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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning , 2009, and ending

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.

PETE MORGAN FOUNDATION TRUST
1520 W CANAL COURT STE 220
LITTLETON, CO 80120

A Employer identification number

47-0833529

B Telephone number (see the instructions)

303-297-2142

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, column (c), line 16) ☐ Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____ (Part I, column (d) must be on cash basis)

➤ \$ 31,301,208.

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

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

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

b Gross sales price for all assets on line 6a 2,722,739.

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

b Less Cost of goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

SEE STATEMENT 1

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach sch) SEE ST 2

c Other prof fees (attach sch) SEE ST 3

17 Interest

18 Taxes (attach schedule) (see instr) SEE ST 4

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

SEE STATEMENT 5

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

25 Contributions, gifts, grants paid PART XV

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	86,725.	132,691.	132,691.
	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)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)	35,717,887.	33,510,573.	31,168,517.	
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)	35,804,612.	33,643,264.	31,301,208.	
LIABILITIES	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.	
NET ASSET BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	35,804,612.	33,643,264.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	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)	35,804,612.	33,643,264.	
	31 Total liabilities and net assets/fund balances (see the instructions)	35,804,612.	33,643,264.	

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	35,804,612.
2 Enter amount from Part I, line 27a	2	-2,161,348.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	33,643,264.
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	33,643,264.

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 CAPITAL GAIN DISTRIBUTIONS		P	VARIOUS	VARIOUS
b NEWPORT ASIA INSTL FUND LP K-1		P	VARIOUS	VARIOUS
c NEWPORT ASIA INSTL FUND LP K-1		P	VARIOUS	VARIOUS
d PIMCO TOTAL RETURN FUND - SEE EXHIBIT B		P	VARIOUS	VARIOUS
e NEVSKY CAPITAL GAIN		P	VARIOUS	VARIOUS

(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 5,754.			5,754.
b		275.	-275.
c		19,469.	-19,469.
d 2,670,000.		2,729,424.	-59,424.
e 46,985.			46,985.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
a			5,754.
b			-275.
c			-19,469.
d			-59,424.
e			46,985.

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	-26,429.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div>		3	0.

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 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 (column (b) divided by column (c))
2008	2,923,288.	35,097,197.	0.083291
2007	17,666,121.	42,366,135.	0.416987
2006	3,116,681.	53,126,009.	0.058666
2005	3,359,216.	51,481,163.	0.065251
2004	2,180,613.	50,323,511.	0.043332

2 Total of line 1, column (d)	2	0.667527
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	0.133505
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	27,666,312.
5 Multiply line 4 by line 3	5	3,693,591.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,665.
7 Add lines 5 and 6	7	3,700,256.
8 Enter qualifying distributions from Part XII, line 4	8	2,771,061.

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 or determination letter _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	13,331.
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	13,331.
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	13,331.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	11,982.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	10,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	21,982.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	8,651.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax 8,651. Refunded	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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <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 XIV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) CO		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <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 2009 or the taxable year beginning in 2009 (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>SPRINKLE & ASSOCIATES LLC</u> Telephone no <u>303-297-2121</u> Located at <u>1520 W CANAL CT #220 LITTLETON CO</u> ZIP + 4 <u>80120</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 2009?	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <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 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	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 2009?	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 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b 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
KYLEE M LOURIE, TRUSTEE 1520 W CANAL CT STE 220 LITTLETON, CO 80120	TRUSTEE 2.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(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	27,811,995.
b Average of monthly cash balances	1b	275,631.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	28,087,626.
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	28,087,626.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	421,314.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	27,666,312.
6 Minimum investment return. Enter 5% of line 5	6	1,383,316.

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	1,383,316.
2a Tax on investment income for 2009 from Part VI, line 5	2a	13,331.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	13,331.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	1,369,985.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,369,985.
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	1,369,985.

