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

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 10/01, 2009, and ending 9/30, 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.

PETER NELSON CHARITABLE FOUNDATION
ACCOUNT NUMBER 38543900
PO BOX 21927, MAC P6540-11K
SEATTLE, WA 98111

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) **\$ 519,381.** J Accounting method. Cash Accrual
 Other (specify) **(Part I, column (d) must be on cash basis)**

A Employer identification number
81-6010230

B Telephone number (see the instructions)
800-352-3705

C If exemption application is pending, check here ►

D 1 Foreign organizations, check here ►

2 Foreign organizations meeting the 85% test, check here and attach computation ►

E If private foundation status was terminated under section 507(b)(1)(A), check here ►

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ►

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)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	2.	2.	N/A	
	4 Dividends and interest from securities	13,185.	13,185.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	30,410.			
	b Gross sales price for all assets on line 6a	158,159.			
	7 Capital gain net income (from Part IV, line 2)		30,410.		
	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	-30.	-30.		
	12 Total. Add lines 1 through 11	43,567.	43,567.		
	13 Compensation of officers, directors, trustees, etc	6,075.	3,038.		3,037.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 2	510.	300.		210.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Stm 3	291.	3.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 4	2.	2.		
	24 Total operating and administrative expenses. Add lines 13 through 23	6,878.	3,343.		3,247.
	25 Contributions, gifts, grants paid Part XV	24,050.			24,050.
	26 Total expenses and disbursements. Add lines 24 and 25	30,928.	3,343.		27,297.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	12,639.			
	b Net investment income (if negative, enter 0)		40,224.		
	c Adjusted net income (if negative, enter 0)				

INTERNAL REVENUE SERVICE
W&I FIELD ASSISTANCE
SEATTLE, WA 98174RECEIVED
55308

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end of year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1	1 Cash – non-interest-bearing	203.	299.	299.
	2	2 Savings and temporary cash investments	15,785.	9,987.	9,987.
	3	3 Accounts receivable ►			
		Less. allowance for doubtful accounts ►			
	4	4 Pledges receivable ►			
		Less. allowance for doubtful accounts ►			
	5	5 Grants receivable ..			
	6	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7	7 Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	8 Inventories for sale or use			
	9	9 Prepaid expenses and deferred charges			
	10a	10a Investments – U.S. and state government obligations (attach schedule)			
	b	10b Investments – corporate stock (attach schedule)	241,312.	228,380.	299,496.
	c	10c Investments – corporate bonds (attach schedule)	118,681.	122,312.	129,877.
L I A B I L I T I E S	11	11 Investments – land, buildings, and equipment. basis ►			
		Less accumulated depreciation (attach schedule) ►			
	12	12 Investments – mortgage loans			
	13	13 Investments – other (attach schedule)	53,294.	80,936.	79,722.
	14	14 Land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	15	15 Other assets (describe ►)			
	16	16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item 1)	429,275.	441,914.	519,381.
N F U N D A S S E T S B A L A N C E R O S	17	17 Accounts payable and accrued expenses			
	18	18 Grants payable			
	19	19 Deferred revenue			
	20	20 Loans from officers, directors, trustees, & other disqualified persons			
	21	21 Mortgages and other notes payable (attach schedule)			
	22	22 Other liabilities (describe ►)			
	23	23 Total liabilities (add lines 17 through 22)	0.	0.	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ►			
	24	24 Unrestricted			
	25	25 Temporarily restricted			
	26	26 Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ►			
	27	27 Capital stock, trust principal, or current funds	429,275.	441,914.	
	28	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29	29 Retained earnings, accumulated income, endowment, or other funds.			
	30	30 Total net assets or fund balances (see the instructions)	429,275.	441,914.	
	31	31 Total liabilities and net assets/fund balances (see the instructions)	429,275.	441,914.	

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	429,275.
2	Enter amount from Part I, line 27a	2	12,639.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	441,914.
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	441,914.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 5				
b				
c				
d				
e				
(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) 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				
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	30,410.
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 the instructions). If (loss), enter -0- in Part I, line 8		3	4,118.

