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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
2009

For calendar year 2009, or tax year beginning 01-01-2009 , and ending 12-31-2009

G

Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation MORLEY FOUNDATION		A Employer identification number 38-6055569	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite ONE TUSCOLA PO BOX 2485		B Telephone number (see page 10 of the instructions) (989) 791-0155	
	City or town, state, and ZIP code SAGINAW, MI 486052485		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) \$ 4,014,813

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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	26,790	26,790	26,790	
	4 Dividends and interest from securities.	110,887	110,887	110,887	
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-40,403			
	b Gross sales price for all assets on line 6a _____ 354,239				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	36		36	
	12 Total. Add lines 1 through 11	97,310	137,677	137,713	
	13 Compensation of officers, directors, trustees, etc	39,138			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	2,595	2,075	2,075	520
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	9,527	7,145	7,145	2,382
	c Other professional fees (attach schedule)	21,336	15,503	15,503	5,833
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	4,075	4,075	4,075	
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings	2,208			2,208
	22 Printing and publications				
	23 Other expenses (attach schedule)	579	267	267	310
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	79,458	29,065	29,065	11,253
	25 Contributions, gifts, grants paid	164,340			164,340
	26 Total expenses and disbursements. Add lines 24 and 25	243,798	29,065	29,065	175,593
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-146,488			
	b Net investment income (if negative, enter -0-)		108,612		
	c Adjusted net income (if negative, enter -0-)			108,648	

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
Assets	1Cash—non-interest-bearing			
	2Savings and temporary cash investments	119,947	101,918	101,918
	3Accounts receivable ▶ <u>30,820</u>			
	Less allowance for doubtful accounts ▶ _____	28,840	30,820	30,820
	4Pledges receivable ▶ _____			
	Less allowance for doubtful accounts ▶ _____			
	5Grants receivable			
	6Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7Other notes and loans receivable (attach schedule) ▶ <u>20,000</u>			
	Less allowance for doubtful accounts ▶ _____	20,000	20,000	20,000
	8Inventories for sale or use			
	9Prepaid expenses and deferred charges	15,515	11,440	11,440
	10aInvestments—U S and state government obligations (attach schedule)			
	bInvestments—corporate stock (attach schedule)	3,139,997	3,496,395	3,496,395
	cInvestments—corporate bonds (attach schedule).	324,858	284,773	284,773
	11Investments—land, buildings, and equipment basis ▶ _____			
Liabilities	Less accumulated depreciation (attach schedule) ▶ _____			
	12Investments—mortgage loans			
	13Investments—other (attach schedule)	103,633	69,467	69,467
	14Land, buildings, and equipment basis ▶ _____			
	Less accumulated depreciation (attach schedule) ▶ _____			
	15Other assets (describe ▶ _____)	53		
	16Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	3,752,843	4,014,813	4,014,813
	17Accounts payable and accrued expenses			
	18Grants payable	195,000	115,000	
	19Deferred revenue			
Net Assets or Fund Balances	20Loans from officers, directors, trustees, and other disqualified persons			
	21Mortgages and other notes payable (attach schedule)			
	22Other liabilities (describe ▶ _____)			
	23Total liabilities (add lines 17 through 22)	195,000	115,000	
	Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.			
	24Unrestricted	3,557,843	3,899,813	
	25Temporarily restricted			
	26Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27Capital stock, trust principal, or current funds			
	28Paid-in or capital surplus, or land, bldg , and equipment fund			
	29Retained earnings, accumulated income, endowment, or other funds			
	30Total net assets or fund balances (see page 17 of the instructions)	3,557,843	3,899,813	
	31Total liabilities and net assets/fund balances (see page 17 of the instructions)	3,752,843	4,014,813	

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	3,557,843
2	Enter amount from Part I, line 27a	2	-146,488
3	Other increases not included in line 2 (itemize) ▶ _____	3	488,458
4	Add lines 1, 2, and 3	4	3,899,813
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	3,899,813

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				
(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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(j) F M V as of 12/31/69		(k) Adjusted basis as of 12/31/69	(l) Excess of col (i) over col (j), if any	
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)			2	
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 pages 13 and 17 of 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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	310,920	4,646,486	0 066915
2007	304,727	5,644,581	0 053986
2006	313,199	5,502,357	0 056921
2005	329,286	5,589,539	0 058911
2004	305,722	5,609,931	0 054497
2 Total of line 1, column (d).			
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			
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.			
5 Multiply line 4 by line 3.			
6 Enter 1% of net investment income (1% of Part I, line 27b).			
7 Add lines 5 and 6.			
8 Enter qualifying distributions from Part XII, line 4.			
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 on page 18			

