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ORIGINAL

Form **990-PF**

OMB No 1545 0052

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

2008Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2008, or tax year beginning 10/01, 2008, and ending 9/30, 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

PETER NELSON CHARITABLE FOUNDATION
ACCOUNT NUMBER 38543900
PO BOX 21927, MAC P6540-144
SEATTLE, WA 98111

A Employer identification number

81-6010230

B Telephone number (see the instructions)

800-352-3705

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 foundationI Fair market value of all assets at end of year
(from Part II, column (c), line 16)

▶ \$ 500,184.

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) (see the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc. received (att sch)

2 Ck ☒ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

68.

68.

N/A

4 Dividends and interest from securities

16,668

16,668.

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

35,344.

b Gross sales price for all assets on line 6a 159,970.

7 Capital gain net income (from Part IV, line 2)

35,344.

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

See Statement 1

66.

12 Total. Add lines 1 through 11

52,146.

52,080.

13 Compensation of officers, directors, trustees, etc

5,521.

2,761.

2,760.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach sch) See St 2

505.

300.

205.

c Other prof fees (attach sch)

17 Interest

18 Taxes (attach schedule) See Stmt 3

14.

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

24 Total operating and administrative expenses. Add lines 13 through 23

6,040.

3,061.

2,965.

25 Contributions, gifts, grants paid Part XV

25,975.

25,975.

26 Total expenses and disbursements. Add lines 24 and 25

32,015.

3,061.

28,940.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

20,131.

b Net investment income (if negative enter 0)

49,019.

c Adjusted net income (if negative, enter 0)

SCANNED FEB 26 2010

INTERNAL REVENUE SERVICE
WASHINGTON, DC 20548
FIELD ASSISTANCE
SEATTLE, WA 98174
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P 1

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end of year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash — non-interest-bearing	159.	203.	203.
	2 Savings and temporary cash investments	5,978.	15,785.	15,785.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	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)	239,390.	241,312.	317,968.
	c Investments — corporate bonds (attach schedule)	123,101.	118,681.	120,897.
	11 Investments — land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)	40,516.	53,294.	45,331.	
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 instructions. Also, see page 1, item I)	409,144.	429,275.	500,184.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
N E T A S S E T S O R F U N D B A L A N C E S	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	409,144.	429,275.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	409,144.	429,275.	
	31 Total liabilities and net assets/fund balances (see the instructions)	409,144.	429,275.	

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	409,144.
2 Enter amount from Part I, line 27a	2	20,131.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	429,275.
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	429,275.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 4				
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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than 0) or Losses (from column (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	35,344.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	-1,924.

If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2007	31,425.	623,550.	0.050397
2006	32,725.	644,603.	0.050768
2005	32,447.	591,320.	0.054872
2004	33,265.	586,115.	0.056755
2003	39,910.	581,613.	0.068620

2 Total of line 1, column (d)	2	0.281412
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	0.056282
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	463,106.
5 Multiply line 4 by line 3	5	26,065.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	490.
7 Add lines 5 and 6	7	26,555.
8 Enter qualifying distributions from Part XII, line 4	8	28,940.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary — see instructions)		1	490.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	490.
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	490.
6 Credits/Payments			
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a	802.	
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	802.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	312.	
11 Enter the amount of line 10 to be Credited to 2009 estimated tax <input checked="" type="checkbox"/> 312. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) N/A		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>SHARON AYERS</u> Telephone no <u>800-352-3705</u> Located at <u>PO BOX 95021 HENDERSON NV</u> ZIP + 4 <u>89009-5021</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see the instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 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.)	3b	N/A
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

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

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 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?

7b N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions)

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WELLSFARGO PRIVATE CLIENT SERV P.O. BOX 597 HELENA, MT 59624	COMM. TRUSTE 0	0.	0.	0.

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

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

Total number of other employees paid over \$50,000

0

Part 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	452,675.
b Average of monthly cash balances	1b	17,483.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	470,158.
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	470,158.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	7,052.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	463,106.
6 Minimum investment return. Enter 5% of line 5	6	23,155.

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	23,155.
2a Tax on investment income for 2008 from Part VI, line 5	2a	490.
b Income tax for 2008 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	490.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	22,665.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	22,665.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	22,665.

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	28,940.
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	28,940.
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	490.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	28,450.