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	2,771,061.
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	2,771,061.
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	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,771,061.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,369,985.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years. 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007	14,838,008.			
e From 2008	1,187,364.			
f Total of lines 3a through e	16,025,372.			
4 Qualifying distributions for 2009 from Part XII, line 4: \$ 2,771,061.				
a Applied to 2008, 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 2009 distributable amount				1,369,985.
e Remaining amount distributed out of corpus	1,401,076.			
5 Excess distributions carryover applied to 2009 (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	17,426,448.			
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 2008. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
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 instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	17,426,448.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007	14,838,008.			
d Excess from 2008	1,187,364.			
e Excess from 2009	1,401,076.			

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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 2009, enter the date of the ruling.

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

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test — enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

b 85% of line 2a

c Qualifying distributions from Part XII,
line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon

a 'Assets' alternative test – enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i).

b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c 'Support' alternative test – enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

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

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

c Any submission deadlines:

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

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a</i> Paid during the year SEE ATTACHED EXHIBIT A				2,763,400.
Total			▶ 3a	2,763,400.
<i>b</i> Approved for future payment N/A				
Total			▶ 3b	D.

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash

- (2) Other assets**

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization**

- (2) Purchases of assets from a noncharitable exempt organization**

- (3) Rental of facilities, equipment, or other assets**

- #### (4) Reimbursement arrangements

- (5) Loans or loan guarantees**

- (6) Performance of services or membership or fundraising solicitations**

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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
N/A		

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.

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Signature of officer or trustee		Date	TRUSTEE	
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's Identifying number (See Signature in the instrs)
	Firm's name (or yours if self-employed), address, and ZIP code		EIN	
			Phone no	

BAA

Form **990-PF** (2009)

2009

FEDERAL STATEMENTS

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CLIENT PETEMRGN

PETE MORGAN FOUNDATION TRUST

47-0833529

11/12/10

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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
NEWPORT K-1 OTHER INCOME	\$ -2,192.	\$ -2,192.	
TOTAL	\$ -2,192.	\$ -2,192.	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
SPRINKLE & ASSOCIATES LLC	\$ 30,645.	\$ 7,661.		\$ 7,661.
TOTAL	\$ 30,645.	\$ 7,661.	\$ 0.	\$ 7,661.

STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
NEVSKY INVESTMENT FEES	\$ 6,970.	\$ 6,970.		
UNION BANK CUSTODIAL FEES	3,225.	3,225.		
TOTAL	\$ 10,195.	\$ 10,195.	\$ 0.	\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2008 FED EXCISE TAX EXT PD 2009	\$ 10,000.			
FEDERAL EXCISE TAX ESTIMATED TAXES	5,000.			
FOREIGN TAXES PAID ON DIVIDENDS	9,411.	\$ 9,411.		
NEWPORT K-1 FOREIGN TAXES PAID	1,344.	1,344.		
TOTAL	\$ 25,755.	\$ 10,755.	\$ 0.	\$ 0.

2009

FEDERAL STATEMENTS

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CLIENT PETEMRGN

PETE MORGAN FOUNDATION TRUST

47-0833529

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STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
NEWPORT K-1 PORTFOLIO DEDUCTIONS	\$ 16,238.	\$ 16,238.		
POSTAGE	61.			
TOTAL	<u>\$ 16,299.</u>	<u>\$ 16,238.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Pete Morgan Foundation 47-0833529
Part XV 3a Charitable Contributions
2009

