Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2008

For calendar year 2008, or tax year beginning OCT 1, 2008 , and ending SEP 30, 2009

G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

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

Name of foundation: PAULA AND WILLIAM BERNSTEIN FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) / Room/suite: 16 POLO CLUB DR.

City or town, state, and ZIP code: DENVER, CO 80209-3310

A Employer identification number: 74-2351575

B Telephone number: 303-722-4765

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, col. (c), line 16)* ▶$ 7,651,952.

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(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			N/A	
	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	273,589.	273,589.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<1,278,855.>			STATEMENT 1
	b Gross sales price for all assets on line 6a 800,549.				
	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 or (loss)				
	11 Other income	301.	301.		STATEMENT 3
	12 **Total.** Add lines 1 through 11	<1,004,965.>	273,890.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	10,625.	5,312.		5,313.
	c Other professional fees STMT 5	50,771.	50,771.		0.
	17 Interest				
	18 Taxes STMT 6	30,259.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	91,655.	56,083.		5,313.
	25 Contributions, gifts, grants paid	734,800.			734,800.
	26 **Total expenses and disbursements.** Add lines 24 and 25	826,455.	56,083.		740,113.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<1,831,420.>			
	b **Net investment income** (if negative, enter -0-)		217,807.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets (Attached schedules and amounts in the description column should be for end-of-year amounts only)		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	300,769.	143,886.	143,886.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 7	3,665,449.	2,847,950.	2,768,674.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	6,767,180.	5,910,142.	4,739,392.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	10,733,398.	8,901,978.	7,651,952.
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			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
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			
	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	7,067,067.	7,067,067.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	3,666,331.	1,834,911.	
	30 **Total net assets or fund balances**	10,733,398.	8,901,978.	
	31 **Total liabilities and net assets/fund balances**	10,733,398.	8,901,978.	

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	10,733,398.
2	Enter amount from Part I, line 27a	2	<1,831,420.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	8,901,978.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,901,978.

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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.)
1a	DODGE AND COX	P	VARIOUS	VARIOUS
b	DODGE AND COX	P	VARIOUS	VARIOUS
c	CAPITAL GUARDIAN - K-1 PASS THROUGH		VARIOUS	VARIOUS
d	CAPITAL GUARDIAN - K-1 PASS THROUGH		VARIOUS	VARIOUS
e	CAPITAL GAINS DIVIDENDS			

	(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	271,643.		398,847.	<127,204.>
b	519,466.		966,817.	<447,351.>
c			341,821.	<341,821.>
d			371,919.	<371,919.>
e	9,440.			9,440.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				<127,204.>
b				<447,351.>
c				<341,821.>
d				<371,919.>
e				9,440.

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	<1,278,855.>
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). If (loss), enter -0- in Part I, line 8		3	N/A

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))
2007	607,712.	10,274,995.	.059145
2006	600,620.	13,034,642.	.046079
2005	555,962.	10,632,911.	.052287
2004	706,046.	10,315,170.	.068447
2003	785,986.	9,630,573.	.081614

2 **Total** of line 1, column (d)	2	.307572
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	.061514
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	9,085,001.
5 Multiply line 4 by line 3	5	558,855.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,178.
7 Add lines 5 and 6	7	561,033.
8 Enter qualifying distributions from Part XII, line 4	8	740,113.

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 letter: ______ (attach copy of ruling letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	2,178.
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	2,178.
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	2,178.
6 Credits/Payments:				
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	15,000.		
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	15,000.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	12,822.
11 Enter the amount of line 10 to be: **Credited to 2009 estimated tax** ▶ 5,000. **Refunded** ▶			11	7,822.

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		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*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		X
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.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	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		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CO			
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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		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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ DR. PAULA BERNSTEIN Telephone no. ▶ 303-722-4765

Located at ▶ 16 POLO CLUB DRIVE, DENVER, CO ZIP+4 ▶ 80209-3310

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 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?	☐ 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 page 20 of the instructions)?	N/A	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 2008?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
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.)	N/A	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. ▶ ______, ______, ______, ______				
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 2008 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 2008.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?		4b		X

Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ 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)? N/A **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? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If you answered "Yes" to 6b, also 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? N/A **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.