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				22,665.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			0.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2008				
a From 2003	3,563.			
b From 2004				
c From 2005				
d From 2006	1,672.			
e From 2007	911.			
f Total of lines 3a through e	6,146.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 28,940.				
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				22,665.
e Remaining amount distributed out of corpus	6,275.			
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	12,421.			
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 instructions			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) (see instructions)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	3,563.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	8,858.			
10 Analysis of line 9				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006	1,672.			
d Excess from 2007	911.			
e Excess from 2008	6,275.			

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

N/A

- 1a 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

- 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(i)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization

- (4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

None

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a The name, address, and telephone number of the person to whom applications should be addressed

See Statement 5

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

See Statement for Line 2a

- c** Any submission deadlines

See Statement for Line 2a

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

See Statement for Line 2a

Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a</i> Paid during the year SCHEDULE ATTACHED	NONE	NONE	SEE SCHEDULE	25,975.
Total				25,975.
<i>b</i> Approved for future payment				
Total				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	68.	
4	Dividends and interest from securities			14	16,668.	
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			18	35,344.	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a	CLASS ACTION AIG			1	66.	
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				52,146.	
13	Total. Add line 12, columns (b), (d), and (e)					52,146.

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

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

[illegible]

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PETER NELSON CHARITABLE FOUNDATION
ACCOUNT NUMBER 38543900

81-6010230

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Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
CLASS ACTION AIG	\$ 66.		
Total	\$ 66.	\$ 0.	\$ 0.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
PREPARATION OF 2007 990PF	\$ 505.	\$ 300.		\$ 205.
Total	\$ 505.	\$ 300.		\$ 205.

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAX	\$ 14.			
Total	\$ 14.	\$ 0.		\$ 0.

Statement 4
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	180 ISHARES TR MSCI EMERGING MARKETS	Purchased	Various	10/10/2008
2	60 ISHARES TR MSCI EMERGING MARKETS	Purchased	11/13/2007	10/10/2008
3	474.383 PIMCO COMMODITY REAL RET STRAT	Purchased	11/13/2007	11/26/2008
4	HUSSMAN STRATEGIC GROWTH ANNUAL ADJ.	Purchased	Various	11/19/2008
5	50 AIR PRODUCTS & CHEMICALS	Purchased	9/05/2003	1/22/2009
6	100 BP PLC-ADR	Purchased	11/03/2003	1/22/2009
7	50 DU PONT	Purchased	9/12/2005	1/22/2009
8	50 FORTUNE BRANDS	Purchased	Various	1/22/2009
9	140 ISHARES BARCLAYS 1-3 YEAR TREAS BOND	Purchased	Various	1/22/2009
10	50 MCDONALDS CORP	Purchased	10/29/2002	1/22/2009
11	110 NOKIA CORPORATION	Purchased	11/03/2003	1/22/2009
12	100 PFIZER	Purchased	5/28/1970	1/22/2009
13	50 PUBLIC SVC ENTERPRISE GROUP	Purchased	10/31/2001	1/22/2009
14	50 ROHM & HAAS	Purchased	11/03/2003	1/22/2009
15	25 TIME WARNER	Purchased	9/12/2005	1/22/2009

