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 09-01-2009 , and ending 08-31-2010

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
WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
PO BOX J

City or town, state, and ZIP code
SHERIDAN, WY 82801

A Employer identification number
83-6033434

B Telephone number (see page 10 of the instructions)
(307) 674-1770

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)* ▶$ 3,256,018

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	2	2		
	4	Dividends and interest from securities	93,267	93,267		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	232,292			
	b	Gross sales price for all assets on line 6a 1,005,863				
	7	Capital gain net income (from Part IV, line 2)		232,292		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	1,110	1,110		
	12	**Total.** Add lines 1 through 11	326,671	326,671		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	15,000	7,500		7,500
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	235	235		
	b	Accounting fees (attach schedule)	5,400	4,500		900
	c	Other professional fees (attach schedule)	29,259	29,259		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	1,264	66		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	884	884		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	52,042	42,444		8,400
	25	Contributions, gifts, grants paid	53,000			53,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	105,042	42,444		61,400
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	221,629			
	b	**Net investment income** (if negative, enter -0-)		284,227		
	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	95,320	152,009	152,009
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	2,426,389	2,591,329	2,735,764
	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)			
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)	40,975	40,975	368,245
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,562,684	2,784,313	3,256,018
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds	2,562,684	2,784,313	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	2,562,684	2,784,313	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,562,684	2,784,313	

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	2,562,684
2	Enter amount from Part I, line 27a	2	221,629
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	2,784,313
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	2,784,313

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	See Additional Data Table			
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	See Additional Data Table			
b				
c				
d				
e				

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	232,292
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	3	44,826

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	64,450	2,598,583	0 024802
2007	175,120	3,794,515	0 046151
2006	172,401	3,894,811	0 044264
2005	187,617	3,402,928	0 055134
2004	261,826	3,404,285	0 076911

2	**Total** of line 1, column (d).	2	0 247262
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 049452
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	3,221,691
5	Multiply line 4 by line 3.	5	159,319
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,842
7	Add lines 5 and 6.	7	162,161
8	Enter qualifying distributions from Part XII, line 4.	8	61,400

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 VI Excise 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	5,685
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	5,685
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	5,685
6	Credits/Payments			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 960		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 6,155		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	7,115
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	1,430
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 1,430	**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		No
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) ▶ WY			
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)

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶CYPRESS CAPITAL MANAGEMENT Telephone no ▶(307) 674-1770

Located at ▶50 EAST LOUCKS ST SHERIDAN WY ZIP+4 ▶82801

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.

			Line	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)?		1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see 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)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☐ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
FRANK ROTELLINI PO BOX J SHERIDAN, WY 82801	CO-TRUSTEE 5 00	5,000	0	0
WILLIAM B EBZERY PO BOX J SHERIDAN, WY 82801	CO-TRUSTEE 5 00	5,000	0	0
RICHARD M DAVIS JR PO BOX J SHERIDAN, WY 82801	CO-TRUSTEE 5 00	5,000	0	0

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	2,701,980
b	Average of monthly cash balances	1b	210,015
c	Fair market value of all other assets (see page 24 of the instructions)	1c	358,757
d	**Total** (add lines 1a, b, and c)	1d	3,270,752
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	3,270,752
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	49,061
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,221,691
6	**Minimum investment return.** Enter 5% of line 5	6	161,085

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	161,085
2a	Tax on investment income for 2009 from Part VI, line 5	2a	5,685		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	5,685
3	Distributable amount before adjustments Subtract line 2c from line 1			3	155,400
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	155,400
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	155,400

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	61,400
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	61,400
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	61,400

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					155,400
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.	15,418				
b From 2005.	23,283				
c From 2006.					
d From 2007.					
e From 2008.					
f **Total** of lines 3a through e.		38,701			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 61,400					
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.					61,400
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).)*		38,701			38,701
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5					
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					55,299
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)					
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a					
10 Analysis of line 9					
a Excess from 2005. . . .					
b Excess from 2006. . . .					
c Excess from 2007. . . .					
d Excess from 2008. . . .					
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)

	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					

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

WELCH FOUNDATION
PO BOX J
SHERIDAN, WY 82801
(307) 674-1770

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

WRITTEN REQUEST

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				53,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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	2	
4 Dividends and interest from securities			14	93,267	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	1,070	
8 Gain or (loss) from sales of assets other than inventory			18	232,292	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a SECURITIES LITIGATION PROCEED			14	40	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				326,671	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 326,671

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

****** | 2011-01-18 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

		Date	Check if self-employed ▶	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Preparer's Signature	EVERETT J MOHATT	2011-01-19	☑	
Firm's name (or yours if self-employed), address, and ZIP code	PRADERE MOHATT & RINALDO LLP PO BOX 603 SHERIDAN, WY 828010603		EIN ▶ Phone no (307) 672-6494	