Name	Address	Donee Relation	Foundation Status of Recipient	Purpose of Grant	\$ Amount
Alliance for Choice in Education	1201 E Colfax Ave Ste 302 Denver CO 80218		501C 3	Public Chanty	150,000 00
Bellevue Community Church	12472 W Bellevue Ave Littleton CO 80127		501C 3	Public Chanty	12,000 00
Campus Crusade for Christ	P O Box 628222 Orlando FL 32862-8222		501C 3	Public Chanty	5,000 00
Cherry Hills Community Church	3900 E Grace Blvd Highlands Ranch CO 80126		501C 3	Public Chanty	105,000 00
Christ's Body Ministries	P O Box 18834 Denver CO 80218		501C 3	Public Chanty	25,000 00
Church Resource Ministries	1240 N Lakeview Ave Suite 120 Anaheim CA 92807-1831		501C 3	Public Chanty	5,000 00
Colorado Council on Economic Education	3443 S Galena St Ste 190 Denver CO 80231		501C 3	Public Chanty	10,000 00
Crossroads of the Rockies	2707 W Mississippi Ave Denver CO 80219		501C 3	Public Chanty	8,000 00
Denver Leadership Foundation	5500 E Yale Ave Ste 100 Denver CO 80222		501C 3	Public Chanty	3,500 00
Denver Rescue Mission	3501 E 46th Avenue Denver CO 80216		501C 3	Public Chanty	5,000 00
Didasko Ministries Inc	13310 NE Shaver Portland OR 97230		501C 3	Public Chanty	1,000 00
Ends of the Earth	4264 Saunter Dr Colorado Springs CO 80920		501C 3	Public Chanty	25,000 00
Environmental Learning for Kids	14460 E 50th Ave Denver CO 80239		501C 3	Public Chanty	2,000 00
Family Time Training	5511 S Youngfield St Littleton CO 80127		501C 3	Public Chanty	15,000 00
Fellowship Foundation Inc	P O Box 23813 Washington DC 20026-3813		501C 3	Public Chanty	100,000 00
Friends for Youth	5500 E Yale Ave Ste 201 Denver CO 80222		501C 3	Public Chanty	10,000 00
Fund for American Studies	1706 New Hampshire Ave NW Washington DC 20009		501C 3	Public Chanty	5,000 00
Graham Memorial Presbyterian Church	959 C Avenue Coronado CA 92118		501C 3	Public Chanty	10,000 00
Heritage Builders	3105 Locan Ave Clovis CA 93611		501C 3	Public Chanty	2,500 00
Hope House of Colorado	P O Box 740568 Arvada CO 80006		501C 3	Public Chanty	15,000 00
Independence Institute	13952 Denver West Parkway Ste 400 Golden CO 80401		501C 3	Public Chanty	50,000 00
Intercollegiate Studies Institute	3901 Centerville Rd Wilmington DE 19807-1938		501C 3	Public Chanty	100,000 00
K-Life of Denver	6500 E Orchard Rd Centennial CO 80111		501C 3	Public Chanty	16,000 00
Keren HaShlichut	29114 N 20th Ln Phoenix AZ 85085		501C 3	Public Chanty	50,000 00
Lamb's Players Theatre	P O Box 182229 Coronado CA 92178		501C 3	Public Chanty	2,500 00
Life the Universe & Everything Inc	P O Box 104 Monument CO 80132		501C 3	Public Chanty	10,000 00
Marta Associates	1242 Jackson St Denver CO 80206		501C 3	Public Chanty	9,000 00
Mission Wear	2411 Clarkson St Denver CO 80205		501C 3	Public Chanty	5,000 00
Missions Door	2530 Washington St Denver CO 80205-3142		501C 3	Public Chanty	1,000 00
Muscular Dystrophy Association	P O Box 78960 Phoenix AZ 85062-8960		501C 3	Public Chanty	500 00
North Littleton Promise	P O Box 3543 Littleton CO 80161		501C 3	Public Chanty	4,900 00
Oasis Network	9249 S Broadway Unit 200 #227 Highlands Ranch CO 80129		501C 3	Public Chanty	30,000 00
Open Door Ministries	P O Box 18018 Denver CO 80218		501C 3	Public Chanty	5,000 00
Providence Network	801 Logan Street Denver CO 80203		501C 3	Public Chanty	100,000 00
Restoration Outreach Programs	P O Box 632 Aurora CO 80040		501C 3	Public Chanty	20,000 00