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Statement 4 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
16	50 VERIZON COMMUNICATIONS	Purchased	Various	1/22/2009
17	110 IPATH DOW JONES AIG COMMDTY	Purchased	11/28/2008	3/13/2009
18	100 ROHM & HAAS	Purchased	11/03/2003	3/18/2009
19	10 AIR PRODUCTS & CHEMICALS	Purchased	9/05/2003	4/17/2009
20	20 BECTON DICKINSON	Purchased	11/03/2003	4/17/2009
21	40 CHEVRON CORP	Purchased	12/14/1973	4/17/2009
22	40 DOMINION RESOURCES	Purchased	11/03/2003	4/17/2009
23	50 DU PONT	Purchased	Various	4/17/2009
24	30 EMERSON ELECTRIC	Purchased	11/03/2003	4/17/2009
25	40 EXXON MOBIL	Purchased	7/24/1968	4/17/2009
26	75 FPL GROUP	Purchased	11/03/2003	4/17/2009
27	50 GENERAL ELECTRIC	Purchased	7/30/1981	4/17/2009
28	50 HEWLETT PACKARD CO	Purchased	9/05/2003	4/17/2009
29	50 HONEYWELL INTERNATIONAL	Purchased	9/20/1993	4/17/2009
30	100 ISHARES BARCLAYS AGGREGATE BOND FUND	Purchased	Various	4/17/2009
31	100 ISHARES GOLDMAN SACHS	Purchased	2/12/2007	4/17/2009
32	50 MCDONALDS CORP	Purchased	Various	4/17/2009
33	25 METLIFE	Purchased	9/05/2003	4/17/2009
34	50 MICROSOFT	Purchased	9/05/2003	4/17/2009
35	40 PEPSICO	Purchased	7/24/1968	4/17/2009
36	75 PFIZER	Purchased	5/28/1970	4/17/2009
37	40 PROCTER & GAMBLE	Purchased	9/20/2001	4/17/2009
38	75 PUBLIC SVC ENTERPRISE GROUP	Purchased	10/31/2001	4/17/2009
39	.275 TIME WARNER CABLE INC	Purchased	9/12/2005	4/06/2009
40	25 TRAVELERS COMPANIES	Purchased	9/20/2001	4/17/2009
41	40 US BANCORP DEL NEW	Purchased	9/20/1993	4/17/2009
42	100 VERIZON COMMUNICATIONS	Purchased	1/07/1986	4/17/2009
43	30 3M CO	Purchased	6/23/1972	4/17/2009
44	30 SAFEWAY INC	Purchased	1/24/2008	6/18/2009
45	100 ALTRIA GROUP	Purchased	10/29/2002	7/20/2009
46	25 AMERICAN EXPRESS CO	Purchased	9/05/2003	7/20/2009
47	35 FORTUNE BRANDS	Purchased	7/21/1972	7/20/2009
48	50 GENERAL ELECTRIC	Purchased	7/30/1981	7/20/2009
49	50 HONEYWELL INTERNATIONAL	Purchased	9/20/1993	7/20/2009
50	100 ISHARES BARCLAYS AGGREGATE BOND FUND	Purchased	Various	7/20/2009
51	50 MICROSOFT	Purchased	9/05/2003	7/20/2009
52	100 PFIZER	Purchased	5/28/2007	7/20/2009
53	100 US BANCORP DEL NEW	Purchased	9/20/1993	7/20/2009
54	45 AT&T	Purchased	Various	9/09/2009
55	20 BECTON DICKINSON	Purchased	11/03/2003	9/09/2009
56	20 CHEVRON CORP	Purchased	12/14/1973	9/09/2009
57	25 EMERSON ELECTRIC	Purchased	11/03/2003	9/09/2009
58	20 EXXON MOBIL	Purchased	7/24/1968	9/09/2009
59	50 GENERAL ELECTRIC	Purchased	7/30/1981	9/09/2009
60	40 HEWLETT PACKARD CO	Purchased	9/05/2003	9/09/2009
61	90 ISHARES BARCLAYS AGGREGATE BOND FUND	Purchased	7/13/2007	9/09/2009
62	20 JOHNSON & JOHNSON	Purchased	9/05/2003	9/09/2009
63	20 JP MORGAN CHASE	Purchased	9/05/2003	9/09/2009
64	20 MCDONALDS CORP	Purchased	12/23/2002	9/09/2009
65	20 PEPSICO	Purchased	7/24/1968	9/09/2009
66	25 TARGET CORP	Purchased	12/23/2002	9/09/2009
67	20 TRAVELERS COMPANIES	Purchased	9/20/2001	9/09/2009
68	10 3M CO	Purchased	6/23/1972	9/09/2009

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PETER NELSON CHARITABLE FOUNDATION
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Statement 4 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	4,930.		7,630.	-2,700.				\$ -2,700.
2	1,643.		3,021.	-1,378.				-1,378.
3	4,037.		7,500.	-3,463.				-3,463.
4	1,433.		0.	1,433.				1,433.
5	2,762.		2,409.	353.				353.
6	4,345.		4,260.	85.				85.
7	1,220.		2,000.	-780.				-780.
8	1,958.		218.	1,740.				1,740.
9	11,825.		11,199.	626.				626.
10	2,947.		920.	2,027.				2,027.
11	1,529.		1,902.	-373.				-373.
12	1,719.		47.	1,672.				1,672.
13	1,525.		974.	551.				551.
14	3,001.		1,960.	1,041.				1,041.
15	231.		457.	-226.				-226.
16	1,476.		626.	850.				850.
17	3,493.		4,039.	-546.				-546.
18	7,818.		3,920.	3,898.				3,898.
19	591.		482.	109.				109.
20	1,359.		729.	630.				630.
21	2,676.		18.	2,658.				2,658.
22	1,184.		1,233.	-49.				-49.
23	1,338.		1,853.	-515.				-515.
24	958.		862.	96.				96.
25	2,674.		24.	2,650.				2,650.
26	3,747.		2,403.	1,344.				1,344.
27	620.		63.	557.				557.
28	1,686.		1,032.	654.				654.
29	1,519.		969.	550.				550.
30	10,065.		10,036.	29.				29.
31	9,501.		10,669.	-1,168.				-1,168.
32	2,752.		804.	1,948.				1,948.
33	697.		727.	-30.				-30.
34	970.		1,430.	-460.				-460.
35	2,027.		16.	2,011.				2,011.
36	992.		36.	956.				956.
37	1,904.		1,450.	454.				454.
38	2,155.		1,461.	694.				694.
39	7.		15.	-8.				-8.
40	1,079.		938.	141.				141.
41	696.		326.	370.				370.
42	3,094.		1,207.	1,887.				1,887.
43	1,598.		178.	1,420.				1,420.
44	629.		971.	-342.				-342.
45	1,673.		960.	713.				713.
46	683.		992.	-309.				-309.
47	1,235.		138.	1,097.				1,097.
48	605.		63.	542.				542.
49	1,614.		969.	645.				645.
50	10,192.		9,953.	239.				239.
51	1,197.		1,430.	-233.				-233.
52	1,494.		47.	1,447.				1,447.
53	1,806.		814.	992.				992.