(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
PAULA BERNSTEIN 16 POLO CLUB DR. DENVER, CO 80209	PRESIDENT 0.00	0.	0.	0.
WILLIAM BERNSTEIN 16 POLO CLUB DR. DENVER, CO 80209	SECRETARY 0.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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. 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 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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.

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	8,919,484.
b	Average of monthly cash balances	1b	303,867.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	9,223,351.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	9,223,351.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	138,350.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,085,001.
6	**Minimum investment return** Enter 5% of line 5	6	454,250.

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	454,250.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	2,178.		
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,178.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	452,072.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	452,072.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	452,072.

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	740,113.
b	Program-related investments - total from Part IX-B	1b	0.
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	740,113.
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	5	2,178.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	737,935.

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				452,072.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003 — 315,523.				
b From 2004 — 205,961.				
c From 2005 — 37,433.				
d From 2006				
e From 2007 — 123,848.				
f Total of lines 3a through e	682,765.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ $ 740,113.				
a Applied to 2007, but not more than line 2a			0.	
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 2008 distributable amount				452,072.
e Remaining amount distributed out of corpus	288,041.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	970,806.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	315,523.			
9 **Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a	655,283.			
10 Analysis of line 9:				
a Excess from 2004 — 205,961.				
b Excess from 2005 — 37,433.				
c Excess from 2006				
d Excess from 2007 — 123,848.				
e Excess from 2008 — 288,041.				

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 2008, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	(e) Total
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 foundation had $5,000 or more in assets at any time during the year-see the 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 STATEMENT 9

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:

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

c Any submission deadlines:

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

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 STATEMENT 10		VARIOUS	VARIOUS	734,800.
Total			▶ 3a	734,800.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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	273,589.	
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			14	301.	
8 Gain or (loss) from sales of assets other than inventory			18	<1,278,855.>	
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)		0.		<1,004,965.>	0.

13 Total Add line 12, columns (b), (d), and (e) 13 <1,004,965.>

(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).

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)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	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		

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

Paula P. Bernstein, Ph.D. | 2-13-10 | President

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature: WA Gaa | Date 2-11-10 | Check if self-employed ☐ | Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code: JANSEN, KAUFMAN & GROOTHUIS, P.C. 640 PLAZA DRIVE, SUITE 360 HIGHLANDS RANCH, CO 80129 | EIN ▶ | Phone no. (303)756-3626

823622 01-02-09

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DODGE AND COX	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
271,643.	398,847.	0.	0.	<127,204.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
DODGE AND COX	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
519,466.	966,817.	0.	0.	<447,351.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL GUARDIAN - K-1 PASS THROUGH	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	341,821.	0.	0.	<341,821.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL GUARDIAN - K-1 PASS THROUGH	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	371,919.	0.	0.	<371,919.>

CAPITAL GAINS DIVIDENDS FROM PART IV	9,440.
TOTAL TO FORM 990-PF, PART I, LINE 6A	<1,278,855.>

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	159,503.	9,440.	150,063.
INTEREST INCOME	121,868.	0.	121,868.
OTHER	407.	0.	407.
VANGUARD MONEY MARKET	1,251.	0.	1,251.
TOTAL TO FM 990-PF, PART I, LN 4	283,029.	9,440.	273,589.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CLASS ACTION PAYMENTS	301.	301.	
TOTAL TO FORM 990-PF, PART I, LINE 11	301.	301.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	10,625.	5,312.		5,313.
TO FORM 990-PF, PG 1, LN 16B	10,625.	5,312.		5,313.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CUSTODIAL FEES	5,122.	5,122.		0.
INVESTMENT FEES	44,763.	44,763.		0.
OTHER	886.	886.		0.
TO FORM 990-PF, PG 1, LN 16C	50,771.	50,771.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2008 TAXES PAID	15,259.	0.		0.
2009 TAXES PAID	15,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	30,259.	0.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT 11	2,847,950.	2,768,674.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,847,950.	2,768,674.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT 11	COST	5,910,142.	4,739,392.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,910,142.	4,739,392.