Pete Morgan Foundation 47-0833529
Part XV 3a Charitable Contributions
2009

Name	Address	Donee Relation	Foundation Status of Recipient	Purpose of Grant	\$ Amount
Samantan's Purse	P O Box 3000 Boone NC 28607		501C 3	Public Chanty	9,000 00
Save Our Youth	3443 W 23rd Ave Denver CO 80211		501C 3	Public Chanty	175,000 00
Servant Leadership Foundation	950 E Westglow Lane Greenwood Village CO 80121		501C 3	Public Chanty	72,000 00
Spirit of Liberty Foundation	Box 2000 Rancho Santa Fe CA 92067		501C 3	Public Chanty	15,000 00
Strong Cross Ranch	13990 County Rd 194 Bennett CO 80102		501C 3	Public Chanty	4,000 00
Student Mobilization Inc	P O Box 567 Conway AR 72033-0567		501C 3	Public Chanty	3,500 00
TeamMates Mentoring Program	6801 O Street Lincoln NE 68510		501C 3	Public Chanty	2,500 00
Telos Project	5765 S Crocker St Littleton CO 80120		501C 3	Public Chanty	25,000 00
The Chantable Fund	7343 S Alton Way Ste 100 Centennial CO 80112		501C 3	Public Chanty	7,500 00
Tragedy Assistance Program for Survivors	910 17th St NW Ste 800 Washington DC 20006		501C 3	Public Chanty	20,000 00
Valor Christian Schools	3775 E Grace Blvd Highlands Ranch CO 80126		501C 3	Public Chanty	1,510,000 00
Vocational Development Center	6240 Abbott Dr Omaha NE 68110		501C 3	Public Chanty	2,000 00
Total Part XV 3a Charitable Contributions					<u>2,763,400.00</u>

October 9, 2010

Sprinkle Financial Consultants LLC
1520 W. Canal Court, Ste 220
Littleton, CO 80120
(303)297-2185

Realized Gains and Losses
From 01/01/2009 to 12/31/2009

Foundation Pete Morgan McVaney Composite Acct # PM

Realized Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Quantity</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
PIMCO Total Return Inst'l	12/08/2003	02/24/2009	17,412.935	175,000.00	186,905.74	-11,905.74	-11,905.74	-11,905.74
PIMCO Total Return Inst'l	12/08/2003	03/05/2009	7,522.568	75,000.00	80,714.73	-5,714.73	-5,714.73	-5,714.73
PIMCO Total Return Inst'l	12/08/2003	04/09/2009	4,926.108	50,000.00	52,840.13	-2,840.13	-2,840.13	-2,840.13
PIMCO Total Return Inst'l	12/08/2003	05/20/2009	9,560.230	100,000.00	102,523.23	-2,523.23	-2,523.23	-2,523.23
PIMCO Total Return Inst'l	12/08/2003	06/04/2009	11,527.378	120,000.00	123,601.63	-3,601.63	-3,601.63	-3,601.63
PIMCO Total Return Inst'l	12/08/2003	06/29/2009	66,857.689	700,000.00	716,877.61	-16,877.61	-16,877.61	-16,877.61
PIMCO Total Return Inst'l	12/08/2003	06/29/2009	76,408.787	800,000.00	819,288.69	-19,288.69	-19,288.69	-19,288.69
PIMCO Total Return Inst'l	12/08/2003	07/09/2009	23,719.165	250,000.00	254,279.98	-4,279.98	-4,279.98	-4,279.98
PIMCO Total Return Inst'l	12/08/2003	11/06/2009	36,596.524	400,000.00	392,391.74	7,608.26	7,608.26	7,608.26
Short Term Gains								
Total Long Gains				2,670,000.00	2,729,423.48		-59,423.48	
Total (Sales)				2,670,000.00	2,729,423.48		-59,423.48	
Total Gains							-59,423.48	

Exhibit B
1/1
47-0833529