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	28,450.	463,106.	0.061433
2007	31,425.	623,550.	0.050397
2006	32,725.	644,603.	0.050768
2005	32,447.	591,320.	0.054872
2004	33,265.	586,115.	0.056755

2 Total of line 1, column (d)	2	0.274225
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	0.054845
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	508,111.
5 Multiply line 4 by line 3	5	27,867.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	402.
7 Add lines 5 and 6	7	28,269.
8 Enter qualifying distributions from Part XII, line 4	8	27,297.

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)

1a	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 <input type="checkbox"/> (attach copy of letter if necessary - see instr.)	1	804.
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		
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		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments		
a	2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	600.
b	Exempt foreign organizations – tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments. Add lines 6a through 6d	7	600.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	8	204.
11	Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		

Part VII-A | Statements 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	X	
1b	X	
1c	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

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?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

(1) On the foundation \$ 0. (2) On foundation managers \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

If 'Yes,' attach a detailed description of the activities.

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see the instructions)

N/A

6	X
7	X

b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G*? If 'No,' attach explanation

8b	X
9	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)? If 'Yes,' complete Part XIV

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

10	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 N/A	13	X
14	The books are in care of ► <u>SHARON AYERS</u> Telephone no <u>800-352-3705</u> Located at ► <u>PO BOX 95021 HENDERSON NV</u> ZIP + 4 ► <u>89009-5021</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u> N/A ► <u>15</u> N/A		

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

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

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 ►

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?

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__ Yes Nob 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)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)

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?

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?

1b **N/A**1c **X**2b **N/A**3b **N/A**4a **X**4b **X**

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

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

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

 Yes No

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

 Yes No
 Yes No

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

(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 Nob 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
WELLSFARGO PRIVATE CLIENT SERV P.O. BOX 597 HELENA, MT 59624	COMM. TRUSTE 0	6,075.	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 VIII | **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

3 Five highest-paid independent contractors for professional services – (see 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	►	0

Part IX-A | **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

Expenses

1 N/A	

2	

3	

4	

Part IX-B | **Summary of Program-Related Investments (see 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 instructions.

3	

Total. Add lines 1 through 3

► 0. Form 990-PF (2009)

BAA

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

1a	496,230.
1b	19,619.
1c	
1d	515,849.
1e	0.
2	0.
3	515,849.
4	7,738.
5	508,111.
6	25,406.

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

1	25,406.
2a	804.
2b	
2c	804.
3	24,602.
4	
5	24,602.
6	
7	24,602.

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
- b Program-related investments – total from Part IX-B
- 2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes
- 3 Amounts set aside for specific charitable projects that satisfy the:
 - a Suitability test (prior IRS approval required)
 - b Cash distribution test (attach the required schedule)
- 4 Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4
- 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)
- 6 Adjusted qualifying distributions. Subtract line 5 from line 4

1a	27,297.
1b	
2	
3a	
3b	
4	27,297.
5	
6	27,297.

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				24,602.
2 Undistributed income, if any, as of the end of 2009			0.	
a Enter amount for 2008 only		0.		
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006	1,672.			
d From 2007	911.			
e From 2008	6,275.			
f Total of lines 3a through e	8,858.			
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ 27,297.			0.	
a Applied to 2008, but not more than line 2a				
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				24,602.
e Remaining amount distributed out of corpus	2,695.			
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	11,553.			
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	11,553.			
10 Analysis of line 9.				
a Excess from 2005				
b Excess from 2006	1,672.			
c Excess from 2007..	911.			
d Excess from 2008	6,275.			
e Excess from 2009	2,695.			

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

N/A

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))

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

None

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

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

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

See Statement 6

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

See Statement for Line 2a

c Any submission deadlines.

See Statement for Line 2a

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

See Statement for Line 2a

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> SCHEDULE ATTACHED	NONE	NONE	SEE SCHEDULE	24,050.
Total				► 3a 24,050.
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	2.	
4 Dividends and interest from securities			14	13,185.	
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			18	30,410.	
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a <u>COST ADJUSTMENTS</u>			1	-264.	
b <u>WYETH PFIZER MERGER</u>			1	234.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e).				43,567.	
13 Total. Add line 12, columns (b), (d), and (e)					13 43,567.