Additional Data

Software ID: 09000034
Software Version: 09550952
EIN: 83-6033434
Name: WILLIAM F WELCH & LORENE W WELCH FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	**(b)** How acquired P—Purchase D—Donation	**(c)** Date acquired (mo , day, yr)	**(d)** Date sold (mo , day, yr)
1,000 ALCOA INC	P	2009-07-28	2010-01-21
400 NATIONAL OILWELL VARCO INC	P	2008-01-29	2010-05-25
700 ANADARKO PETROLEUM CORP	P	2008-12-22	2009-09-21
1,500 PHILIP MORRIS INT'L	P	2003-05-28	2010-01-22
1,000 CELGENE CORP	P	2005-10-19	2010-05-25
1,500 PHILIP MORRIS INT'L	P	2004-05-13	2010-05-25
1,000 CELGENE CORP	P	2007-01-26	2010-07-07
200 SALESFORCE COM INC	P	2010-01-08	2010-08-23
500 CHESAPEAKE ENERGY CORP	P	2008-07-30	2010-05-25
200 SALESFORCE COM INC	P	2010-01-12	2010-08-23
2,000 CISCO SYSTEMS	P	1998-10-08	2010-08-25
500 TRANSOCEAN INC	P	2006-02-10	2010-05-03
750 DEVON ENERGY CORP	P	2006-08-24	2009-09-24
500 UNITED STS STL CORP NEW	P	2008-12-12	2010-01-20
4,000 EL PASO CORPORATION	P	2005-09-14	2010-08-25
1,000 UNITED TECHNOLOGIES CORP	P	2002-11-06	2010-02-05
2,000 GILEAD SCIENCES INC	P	2004-03-09	2010-05-03
2,000 UNITED TECHNOLOGIES CORP	P	2006-03-02	2010-05-25
1,000 GILEAD SCIENCES INC	P	2007-06-25	2010-05-25
300 VISA INC	P	2009-09-30	2010-01-22
1,000 HILTON HOTELS CORP 8% PFD	P	2004-05-12	2010-06-01
1,000 VOLCANO CORP	P	2007-07-02	2010-05-25
500 HILTON HOTELS CORP 8% PFD	P	2009-06-30	2010-06-01
FEE COAL	P		2010-03-29
500 HILTON HOTELS CORP 8% PFD	P	2009-09-30	2010-06-01
1,000 MDU RESOURCES	P	2006-03-24	2009-11-17
600 MORGAN STANLEY COM NEW	P	2009-07-21	2009-11-25

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
14,474		11,165	3,309
14,381		25,480	-11,099
43,186		25,354	17,832
70,889		44,523	26,366
52,948		38,317	14,631
43,343		29,682	13,661
48,466		38,317	10,149
21,837		14,773	7,064
10,205		24,769	-14,564
21,837		13,918	7,919
42,364		31,051	11,313
36,452		42,058	-5,606
50,550		46,275	4,275
31,544		19,156	12,388
44,967		52,144	-7,177
66,228		45,145	21,083
79,366		41,424	37,942
131,205		90,291	40,914
35,864		20,712	15,152
24,567		20,742	3,825
16,500		25,478	-8,978
21,474		19,939	1,535
8,250		6,606	1,644
25,000			25,000
8,250		7,536	714
22,596		22,115	481
19,120		16,601	2,519

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(i) F M V as of 12/31/69	**(j)** Adjusted basis as of 12/31/69	**(k)** Excess of col (i) over col (j), if any	
			3,309
			-11,099
			17,832
			26,366
			14,631
			13,661
			10,149
			7,064
			-14,564
			7,919
			11,313
			-5,606
			4,275
			12,388
			-7,177
			21,083
			37,942
			40,914
			15,152
			3,825
			-8,978
			1,535
			1,644
			25,000
			714
			481
			2,519

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
BILLINGS CLINIC FOUND2917 10TH AVENUE NORTH BILLINGS, MT 591079945	NONE	PUBLIC	CHARITABLE	10,000
CENTER FOR A VITALCOMMUNITY SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	7,500
COMMUNITY HOLIDAYFESTIVAL SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	500
FAMILY PLANNING OF THE BIGHORNS SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	2,000
HOLY NAME CATHOLIC CHURCH 260 E LOUCKS SHERIDAN, WY 82801	NONE	CHURCH	CHARITABLE	2,500
SHERIDAN COLLEGEFOUNDATION SHERIDAN, WY 82801	NONE	PUBLIC	EDUCATIONAL	10,000
SHERIDAN COUNTY LIBRARY FOUNDATION SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	5,000
WYO THEATRE INC42 N MAIN SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	10,000
CHILD DEVELOPMENT CENTER345 SOUTH LINDEN AVENUE SHERIDAN, WY 82801	NONE	PUBLIC	EDUCATIONAL	1,000
SENIOR CITIZENS COUNCIL211 SMITH STREET SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
FREE CLINIC OF SHERIDAN1428 W 5TH STREET SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	500
EASTER SEALS OF WYOMING991 JOE STREET SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
HABITAT FOR HUMANITYOF THE BIGHORNS SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
CHILDREN HORSES ANDADULTS IN PARTNERSHIP SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	500
SHERIDAN COUNTYHISTORICAL SOCIETY SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	500
Total . . . . ▶ **3a**				53,000

TY 2009 Accounting Fees Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREPARATION	1,800	900		900
BOOKKEEPING	3,600	3,600		