Part VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	2,172
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	
3		Add lines 1 and 2.		3	2,172
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	2,172
6		Credits/Payments			
a		2009 estimated tax payments and 2008 overpayment credited to 2009	6a	13,537	
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	13,537
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	11,365
11		Enter the amount of line 10 to be Credited to 2010 estimated tax ☐ 11,365	Refunded ☐	11	

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			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?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	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?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either			
	• By language in the governing instrument, or			
	• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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 page 19 of the instructions) ☐ MI _____			
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	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? 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)

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of MARK MORLEY Telephone no (989) 791-0155 Located at SAGINAW SAGINAW MI ZIP+4 48609			
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	

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)?. Organizations relying on a current notice regarding disaster assistance check here.	1b		
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 2009?.	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?. 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 page 20 of the 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 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.).	3b		
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 2009?	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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.

Yes

▶

No

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?

Yes

✓

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?

Yes

No

5b

6b

7b

No

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 page 22 of the 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
See Additional Data Table				

2

Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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.

▶

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 page 23 of the 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 page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	3,462,271
b	Average of monthly cash balances.	1b	161,373
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	3,623,644
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	
3	Subtract line 2 from line 1d.	3	3,623,644
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	54,355
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,569,289
6	Minimum investment return. Enter 5% of line 5.	6	178,464

Part XI

Distributable Amount (see page 25 of the 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	178,464
2a	Tax on investment income for 2009 from Part VI, line 5.	2a	2,172
b	Income tax for 2009 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	2,172
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	176,292
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	176,292
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	176,292

Part XII

Qualifying Distributions (see page 25 of the 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	175,593
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	175,593
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 page 26 of the instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	175,593
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 page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				176,292
2	Undistributed income, if any, as of the end of 2008				
a	Enter amount for 2008 only.				
b	Total for prior years 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2009				
a	From 2004.				29,616
b	From 2005.				59,199
c	From 2006.				41,910
d	From 2007.				39,485
e	From 2008.				81,792
f	Total of lines 3a through e.	252,002			
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 175,593				
a	Applied to 2008, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .				
d	Applied to 2009 distributable amount.				175,593
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	699			699
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	251,303			
b	Prior years' undistributed income Subtract line 4b from line 2b.				
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 page 27 of the instructions . . .				
e	Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).				
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions).	28,917			
9	Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	222,386			
10	Analysis of line 9				
a	Excess from 2005.				59,199
b	Excess from 2006.				41,910
c	Excess from 2007.				39,485
d	Excess from 2008.				81,792
e	Excess from 2009.				

Part XIV

Private Operating Foundations (see page 27 of the 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 2009, 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)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 page 27 of 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))

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

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 page 28 of the 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

MARK MORLEY
PO BOX 2485
SAGINAW, MI 486052485
(989) 791-0155

b

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

ONE PAGE LETTER

c

Any submission deadlines

NONE

d

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

GREATER MICHIGAN AREA

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i> SEE ATTACHED SCHEDULE ONE TUSCOLA SAGINAW, MI 48605			CHARITABLE	164,340
Total			 3a	164,340
b <i>Approved for future payment</i> SEE ATTACHED SCHEDULE ONE TUSCOLA SAGINAW, MI 48605			CHARITABLE	115,000
Total			 3b	115,000

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the 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			14	26,790	
4 Dividends and interest from securities.			14	110,887	
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			14	-40,403	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a MISCELLANEOUS REVENUE			1	36	
b _____					
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e). .				97,310	
13 Total. Add line 12, columns (b), (d), and (e).					97,310

[illegible]

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?		Yes	No
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			

[illegible]

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

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				
Signature of officer or trustee			2010-05-27 Date	Title
Paid Preparer's Use Only	Preparer's Signature THOMAS E HOLLERBACK		Date 2010-07-13	Check if self-employed ☒ Preparer's identifying number (see Signature on page 30 of the instructions)
	Firm's name (or yours if self-employed), address, and ZIP code YEO & YEO PC PO BOX 3275 SAGINAW, MI 48605		EIN	
			Phone no (989) 793-9830	

