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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 09-01-2011 , and ending 08-31-2012

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

A Employer identification number
83-6033434

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

Room/suite

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

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

C If exemption application is pending, 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

D 1. Foreign organizations, check here ☐

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☒ \$ 3,814,131

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

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 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	10	10		
	4 Dividends and interest from securities.	125,153	125,153		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	32,973			
	b Gross sales price for all assets on line 6a _____ 611,598				
	7 Capital gain net income (from Part IV , line 2)		32,973		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	53,702	51,400		
	12 Total. Add lines 1 through 11	211,838	209,536		
	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).				
	b Accounting fees (attach schedule).	5,600	4,600		1,000
	c Other professional fees (attach schedule)	37,884	37,884		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	53	53		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	919	919		
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	59,456	50,956		8,500
	25 Contributions, gifts, grants paid	179,000			179,000
	26 Total expenses and disbursements. Add lines 24 and 25	238,456	50,956		187,500
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-26,618			
	b Net investment income (if negative, enter -0-)		158,580		
	c Adjusted net income (if negative, enter -0-)				

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Cat No 11289X

Form **990-PF** (2011)

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	387,433	245,028	245,028
	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)	2,347,021	2,462,808	3,200,570
	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	368,533
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,775,429	2,748,811	3,814,131

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			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	2,775,429	2,748,811	
	30	Total net assets or fund balances (see page 17 of the instructions)	2,775,429	2,748,811	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,775,429	2,748,811	

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	2,775,429
2	Enter amount from Part I, line 27a	2	-26,618
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	2,748,811
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	2,748,811

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

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
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	32,973
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	-43,134

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))
2010	167,492	3,644,186	0 045961
2009	61,400	2,922,997	0 021006
2008	64,450	2,598,583	0 024802
2007	175,120	3,794,515	0 046151
2006	172,401	3,894,811	0 044264

2	Total of line 1, column (d).	2	0 182184
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 036437
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	3,723,029
5	Multiply line 4 by line 3.	5	135,656
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,586
7	Add lines 5 and 6.	7	137,242
8	Enter qualifying distributions from Part XII, line 4.	8	187,500

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,586
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	1,586
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	1,586
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,710	
b		Exempt foreign organizations—tax withheld at source	6b		
c		Tax paid with application for extension of time to file (Form 8868)	6c		
d		Backup withholding erroneously withheld	6d		
7		Total credits and payments Add lines 6a through 6d.		7	1,710
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	124
11		Enter the amount of line 10 to be Credited to 2012 estimated tax 124	Refunded	11	

Part VII-AStatements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			No
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file Form 1120-POL for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ (2) On foundation managers \$			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either - By language in the governing instrument, or - By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) 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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of 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.			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	15		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country	16	Yes	No

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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).			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	1b		No
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? 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?			
b	If "Yes," did it have excess business holdings in 2011 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 2011.).	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 2011?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No	
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions).	☐ Yes	☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No	
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	5b		
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	6b		No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?			
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 2 00	5,000	0	0
WILLIAM B EBZERY PO BOX J SHERIDAN,WY 82801	CO-TRUSTEE 2 00	5,000	0	0
RICHARD M DAVIS JR PO BOX J SHERIDAN,WY 82801	CO-TRUSTEE 2 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

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

234**Part IX-B Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A

2

All other program-related investments See page 24 of the instructions

3

Total. Add lines 1 through 3.

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	3,195,989
b	Average of monthly cash balances.	1b	202,078
c	Fair market value of all other assets (see page 24 of the instructions).	1c	381,658
d	Total (add lines 1a, b, and c).	1d	3,779,725
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	3,779,725
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	56,696
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,723,029
6	Minimum investment return. Enter 5% of line 5.	6	186,151

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	186,151
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	1,586
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,586
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	184,565
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	184,565
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	184,565

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	187,500
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	187,500
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	1,586
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	185,914
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 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7			
2	Undistributed income, if any, as of the end of 2011			
a	Enter amount for 2010 only. 66,600			
b	Total for prior years 20____, 20____, 20____			
3	Excess distributions carryover, if any, to 2011			
a	From 2006.			
b	From 2007.			
c	From 2008.			
d	From 2009.			
e	From 2010.			
f	Total of lines 3a through e.			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 187,500			
a	Applied to 2010, but not more than line 2a 66,600			
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 2011 distributable amount. 120,900			
e	Remaining amount distributed out of corpus			
5	Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)			
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 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011. 63,665			
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 2006 not applied on line 5 or line 7 (see page 27 of the instructions).			
9	Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a.			
10	Analysis of line 9			
a	Excess from 2007.			
b	Excess from 2008.			
c	Excess from 2009.			
d	Excess from 2010.			
e	Excess from 2011.			