TY 2009 Investments Corporate Stock Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Name of Stock	End of Year Book Value	End of Year Fair Market Value
BEGINNING OF YEAR		
576-TRANSOCEAN LTD	48,449	29,318
2000-DRYSHIPS INC	12,958	8,060
3850-ALTRIA GROUP INC.	51,341	85,932
700-ANADARKO PETROLEUM CORP	37,825	32,193
2600-ANNALY CAPITAL MANAGEMENT, INC	47,345	45,188
300-APPLE INC	72,031	72,930
1200-BANCO SANTANDER S.A.	12,480	14,028
2100-BANK OF AMERICA CORP	36,011	26,166
500-BEST BUY INC	19,226	15,695
300-BUCKEYE PARTNERS LP	10,767	18,318
600-CATERPILLAR INC.	35,908	39,096
1100-CELGENE CORP	45,840	56,617
800-CHEVRONTEXACO CORP	57,621	59,264
2000-CISCO SYSTEMS	31,051	39,970
1000-COLGATE PALMOLIVE	36,690	73,840
2000-EV ENERGY PARNERS LP	62,296	67,240
4000-EL PASO CORPORATION	52,144	45,560
1000-ELDORADO GOLD CORP	18,773	19,560
1000-ENBRIDGE ENERGY PARTNERS, LP	52,125	53,750
1000-ENERGY TRANSFER PARTNERS, LP	40,360	45,690
1800-ENTERPRISE PRODUCTS PARTNERS LP	48,587	55,455
1200-EXXON MOBIL	76,206	70,932
600-FLUOR CORP	25,967	26,796
400-FREEPORT MCMORAN COPPER & GOLD	31,093	28,796
1000-HUGOTON ROYALTY TRUST	18,855	18,140
1200-JP MORGAN CHASE	40,696	43,632
1200-JOHNSON & JOHNSON	47,413	68,424
1000-JOY GLOBAL	22,409	56,720
750-KINDER MORGAN ENERGY PARTNERS	43,416	50,258

Name of Stock	End of Year Book Value	End of Year Fair Market Value
1400-LINN ENERGY LLC COMMON UNITS	41,034	39,928
500-MCDONALDS CORP	29,210	36,530
800-MERCK & CO	23,480	28,128
1000-PENN WEST ENERGY	19,773	18,780
500-PEPSICO INC	29,547	32,090
1350-PHILIP MORRIS INTERNATIONAL	40,071	69,336
2000-PIONEER SOUTHWEST ENERGY UNIT L	50,912	53,720
1000-QUEST DIAGNOSTICS INC.	32,580	43,500
500-REYNOLDS AMERICAN	29,524	27,270
10000-SIRIUS XM RADIO INC	33,321	9,560
900-VOLCANO CORP	17,945	19,890
800-WELLS FARGO & CO	22,921	18,840
1500-WHITING USA TRUST	29,405	28,830
1500-BANK OF AMERICA CORP 8.2%	35,036	38,295
1000-BANK OF AMERICA CORP 8.625%	21,051	25,690
1383-BARCLAYS BANK PLC 7.75%	32,596	35,640
1000-CONSTELLATION ENERGY GRP 8.625%	22,265	27,290
1000-FIFTH THIRD CAP TR VII 8.875%	21,050	26,390
1500-FIFTH THIRD CAP TR VI 7.25%	34,312	37,410
1000-MERRILL LYNCH CAP TR III 7.375%	25,245	24,900
3000-NATIONAL CITY CAP TR IV 8%	54,404	79,110
900-PNC CAPITAL TRUST E 7.75%	22,049	23,643
1000-SUNTRUST CAPITAL IX 7.875%	22,025	26,050
1800-WELLS FARGO CAPITAL 7.875%	44,661	47,862
1000-WELLS FARGO CAPITAL XIV 8.625%	25,375	27,930
1000-ZIONS BANCORP	43,399	46,710
0.29-FIDELITY CONTRA FUND	14	17
7466.419-SEI INDEX FDS S&P 500 IND	234,373	215,406
500-SELECT SECTOR SPDR ENERGY	29,940	25,600
1526.643-TORTOISE ENERGY CAPITAL COR	37,319	37,952

Name of Stock	End of Year Book Value	End of Year Fair Market Value
12204.125-WASHINGTON MUTUAL INVESTM	350,609	295,899

TY 2009 Legal Fees Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL	235			

TY 2009 Other Assets Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
COINS & BULLION	32,251	32,251	61,330
MINERALS	8,724	8,724	8,724
COAL			298,191

TY 2009 Other Expenses Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
BANK CHARGES	6	6		
SAFE DEPOSIT BOX	160	160		
STORAGE EXPENSE	618	618		
OFFICE SUPPLIES	100	100		

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TY 2009 Other Income Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
OIL AND GAS ROYALTIES	1,070	1,070	
SECURITIES LITIGATION PROCEED	40	40	

TY 2009 Other Professional Fees Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MANAGEMENT	29,259	29,259		

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491019001021

TY 2009 Taxes Schedule

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ROYALTY PRODUCTION TAXES	4	4		
EXCISE TAXES	1,198			
FOREIGN TAXES	62	62		