Additional Data

Software ID: 09000034

Software Version: 09530951

EIN: 38-6055569

Name: MORLEY FOUNDATION

Form 990PF Part VIII Line 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
MARK MORLEY	PRESIDENT 40 00	39,138	0	0
ONE TUSCOLA SAGINAW, MI 48605				
LOIS GUTTOWSKY	SECRETARY 2 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
DAVID MORLEY	VICE PRESIDE 2 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
CAROL MORLEY BECK	TREASURER 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
MICHAEL MORLEY BRAND	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
BURROWS MORLEY JR	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
KATHARYN MORLEY	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
PETER MORLEY JR	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
CHRISTOPHER MORLEY	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
RICHARD THOMSON JR	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
GEORGE MORLEY JR	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
BURROWS MORLEY III	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
SARA MORLEY LACROIX	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
LUCY THOMSON	HON TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
PETER MORLEY	HON TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
CHASE BRAND	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
MICHAEL MORLEY	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				
JODONA MORLEY KINNEY	TRUSTEE 1 00	0	0	0
ONE TUSCOLA SAGINAW, MI 48605				

TY 2009 Accounting Fees Schedule**Name:** MORLEY FOUNDATION**EIN:** 38-6055569

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
YEO & YEO, P C - ACCOUNTING AND	9,527	7,145	7,145	2,382
AUDITING SERVICES RELATIVE TO				
FOUNDATION'S ACTIVITIES				

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Gain/Loss from Sale of Other Assets Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Met hod	Sales Expenses	Total (net)	Accumulated Depreciat ion
SALE OF SECURITIES		PURCHASE			354,239	394,642			-40,403	

**TY 2009 Investments Corporate
Bonds Schedule**

Name: MORLEY FOUNDATION
EIN: 38-6055569

Name of Bond	End of Year Book Value	End of Year Fair Market Value
SEE ATTACHED SCHEDULE	284,773	284,773

**TY 2009 Investments Corporate
Stock Schedule**

Name: MORLEY FOUNDATION
EIN: 38-6055569

Name of Stock	End of Year Book Value	End of Year Fair Market Value
SEE ATTACHED STATEMENT	3,496,395	3,496,395

TY 2009 Investments - Other Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
SHORT - TERM INVESTMENTS			
GOLDEN OAK FDS PRIME OBLIGATION	FMV	69,467	69,467

TY 2009 Other Assets Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
MINERAL RIGHTS	53		

TY 2009 Other Expenses Schedule**Name:** MORLEY FOUNDATION**EIN:** 38-6055569

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
OFFICE SUPPLIES	87	21	21	65
OFFICE EXPENSE	667	334	334	333
MISCELLANEOUS EXPENSE	-175	-88	-88	-88
PRIOR YEAR INCOME TAX EXPENSE				

TY 2009 Other Income Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Description	Revenue And Expenses Per Books	Net Invest ment Income	Adjusted Net Income
MISCELLANEOUS REVENUE	36		36

TY 2009 Other Increases Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Description	Amount
UNREALIZED GAIN ON INVESTMENTS	408,458
CHANGE IN FUTURE COMMITMENTS	80,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Other Notes/Loans

Receivable Long Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Borrower's Name	Relationship to Insider	Original Amount of Loan	Balance Due	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Security Provided by Borrower	Purpose of Loan	Description of Lender Consideration	Consideration FMV
SAGINAW ART MUSEUM	501 (C)(3) ORGANIZATION	100,000	20,000	2001-09	2002-09	LUMP SUM PLUS INTEREST	8 00 %	UNSECURED	CASH FLOW PROBLEMS	NONE	20,000

TY 2009 Other Professional Fees Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TRUST FEES	15,163	15,163	15,163	
CONTRACTED SERVICES	1,700	340	340	1,360
DUES - CHARITABLE	4,473			4,473

