,572
ABBOTT LABORATORIES	3,296	30,728
DISCOVER FINL SVCS	17,453	21,627
BRISTOL MYERS	9,405	35,064
COMCAST CORP CLASS A	3,236	23,875
TEVA PHARMACEUTICAL	10,837	7,250
WESTERN UNION	3,185	8,688
ZIMMER HOLDING	9,998	18,576
PROCTOR & GAMBLE CO	15,874	25,224
GLAXOSMITHLKINE PLC	13,490	11,553
GENERAL MOTORS	26,721	7,142
DILLARDS CAP TR	18,456	18,201
PRINCIPAL MIDCAP FUND INS	88,959	91,582
KINDER MORGAN	9,451	6,213
PAYCHEX INC	8,735	18,264
PEPSICO	12,879	20,926
LOCKHEED MARTIN CO	7,829	24,994
ROYAL BANK OF CANIDA	9,491	13,542
VAN GUARD GLOBAL EQUITY FD	78,823	80,384
HARBOR CAPITAL	37,458	59,740
MAIRS & POWER	43,568	74,813
T ROWE PRICE FD	61,041	93,787
ING GROEP NV PERP	18,387	17,528
COLUMBIA CONTRARIAN CORE FUND	86,060	66,674
MOTORS LIQUIDATION CO GUC TRUS	0	218
JANUS GLOBAL SELECT	51,703	52,434
FRANKLIN MUTUAL GLOBAL DISC FU	74,318	67,530
NESTLE SA	15,952	14,348
EATON VANCE FLOATING RATE	40,919	42,430

Name of Stock	End of Year Book Value	End of Year Fair Market Value
PHILIP MORRIS	25,103	27,447
HCP INC	15,625	11,888
ISHARES TR RUSSELL	26,073	28,151
VANGUARD MIDCAP	77,287	81,663
NATIONAL OILWELL INC	16,292	11,232
PRINCIPAL GLOBAL DIVERS	82,594	79,092
BLACKROCK MULTI-ASSET INCOME	51,162	51,969
MERIDIAN GROWTH FUND	94,229	84,958
SLM CORP PFD SER A	19,380	20,400
NOVARTIS AG	16,547	14,568
PRINCIPAL EDGE ACTIVE	30,838	32,216
QUALITY CARE PPTYS	2,468	1,240
RECON CAP SER TR	21,750	22,350
ROYAL DUTCH SHELL PLC	16,131	17,391
TAIWAN SEMICONDUCTOR	8,336	8,625
BLACKROCK HEALTH SCIENCES FUND	20,486	21,367
ALCATEL-LUCENT	0	0
AMERICAN BECON LARGE CAP	0	0
GENERAL ELECTRIC WATTS	0	0
COLUMBIA VALUE AND RESTRUC	0	0
EXELON CORP	0	0
MERRILL LYNCH & CO	0	0
RYDEX ETF	0	0

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TY 2016 Investments - Other Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
COMFED DODGE LTD PART		39,000	39,000

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TY 2016 Other Expenses Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
POSTAGE AND SUPPLIES	117	117	0	0
BANK FEE	7	7	0	0

TY 2016 Other Liabilities Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Description	Beginning of Year - Book Value	End of Year - Book Value
APPROVED GRANTS UNPAID	0	100,000

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TY 2016 Other Professional Fees Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT ADVISORY FEE	10,757	10,757	0	0

TY 2016 Taxes Schedule

Name: KAY M ANDERSON FOUNDATION

EIN: 42-1363292

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INCOME TAX	1,954	1,954	0	0