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

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

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

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PETER NELSON CHARITABLE FOUNDATION
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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
COST ADJUSTMENTS WYETH PFIZER MERGER	\$ -264. 234.	\$ -264. 234.	
Total	<u>\$ -30.</u>	<u>\$ -30.</u>	0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
PREPARATION OF 2008 990PF	\$ 510.	\$ 300.		
Total	<u>\$ 510.</u>	<u>\$ 300.</u>		\$ 210.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAX	\$ 3.	\$ 3.		
IRS 2009 EXCISE TAX ESTIMATED PAYMENTS	288.			
Total	<u>\$ 291.</u>	<u>\$ 3.</u>		\$ 0.

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
MISC FEES	\$ 2.	\$ 2.		
Total	<u>\$ 2.</u>	<u>\$ 2.</u>		\$ 0.

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Statement 5
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	40 AMERIPRISE FINANCIAL	Purchased	Various	10/07/2009
2	.25 PFIZER	Purchased	10/16/2009	10/21/2009
3	6 TIME WARNER CABLE INC	Purchased	9/12/2005	10/26/2009
4	25 TIME WARNER	Purchased	9/12/2005	10/26/2009
5	30 AIR PRODUCTS & CHEMICALS	Purchased	9/05/2003	11/05/2009
6	100 ALLSTATE CORP	Purchased	11/03/2003	11/05/2009
7	45 CHESAPEAKE ENERGY	Purchased	4/14/2009	11/05/2009
8	120 CITIGROUP	Purchased	9/05/2003	11/05/2009
9	85 DU PONT	Purchased	9/20/2001	11/05/2009
10	45 FORTUNE BRANDS	Purchased	7/21/1972	11/05/2009
11	35 MARATHON OIL COMPANY	Purchased	Various	11/05/2009
12	125 METLIFE	Purchased	9/05/2003	11/05/2009
13	90 NOKIA CORPORATION	Purchased	11/03/2003	11/05/2009
14	100 PHILIP MORRIS INTERNATIONAL	Purchased	10/29/2002	11/05/2009
15	20 ROCKWELL AUTOMATION	Purchased	1/24/2008	11/02/2009
16	VANGUARD BD INDEX FUND ANNUAL ADJ.	Purchased	Various	12/31/2009
17	15 EXELON CORPORATION	Purchased	11/13/2007	1/27/2010
18	ST PAULS TRAVELERS CLASS ACTION SETTLEMENT	Purchased	Various	2/02/2010
19	80 BECTON DICKINSON	Purchased	11/03/2003	3/03/2010
20	50 COLGATE PALMOLIVE	Purchased	9/12/2005	3/03/2010
21	50 SYSCO CORP	Purchased	Various	3/23/2010
22	VANGUARD BD INDEX FUND ANNUAL ADJ.	Purchased	Various	4/08/2010
23	40 AT&T	Purchased	Various	4/19/2010
24	175 BANK OF AMERICA CORP	Purchased	9/05/2003	4/19/2010
25	25 BANK OF AMERICA CORP	Purchased	7/15/2009	4/19/2010
26	25 CHEVRON CORP	Purchased	12/14/1973	4/19/2010
27	25 EXXON MOBIL	Purchased	7/24/1968	4/19/2010
28	265 GENERAL ELECTRIC	Purchased	Various	4/19/2010
29	120 ISHARES IBOXX \$ INV GR CORP BD FD	Purchased	12/12/2007	4/19/2010
30	45 ISHARES TR S&P MIDCAP 400 ID FD	Purchased	Various	4/19/2010
31	205 ISHARES TR S&P MIDCAP 400 ID FD	Purchased	Various	4/19/2010
32	50 ORACLE	Purchased	7/15/2009	4/19/2010
33	25 PUBLIC SVC ENTERPRISE GROUP	Purchased	10/31/2001	4/19/2010
34	150 US BANCORP	Purchased	9/20/1993	4/19/2010
35	50 VANGUARD INTERMEDIATE	Purchased	1/16/2009	4/19/2010
36	40 VERIZON COMMUNICATIONS	Purchased	1/07/1986	4/19/2010
37	125 HALLIBURTON	Purchased	Various	5/11/2010
38	50 AMERICAN EXPRESS CO	Purchased	Various	7/22/2010
39	50 BANK OF NEW YORK MELLON	Purchased	Various	7/22/2010
40	25 EXXON MOBIL	Purchased	7/24/1968	7/22/2010
41	15 FRONTIER COMMUNICATIONS	Purchased	1/07/1986	7/16/2010
42	.603 FRONTIER COMMUNICATIONS	Purchased	1/07/1986	7/21/2010
43	50 HEWLETT PACKARD CO	Purchased	Various	7/22/2010
44	10 INTERNATIONAL BUSINESS MACH	Purchased	12/23/2002	7/22/2010
45	145 PFIZER	Purchased	5/28/1970	7/22/2010
46	49 PFIZER	Purchased	10/16/2009	7/22/2010
47	55 QUEST DIAGNOSTIC	Purchased	2/26/2010	7/22/2010
48	30 STATE STREET	Purchased	Various	7/22/2010
49	607.933 TEMPLETON GLOBAL BOND FUND	Purchased	Various	7/20/2010
50	167.261 TEMPLETON GLOBAL BOND FUND	Purchased	4/28/2008	7/20/2010
51	130 TRAVELERS COMPANIES	Purchased	Various	7/22/2010
52	25 VANGUARD BD INDEX FUND	Purchased	1/16/2009	7/22/2010
53	25 VANGUARD INTERMEDIATE	Purchased	1/16/2009	7/22/2010
54	17 AT&T	Purchased	11/03/2003	9/09/2010
55	10 DOMINION RESOURCES	Purchased	11/03/2003	9/09/2010
56	50 HEWLETT PACKARD CO	Purchased	12/23/2002	9/09/2010