TY 2009 Taxes Schedule

Name: MORLEY FOUNDATION

EIN: 38-6055569

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
	4,075	4,075	4,075	

Form 990 PF - Page 10, Part XV, Line 3A - Contributions Paid During the Year

Recipient	Address	City/State	If Individual any Relationship	Status of Recipient	Purpose of Grant or Contribution	Amount
Ainsworth PTA	2425 SW Vista Ave	Portland, OR	None	None	Education	250
Albion College	611 E. Porter St	Albion MI	None	None	Education	1,000
American Red Cross	1232 N. Michigan	Saginaw, MI	None	None	Health	1,000
American Red Cross of Kalamazoo	5640 Venture Court	Kalamazoo MI	None	None	Health	100
Aristis Repertory Theatre	1516 S W Alder St	Portland, OR	None	None	Humanities	250
Bay County Public School Academy	1110 State St	Bay City, MI	None	None	Education	150
Baylor University	3700 Worth St	Dallas, TX	None	None	Education	1,000
Boys & Girls Club	P O Box 8171	Waukegan, IL	None	None	Welfare	2,000
Boys & Girls Club	907 E. Remington	Saginaw, MI	None	None	Welfare	5,000
Caitlin Gabel School	8825 W Barnes Rd	Portland OR	None	None	Education	500
Center for Child & Family Advocacy	219 E. Washington	Napoleon, OH	None	None	Welfare	1,000
Council of Michigan Foundations	One South Harbor Ave Ste 3	Grand Haven, MI	None	None	Community	500
Cranbrook School	P O Box 801	Bloomfield Hills, MI	None	None	Education	1,450
Crescendo Academy of Music	359 S Kalamazoo Mall #12	Kalamazoo, MI	None	None	Education	300
Crooked Tree Arts Center	461 East Mitchell	Petoskey, MI	None	None	Humanities	625
Deerfield Academy	P O Box 306	Deerfield MA	None	None	Education	1,000
Delta College Q-TV	1961 Delta Rd	University Center MI	None	None	Education	18,900
Delta College Foundation	1961 Delta Rd	University Center, MI	None	None	Education	1,000
Department Number 77650	P O Box 77000	Detroit MI	None	None	Welfare	100
Field Neuroscience Institute	4677 Towne Centre, Suite 101	Saginaw, MI	None	None	Health	100
First Congregational Church	403 Jefferson	Saginaw, MI	None	None	Welfare	1,000
First Presbyterian Church of Lake Forest	700 North Sheridan Rd	Lake Forest, IL	None	None	Welfare	1,000
Friends of Columbia Gorge - Cape Horn	P O Box 40820	Portland OR	None	None	Humanities	500
Friends of the Columbia Gorge	P O Box 40820	Portland, OR	None	None	Community	250
Grace Memorial Episcopal	1535 NE 17th	Portland OR	None	None	Welfare	350
Grand Rapids Red Project	343 Atlas SE	Grand Rapids, MI	None	None	Health	100
Guiding Light Missions	255 S. Division Ave	Grand Rapids MI	None	None	Welfare	100
Helen DeVos Children's Hospital	100 Michigan St. NE	Grand Rapids, MI	None	None	Health	2,000
Henry County CASA	612 1/2 N Perry	Napoleon, OH	None	None	Welfare	500
Higgins Lake Foundation	P O Box 753	Roscommon, MI	Yes	None	Community	1,000
Hillsdale College	33 East College St	Hillsdale MI	None	None	Education	1,000
Holy Cross Children's Services	925 N. River Rd	Saginaw, MI	None	None	Welfare	5,000
Illahee	720 SW Washington, Suite 800	Portland, OR	None	None	Community	250
Interlochen Center for the Arts	P O Box 199	Interlochen, MI	None	None	Education	10,000
Ithaca High School Ebright Scholarship	308 Gratiot	Alma, MI	None	None	Education	1,000
Junior League of Kalamazoo	2121 Hudson Ave	Kalamazoo, MI	None	None	Community	1,000
Kalamazoo Children's Chorus	P O Box 50414	Kalamazoo, MI	None	None	Humanities	50
KOHA	P O Box 2753	Kalamazoo MI	None	None	Welfare	170
Loy Norrix High School	606 E Kilgore Rd	Kalamazoo, MI	None	None	Education	180
Mel Trotter Ministries	225 Commerce SW	Grand Rapids, MI	None	None	Welfare	100
Mercy Hospital Grayling	1100 E. Michigan Ave	Grayling, MI	None	None	Health	600
Mid-Michigan Children's Museum	3875 Bay Rd, Suite 4N	Saginaw, MI	None	None	Education	20,000
Midland Center for the Arts	1801 W. St Andrews Rd	Midland, MI	None	None	Humanities	600
Morley Field	612 N. Perry	Napoleon OH	None	None	Education	500
North Central Michigan College	1515 Howard St	Petoskey, MI	None	None	Education	1,000
Phillips Exeter Academy	20 Main Street	Exeter, NH	None	None	Education	500
Pit and Balcony Community Theatre	805 N. Hamilton	Saginaw, MI	None	None	Humanities	2,000
Portland Opera	211 S E Caruthers St	Portland OR	None	None	Humanities	250
Pretty Lake Vacation Camp	9123 West W Ave	Mattawan, MI	None	None	Humanities	1,000
Pride in Saginaw - Friday Night Live	P O Box 872	Saginaw MI	None	None	Humanities	2,000
READ Association of Saginaw County	100 S. Jefferson Suite 401	Saginaw, MI	None	None	Education	1,265
Saginaw Area Fireworks	P O Box 1923	Saginaw MI	None	None	Community	1,000
Saginaw Bay Community Sailing Association	P O Box 2127	Bay City MI	None	None	Humanities	750
Saginaw Bay Symphony	201 N. Washington Ave	Saginaw, MI	None	None	Humanities	5,850
Saginaw Children's Zoo	1730 S. Washington Ave	Saginaw, MI	None	None	Humanities	10,000
Saginaw Choral Society	326 S. Jefferson	Saginaw, MI	None	None	Humanities	3,000
Saginaw Community Foundation	100 S. Jefferson	Saginaw, MI	None	None	Education	600
Saginaw Community Foundation	100 S. Jefferson	Saginaw MI	None	None	Community	5,000
Saginaw County Science & Engineering	1903 N. Niagara	Saginaw, MI	None	None	Education	500
Saginaw Intermediate School District	6235 Gratiot	Saginaw, MI	None	None	Education	750
Saginaw Public Schools	1505 Ottawa Blvd	Saginaw, MI	None	None	Education	5,000
Saginaw Township Soccer Association	P O Box 615	Saginaw, MI	None	None	Community	5,000
Saginaw Valley Concert	4605 Wintergreen Dr S	Saginaw, MI	None	None	Humanities	3,000
Saginaw Valley State University Foundation	7400 Bay Rd	University Center MI	None	None	Education	2,000
Salvation Army	2030 N. Carolina	Saginaw, MI	None	None	Welfare	600
Special Olympics	P O Box 795	Mount Pleasant MI	None	None	Humanities	100
St. Anne's Episcopal School	2701 South York St	Denver CO	None	None	Education	500
Underground Railroad Inc	P O Box 2451	Saginaw, MI	None	None	Welfare	5,000
United Way of Kalamazoo	709 S Westnedge Ave	Kalamazoo MI	None	None	Welfare	200