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Statement 4 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
54	1,126.		1,512.	-386.				\$ -386.
55	1,374.		729.	645.				645.
56	1,366.		9.	1,357.				1,357.
57	912.		719.	193.				193.
58	1,364.		12.	1,352.				1,352.
59	669.		63.	606.				606.
60	1,772.		826.	946.				946.
61	9,350.		8,816.	534.				534.
62	1,188.		1,018.	170.				170.
63	838.		692.	146.				146.
64	1,106.		310.	796.				796.
65	1,125.		8.	1,117.				1,117.
66	1,175.		722.	453.				453.
67	993.		751.	242.				242.
68	703.		59.	644.				644.
Total								\$ 35,344.

Statement 5
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program: PETER NELSON CHARITABLE FOUNDATION
Name: PETER NELSON CHARITABLE FOUNDATION
Care Of: WF PRIVATE CLIENT SERVICES
Street Address: PO BOX 597
City, State, Zip Code: HELENA, MT 59624
Telephone:
Form and Content: SEE THE ATTACHED FORM
Submission Deadlines: MAY 1ST OF EACH YEAR
Restrictions on Awards: SCHEDULED

PETER NELSON CHARITABLE FOUNDATION
81-6010230

PART II.

Line 10b. Investments, Corporate Stock		COST	MARKET
Fortune Brands	45 sh	\$ 178	1,934
Home Depot	40 sh	962	1,066
McDonalds	140 sh	2,170	7,990
Target	140 sh	3,816	6,535
Time Warner Cable	6 sh	325	259
Time Warner	25 sh	1,031	720
Colgate Palmolive	50 sh	2,656	3,814
CVS/Caremark	56 sh	1,741	2,001
Kraft Foods	69 sh	982	1,813
Pepsico	105 sh	41	6,159
Philip Morris Int'l	100 sh	2,187	4,874
Proctor & Gamble	80 sh	2,901	4,634
Sysco Corp	50 sh	1,709	1,243
Chesapeake Energy	45 sh	969	1,278
Chevron	115 sh	53	8,099
Conoco Phillips	45 sh	3,134	2,032
Exxon Mobil	120 sh	71	8,233
Halliburton	125 sh	4,345	3,390
Marathon Oil	35 sh	2,131	1,116
Allstate	100 sh	3,996	3,062
American Express	130 sh	3,178	4,407
Ameriprise Finl	40 sh	849	1,453
Bank New York Mellon	110 sh	4,303	3,189
Bank America Corp	200 sh	7,071	3,384
Citigroup	120 sh	5,390	581
JP Morgan Chase	185 sh	6,194	8,107
Metlife	125 sh	3,634	4,759
State Street	30 sh	1,527	1,578
Travelers Co	130 sh	4,343	6,400
US Bancorp Del	150 sh	1,221	3,279
Abbott Labs	100 sh	3,868	4,947
Becton Dickinson	80 sh	2,918	5,580
Bristol Myers Squibb	80 sh	1,783	1,802
Johnson & Johnson	100 sh	5,091	6,089
Medtronic Inc	45 sh	1,459	1,656
Merck & Co	40 sh	1,107	1,265
Pfizer	145 sh	69	2,400
Wyeth	50 sh	2,279	2,429
Emerson Electric	125 sh	3,449	4,810
General Electric	265 sh	285	4,351
Honeywell Int'l	233 sh	4,317	8,656
Rockwell Automation	20 sh	1,119	852
United Technologies	40 sh	2,488	2,437
3M Company	90 sh	534	6,642
Hewlett Packard	320 sh	6,035	15,107
Intel	200 sh	3,450	3,914
IBM	80 sh	6,261	9,569