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Statement 5 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	
				12/31/69	12/31/69
57	40 HOME DEPOT	Purchased	7/15/2009	9/09/2010	
58	75 HONEYWELL INTERNATIONAL	Purchased	Various	9/09/2010	
59	10 INTERNATIONAL BUSINESS MACH	Purchased	12/23/2002	9/09/2010	
60	25 MCDONALDS CORP	Purchased	12/23/2002	9/09/2010	
61	45 MEDTRONIC INC	Purchased	1/01/1969	9/02/2010	
62	50 MICROSOFT	Purchased	9/05/2003	9/09/2010	
63	10 PUBLIC SVC ENTERPRISE GROUP	Purchased	10/31/2001	9/09/2010	
64	50 TARGET CORP	Purchased	Various	9/09/2010	
65	25 VANGUARD BD INDEX FUND	Purchased	1/16/2009	9/09/2010	
66	25 VANGUARD INTERMEDIATE	Purchased	4/30/2008	9/09/2010	
67	10 VERIZON COMMUNICATIONS	Purchased	1/07/1986	9/09/2010	
68	10 3M CO	Purchased	6/23/1972	9/09/2010	
Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69
					(j) Adj. Bas. 12/31/69
1	1,501.		849.	652.	\$ 652.
2	5.		4.	1.	1.
3	262.		325.	-63.	-63.
4	793.		1,031.	-238.	-238.
5	2,365.		1,445.	920.	920.
6	2,984.		3,996.	-1,012.	-1,012.
7	1,111.		969.	142.	142.
8	480.		5,390.	-4,910.	-4,910.
9	2,775.		2,898.	-123.	-123.
10	1,761.		178.	1,583.	1,583.
11	1,126.		2,131.	-1,005.	-1,005.
12	4,280.		3,634.	646.	646.
13	1,156.		1,556.	-400.	-400.
14	4,837.		2,187.	2,650.	2,650.
15	828.		1,119.	-291.	-291.
16	5.		0.	5.	5.
17	706.		1,175.	-469.	-469.
18	2.		0.	2.	2.
19	6,269.		2,918.	3,351.	3,351.
20	4,134.		2,656.	1,478.	1,478.
21	1,450.		1,709.	-259.	-259.
22	20.		0.	20.	20.
23	1,046.		987.	59.	59.
24	3,369.		6,732.	-3,363.	-3,363.
25	481.		338.	143.	143.
26	2,013.		11.	2,002.	2,002.
27	1,713.		15.	1,698.	1,698.
28	5,115.		285.	4,830.	4,830.
29	12,691.		12,803.	-112.	-112.
30	7,141.		2,825.	4,316.	4,316.
31	13,566.		12,807.	759.	759.
32	1,317.		1,074.	243.	243.
33	776.		487.	289.	289.
34	4,224.		1,221.	3,003.	3,003.
35	4,007.		3,954.	53.	53.
36	1,190.		483.	707.	707.
37	3,618.		4,346.	-728.	-728.
38	2,028.		1,324.	704.	704.
39	1,273.		2,317.	-1,044.	-1,044.