FORM 990-PF PART XV - LINE 1A STATEMENT 9
LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

PAULA BERNSTEIN
WILLIAM BERNSTEIN

The Paula and William Bernstein Foundation
Grants and Contributions Paid during the Year ended 9/30/09

Recipient Name	Recipient Address	Status *	Purpose	Amount
Allied Jewish Federation	300 S Dahlia St #300 Denver CO 80220		Religious	25,000
Aspen Music Festival School	2 Music School Road Aspen CO 81611		Education	50,000
Aspen Music Festival School	2 Music School Road Aspen CO 81611		Education	30,000
Colorado Symphony Orchestra	821 17th St Suite 700 Denver CO 80202		Cultural Arts	50,000
Colorado Symphony Orchestra	821 17th St Suite 700 Denver CO 80202		Cultural Arts	25,000
Colorado Symphony Orchestra	821 17th St Suite 700 Denver CO 80202		Cultural Arts	3,000
Congregation Har Ha Shem Capital Campaign	3950 Baseline Road Boulder CO 80303		Religious	26,500
Denver Center for the Performing Arts	1101 13th St Denver CO 780204-9874		Cultural Arts	1,500
Denver Institute for Psychoanalysis	P O Box 6508 Mail Stop F478 Aurora CO 80045		Medical	450
Denver Institute for Psychoanalysis	4200 E 9th Ave C255-64 Denver CO 80262		Medical	25,000
Denver Institute for Psychoanalysis	P O Box 6508 Mail Stop F478 Aurora CO 80045		Medical	10,000
Hospice by the Bay	1902 Van Ness Ave San Francisco CA 94109		Medical	500
Jewish Community Foundation	300 S Dahlia St #300 Denver CO 80220		Civic and Community	5,000
Jungle Theater - Jules Ebin Fund for Youth	2951 Lyndale Ave So Minneapolis MN 55408		Cultural Arts	7,500
KCFR - Colorado Public Radio	7409 S Alton Court Centennial CO 80112		Civic and Community	15,000
KCFR - Colorado Public Radio	7409 S Alton Court Centennial CO 80112		Civic and Community	4,500
KRMA TV - Channel 6 Rocky Mountain PBS	1089 Bannock St Denver CO 80204		Civic and Community	5,000
Minnesota Colon & Rectal Foundation	Box SDS 12-0861 Minneapolis MN 55486-0862		Medical	10,000
Minnesota Medical Foundation	Box SDS 12-0861 Minneapolis MN 55486-0861		Medical	15,000
Minnesota Medical Foundation	Box SDS 12-0861 Minneapolis MN 55486-0861		Medical	250,000
Planned Parenthood of the Rocky Mtns	7155 E 38th Ave Denver CO 80207		Medical	50,000
Planned Parenthood of the Rocky Mtns	7155 E 38th Ave Denver CO 80207		Medical	30,000
Regis Jesuit High School	6400 Lewiston Way Aurora CO 80016		Education	2,000
Roaring Fork Chamber Players	184 McSkimming Rd Aspen CO 81611		Cultural Arts	10,000
Social Venture Partners Boulder County	1123 Spruce St Boulder CO 80302		Civic and Community	5,000
Stanford University Cancer Supportive Care Project	1101 Welch Road Bldg A Suite 6 Palo Alto CA 94304		Medical	25,000
The Conflict Center	4041 Tejon St Denver CO 80211		Civic and Community	350
Wellesley Centers for Women	Wellesley College 106 Central St Wellesley MA 02481		Education	3,500
Wellesley Centers for Women	Wellesley College 106 Central St Wellesley MA 02481		Education	50,000
				734,800