University of Michigan College LSA	500 S State St Suite 5000	Ann Arbor MI	None	None	Education	1,000
Young Men's Christian Association	1915 Fordney	Saginaw, MI	None	None	Welfare	3,000
Young Men's Christian Association	1915 Fordney	Saginaw, MI	None	None	Health	20,000
Total						\$ 164,340

Morley Foundation
2009-Form 990 PF
Year Ended December 31, 2009

Form 990 PF - Page 10, Part XV, Line 3B - Contributions Approved for Future Payment

<u>Receipient</u>	<u>Address</u>	<u>City/State</u>	<u>If Individual any Relationship</u>	<u>Status of Receipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
Anderson Water Park	1315 S Washington Ave	Saginaw, MI	None	None	Community	15,000
Field Neurosciences Institute	4677 Towne Centre Suite 101	Saginaw, MI	None	None	Health	5,000
Interlochen Center for the Arts	P O Box 199	Interlochen MI	None	None	Education	10,000
Mid-Michigan Children's Museum	3875 Bay Rd, Suite 4N	Saginaw, MI	None	None	Education	30,000
Saginaw Township Soccer Association	P O Box 6155	Saginaw, MI	None	None	Community	10,000
Underground Railroad Resale Store	P O Box 2451	Saginaw, MI	None	None	Welfare	10,000
United Way Saginaw County	100 S Jefferson	Saginaw MI	None	None	Welfare	5,000
Young Men's Christian Association	1915 Fordney	Saginaw, MI	None	None	Health	30,000
Total						\$ 115,000