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Statement 5 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
40	1,458.		15.	1,443.				\$ 1,443.
41	108.		46.	62.				62.
42	4.		2.	2.				2.
43	2,315.		975.	1,340.				1,340.
44	1,294.		807.	487.				487.
45	2,124.		69.	2,055.				2,055.
46	717.		858.	-141.				-141.
47	2,704.		3,132.	-428.				-428.
48	1,099.		1,527.	-428.				-428.
49	7,842.		8,000.	-158.				-158.
50	2,158.		1,972.	186.				186.
51	6,430.		4,343.	2,087.				2,087.
52	2,028.		2,012.	16.				16.
53	2,102.		1,977.	125.				125.
54	464.		409.	55.				55.
55	438.		308.	130.				130.
56	2,012.		937.	1,075.				1,075.
57	1,188.		962.	226.				226.
58	3,205.		1,423.	1,782.				1,782.
59	1,273.		807.	466.				466.
60	1,867.		388.	1,479.				1,479.
61	1,445.		1,459.	-14.				-14.
62	1,212.		1,430.	-218.				-218.
63	328.		195.	133.				133.
64	2,632.		1,374.	1,258.				1,258.
65	2,034.		2,012.	22.				22.
66	2,129.		1,959.	170.				170.
67	300.		113.	187.				187.
68	831.		59.	772.				772.
							Total	\$ 30,410.

Statement 6
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

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

PETER NELSON CHARITABLE FOUNDATION
81-6010230

Shares Cost Market Value

PART II. BALANCE SHEETS

Line 10b. Corporate Stock

Comcast Corp	242	\$3,804	\$4,375
Kohls Corp	35	1,733	1,844
McDonalds	115	1,782	8,569
Target Corp	90	2,442	4,810
Walt Disney Co	50	1,728	1,655
CVS/Caremark	96	3,171	3,021
Kraft Food	69	982	2,129
Pepsico	105	41	6,976
Procter & Gamble	80	2,901	4,798
Apache Corp	20	1,914	1,955
Baker Hughes	55	2,366	2,343
Chevron Corp	90	41	7,295
ConocoPhillips	45	3,134	2,584
Exxon Mobil	70	42	4,325
Affiliated Managers Group	25	1,540	1,950
Aflac Inc	70	2,944	3,620
American Express	80	1,854	3,362
Bank New York Mellon	100	3,098	2,613
Berkshire Hathaway	25	2,021	2,067
JP Morgan Chase	185	6,194	7,041
Abbott Labs	100	3,868	5,224
Bristol Myers Squibb	80	1,783	2,169
Johnson & Johnson	100	5,091	6,196
Merck	40	1,107	1,472
Thermo Fisher Scientific	40	1,942	1,915
Emerson Electric	120	3,449	6,319
Honeywell International	158	2,895	6,943
Union Pacific Corp	25	1,972	2,045
United Technologies	40	2,488	2,849
3M Co	80	475	6,937
Apple Inc	10	1,915	2,838
Hewlett Packard	220	4,123	9,255
Intel Corp	200	3,450	3,840
Int'l Business Machines	60	4,648	8,048
Microsoft	110	3,146	2,694
VISA Inc	25	2,355	1,857
EcoLab Inc	40	1,766	2,030
AT&T	70	1,684	2,002
Verizon	55	623	1,792
Dominion Res	50	1,541	2,183
Nextra Energy	45	1,442	2,448