*All Public Charity

The Paula and William Bernstein Foundation
Balance Sheet Detail
09/30/09

Quantity	Security	Tax Basis	FMV Basis
Capital Guardian			
110,644	CG Global Equity	3,574,257	2,437,488
254,073	CG US Invest Grade	2,335,885	2,301,904
	subtotal Capital Guardian Investments	5,910,142	4,739,392
Dodge & Cox			
200	Adobe Systems Inc	6,325	6,608
2,050	Aegon N V.-NY Reg Shr	25,797	17,343
1,000	Amgen Inc	45,294	60,230
300	Autodesk Inc	4,547	7,140
100	Avon Products Inc	2,275	3,396
900	Baker Hughes Inc	27,401	38,394
300	Bank of New York Mellon Corp	7,803	8,697
600	BB&T Corp	12,000	16,344
400	BMC Software Inc	5,549	15,012
2,500	Boston Scientific Corp	33,450	26,475
1,200	Cadence Design Sys Inc	11,111	8,808
1,900	Capital One Financial Corp	86,193	67,887
800	Cardinal Health Inc	29,742	21,440
550	Carefusion Corp	16,568	11,990
400	Carmax Inc	7,532	8,360
200	Caterpillar Inc	7,273	10,266
1,061	Cemex SAB-Spons ADR Part Cer	23,818	13,708
460	Chevron Corp	21,930	32,398
500	Citrix Systems Inc	16,551	19,615
4,000	Comcast Corp	66,639	67,560
450	Computer Sciences Corp	15,309	23,720
2,200	Compuware Corp	13,162	16,126
375	Covidien Plc	14,852	16,223
600	Dish Network	14,921	11,556
7,850	Dodge & Cox Intl Stock Fund	195,005	239,700
31,528	Dodge and Cox Income Fund	385,491	406,398
150	Domtar Corp	1,873	5,283
2,138	Dow Chemical	54,486	55,738
1,100	Ebay Inc	31,807	25,971
700	Fedex Corp	31,904	52,654
4,000	General Electric Co	98,620	65,680
700	Genworth Financial Inc-Cl A	13,650	8,365
1,500	GlaxoSmithKline PLC-Spon ADR	66,829	59,265
2,050	Hewlett-Packard Co	28,678	96,781
100	Hitachi Ltd-Spons ADR	5,866	3,058
1,200	Home Depot Inc	32,672	31,968
437	HSBC Holdsings PLC-Spons ADR	30,541	25,062
900	Interpublic Group of Cos Inc	10,536	6,768
300	Legg Mason Inc	24,594	9,309
400	Liberty Global Inc-A	15,141	9,028
300	Liberty Global Inc-Series C	10,688	6,738
280	Liberty Media Corp - Ent Ser A	3,630	8,711
1,775	Liberty Media Corp-Inter A	21,958	19,472
200	Loews Corp	2,105	6,850
858	Macy's Inc	29,785	15,693
1,400	Maxim Integrated Products	19,240	25,396

2,000	Merck & Co Inc	50,759	63,260
900	Molex Inc - Cl A	20,901	16,911
7,600	Motorola Inc	93,723	65,284
3,100	News Corp - Cl A	83,478	73,139
700	Nokia Corp-Spon ADR	9,192	10,234
1,300	Novartis AG-ADR	71,094	65,494
700	Occidental Petroleum Corp	18,301	54,880
1,600	Panasonic Corp	15,483	23,360
1,670	Pfizer Inc	37,963	27,639
300	Philips Electronics	10,175	7,308
400	Pitney Bowes Inc	14,556	9,940
200	Royal Dutch Shell PLC	9,485	11,438
1,000	Sanofi-Aventis-ADR	42,709	36,950
1,150	Schlumberger Ltd	56,687	68,540
2,100	SLM Corp	49,345	18,312
1,150	Sony Corp	32,902	33,580
7,000	Sprint Nextel Corp	78,122	27,650
300	State Street Corp	10,076	15,780
900	Symantec Corp	13,834	14,823
400	Synopsys Inc	9,797	8,968
300	Thermo Fisher Scientific Inc	10,586	13,101
843	Time Warner Cable	34,341	36,325
1,766	Time Warner Inc	63,729	50,825
350	Travelers Cos Inc	10,938	17,231
975	Tyco Electronics Ltd	24,890	21,723
575	Tyco International Ltd	23,326	19,826
1,400	United Health Group Inc	47,854	35,056
400	US Bancorp	8,799	8,744
700	Vodafone Group Plc-SP ADR	16,123	15,750
300	Vulcan Materials Co	12,300	16,221
300	Walgreen Co	11,670	11,241
400	Wal-Mart Stores Inc	17,430	19,636
900	Wellpoint Inc	30,106	42,624
2,446	Wells Fargo & Co	157,997	68,928
3,200	Xerox Corp	18,139	24,768
	subtotal Dodge & Cox Investments	2,847,950	2,768,673

SUMMARY

Vanguard - Treasury Money Market	-	-
Vanguard - Federal Money Market	102,666	102,666
American National Bank	3,813	3,813
Capital Guardian		-
Dodge and Cox	37,408	37,408
Total Cash	**143,887**	**143,887**
Capital Guardian	5,910,142	4,739,392
Dodge and Cox	2,847,950	2,768,673
Total Investments	8,758,092	7,508,065
Total Assets	8,901,979	7,651,952