Investments, Corporate Stock, continued to next page

PETER NELSON CHARITABLE FOUNDATION
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Investments, Corporate Stock, continued from previous page

		COST	MARKET
Microsoft	160 sh	\$ 4,576	\$ 4,115
Nokia	90 sh	1,556	1,316
Oracle Corp	50 sh	1,074	1,042
Air Products & Chem	30 sh	1,445	2,327
Du Pont	85 sh	2,898	2,732
AT&T	127 sh	3,080	3,430
Verizon Wireless	105 sh	1,268	3,178
Dominion Res	60 sh	1,849	2,070
Exelon	15 sh	1,175	744
FPL Group	45 sh	1,442	2,485
Public Serv Ent	110 sh	2,142	3,458
CEF IShares S&P 500	325 sh	13,316	16,637
IShares MSCI EAFE	765 sh	49,711	41,830
IShares TR S&P Mid	225 sh	13,967	15,514
IShares TR Smallcap	245 sh	11,795	12,823
Vanguard Emerg Mkts	373 sh	10,398	14,372
		<u>\$241,312</u>	<u>\$317,968</u>

Line 13. Other Investments

Hussman Strategic Growth	1227 sh	\$ 18,000	\$ 15,915
Powershares DB	448 sh	9,071	9,883
SPDR DJ Wilshire Intl	195 sh	9,361	6,891
Vanguard REIT Viper	305 sh	16,862	12,642
		<u>\$ 53,294</u>	<u>\$ 45,331</u>

Line 10a. Corporate Obligations

IShares Goldman Sachs	205 sh	21,632	21,869
Ridgeworth SEIX High Bond	1470 sh	13,500	13,315
Templeton Global Bond	1275 sh	15,000	15,929
Vanguard BD Index	595 sh	46,948	47,630
Vanguard Intrmd Term B	275 sh	21,601	22,154
		<u>\$118,681</u>	<u>\$120,897</u>

PETER NELSON CHARITABLE FOUNDATION
81-6010230

PART VIII.

Committee for Selection of Charitable Recipients:

John J. Baucus, Box 167, Wolf Creek MT
Chase Hibbard, 24 Carriage Lane, Helena MT
Dave Ashby, Box 597, Helena MT

PART XV. 2b.

The Foundation makes grants to organizations and has approval of its grants making procedure for awarding occasional scholarship grants. To apply for organizational grants, request the necessary procedures and required information from Norwest Investment & Management Trust (Dave Ashby). To apply for scholarships, use a copy of the attached form.

PART XV. 2d.

There are no specific criteria for grants to organizations. The policy is to benefit organizations that promote trade or vocational training. Scholarship recipients must be in the top half of their high school graduating class, and must be seeking education in a vocation or trade involving manual arts and related careers.

PETER NELSON CHARITABLE FOUNDATION
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PART XV. 3a.

Cascade County FFA, Vocational & Agriculture
Dept.--a publicly supported not for profit
Organization located in Cascade Mt 59421 \$ 4,650

Helena Industries Inc.-a non-profit which
provides rehabilitative and technical train-
ing for individuals who are developmentally
or otherwise disabled. Located in Helena,
Montana 3,325

Agriculture in Montana Schools, a non-
Profit organization which provides materials
For teaching about agriculture in Montana
Schools. Located at Box 840, Choteau, MT
59422 (c/o Valerie Larson) 3,500

Helena College of Technology, University
of Montana, a public post-secondary school.
This school uses the funds to assist needy
students. The school controls the selection
of the recipients and the disposition of
funds. Located at 1115 Roberts, Helena MT 3,000

Farm in the Dell, Westmont, a non-profit
organization which trains developmentally
disabled adults in the field of agricul-
ture. Located in Helena and Great Falls, MT 5,000

Future Farmers of America (FFA) Foundation
Provides assistance and awards to the Montana
Members of the FFA. Located at 502 South 19th,
Bozeman MT 59718 (c/o Tyler Wiltgen) 3,000

Great Falls College of Technology, Montana
State University, a post-secondary school.
This school uses the funds to assist needy
students. The school controls the selection
of students and the disposition of funds.
Located at 2100 16th Ave. South Great Falls MT 3,500
\$25,975