Line 10b Continued to next Page

PETER NELSON CHARITABLE FOUNDATION
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Quantity Cost Market Value

Line 10b. Corporate Stock continued

Public Service Enterprise	75	\$1,461	\$2,481
Carnival Corp	40	1,428	1,527
Cooper Industries	50	2,467	2,447
Diageo PLC	38	2,538	2,622
Novartis AG-ADR	25	1,246	1,442
Teva Pharmaceutical Ind	30	1,637	1,582
Vodafone Group PLC	80	1,783	1,985
CEF iShares S&P 500 Value Index Fund	325	13,316	17,631
Ishares S&P Midcap 400 Growth	155	13,564	13,648
Ishares S&P Midcap 400 Value	155	11,415	11,022
Ishares TR Small Cap 600 Index Fund	305	14,909	18,022
Ishares MSCI EAFE	765	49,711	42,014
Vanguard Emerging Markets	543	<u>17,410</u>	<u>24,685</u>
		\$228,380	\$299,496

Line 10c. Corporate bonds

Ishares IBOXX \$ Investment Income	95	\$9,921	\$10,744
Laudus Mondrian International Fixed Fund	884 956	10,000	10,602
Ridgeworth SEIX High Yield Bond Fund	2228.834	20,750	21,597
Vanguard Bond Index Fund	72	56,903	58,860
Vanguard Intermediate Term B	175	13,710	15,176
Templeton Global Bond Fund	943 566	<u>11,028</u>	<u>12,898</u>
		\$122,312	\$129,877

Quantity Cost Market Value

Line 13. Other Investments

Diamond Hill Long-Short Fund	328 515	\$5,000	\$5,148
Hussman Strategic Growth	1625 425	23,000	21,716
Merger Fd Sh Ben Int	319 489	5,000	5,089
Powershares DB Commodity	705	15,108	16,997
SPDR Wilshire Int'l	265	11,820	10,200
Vanguard REIT Viper	395	<u>21,008</u>	<u>20,572</u>
		\$80,936	\$79,722

PETER NELSON CHARITABLE FOUNDATION
81-6010230

PART VIII. SELECTION COMMITTEE

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

PART XV. 2b.

The Foundation makes grants to organizations and has approval of its grants making procedure for awarding occasional scholarship grants To apply for organizational grants, request the necessary procedures and required information from Wells Fargo Private Client Services (Dave Ashby) To apply for scholarships, use the attached form

PART XV 2d.

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

PART XV 3a.

Grant Recipients

Farm in the Dell, Westmon, a non-profit organization which trains developmentally disabled adults in the field of agriculture. Located in Helena and Great Falls, MT	\$4,000
Helena Industries Inc., a non-profit which provides rehabilitative and technical training for individuals who are developmentally or otherwise disabled Located in Helena, MT	3,500
Laurel High School, a public high school which provides vocational training to its high school students Located in Laurel, MT	1,000
Agriculture in Montana Schools, a non-profit organization which provides materials for teaching about agriculture in Montana schools Located at Box 840, Choteau MT	3,000
Cascade County FFA, Vocational & Agriculture Dept., a publicly supported non-profit organization located in Cascade, MT	3,550
Montana FFA Foundation, a non-profit which provides assistance and awards to Montana members of the FFA. Located at 502 S 19th, Bozeman MT 59718	3,000
MSU Great Falls, College of Technology, a post secondary school The school uses the funds to assist needy students The school controls the selection of students and the disposition of funds Located at 2100 16th Avenue S Great Falls, MT	3,000
Uof M Helena, College of Technology, a post secondary school. The school uses the funds to assist needy students. The school controls the selection of the recipients and the disposition of funds. Located at 1115 Roberts, Helena MT	<u>3,000</u> \$24,050