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 2011, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a

Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.

Tax year	Prior 3 years				(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008		
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

Form 990-PF (2011)

Part XV

Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	179,000
b Approved for future payment				
Total			3b	

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	10	
4	Dividends and interest from securities. . . .			14	125,153	
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	582	
8	Gain or (loss) from sales of assets other than inventory			18	32,973	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory. .					
11	Other revenue a See Additional Data Table					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal Add columns (b), (d), and (e). .		-27,490		239,328	
13	Total. Add line 12, columns (b), (d), and (e).			13		211,838

[illegible]

Part XVII

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

[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

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				
	*****			2013-01-25	*****
	Signature of officer or trustee			Date	Title
	Paid Preparer's Use Only	Preparer's Signature  EVERETT J MOHATT		Date 2013-01-25	Check if self-employed  ☒
		Firm's name  MOHATT RINALDO JOHNSON & GODWIN LLP PO BOX 603			Firm's EIN 
Firm's address  SHERIDAN, WY 828010603			Phone no (307) 672-6494		

May the IRS discuss this return with the preparer shown above? See instructions ☐ Yes ☒ No

Additional Data

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

Form 990PF - Special Condition Description:

Special Condition Description

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)
1500-AVALON RARE METALS	P	2011-01-05	2012-07-11
2000-NAT CITY CAP TRUST	P	2009-04-06	2012-07-30
1000-BB& T CAPITAL TRUST	P	2010-11-17	2012-06-19
1000-NAT CITY CAP TRUST	P	2009-04-13	2012-07-30
0 298-FIDELITY CONTRAFUND	P	2010-12-20	2012-01-25
1000-NAT CITY CAP TRUST	P	2011-10-05	2012-07-30
1500-FIFTH THIRD CAPITAL TR PFD	P	2010-05-26	2012-08-08
700-NUANCE COMMUNICATIONS	P	2012-01-09	2012-05-11
800-FREEPORT MCMORAN	P	2010-04-21	2012-07-11
600-PEABODY ENERGY CORP	P	2011-05-25	2012-02-03
300-FREEPORT MCMORAN	P	2011-10-19	2012-07-11
1000-PENN WEST ENERGY TRUST	P	2010-07-09	2012-06-07
400-HALIBURTON	P	2011-04-11	2012-06-07
500-PEPSICO	P	2005-11-01	2012-03-07
300-HALIBURTON	P	2011-07-14	2012-06-07
900-PNC CAPITAL TRUST	P	2009-09-02	2012-07-30
300-HALIBURTON	P	2011-08-17	2012-06-07
1000-SUNTRUST CAPITAL IX	P	2008-11-10	2012-06-20
500-HALIBURTON	P	2011-10-14	2012-07-11
1000-WELLS FARGO CAP IV	P	2008-11-10	2011-10-03
1000-HUGOTON ROYALTY TRUST	P	2010-08-25	2012-01-17
FRACTIONAL-SOUTHERN COPPER CORP	P	2011-12-13	2012-02-28
1000-JOY GLOBAL INC	P	2008-12-22	2012-07-11
MERGER-EL PASO CORP	P	2005-04-04	2012-06-01
1000-KEYCORP CAPITAL X TRUST PEF	P	2012-01-06	2012-06-13
FEE COAL	P		2012-03-09
0 4-KINDER MORGAN INC	P	2011-05-01	2012-06-01
2000-MARTIN MIDSTREAM PARTNERS	P	2011-05-10	2012-03-09

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)
2,132		11,238	-9,106
50,000		35,454	14,546
25,499		27,786	-2,287
25,000		18,950	6,050
21		15	6
25,000		25,353	-353
37,500		34,312	3,188
16,257		18,738	-2,481
26,017		31,093	-5,076
23,005		35,256	-12,251
9,757		10,553	-796
13,723		19,773	-6,050
11,404		18,779	-7,375
31,329		29,547	1,782
8,553		15,758	-7,205
22,500		22,049	451
8,553		13,766	-5,213
25,110		22,025	3,085
14,217		19,196	-4,979
25,000		25,375	-375
14,861		18,855	-3,994
27		26	1
49,369		22,409	26,960
29,300			29,300
25,109		25,666	-557
25,000			25,000
13		11	2
67,342		76,642	-9,300

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	
			-9,106
			14,546
			-2,287
			6,050
			6
			-353
			3,188
			-2,481
			-5,076
			-12,251
			-796
			-6,050
			-7,375
			1,782
			-7,205
			451
			-5,213
			3,085
			-4,979
			-375
			-3,994
			1
			26,960
			29,300
			-557
			25,000
			2
			-9,300

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
CENTER FOR A VITALCOMMUNITY SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	7,500
FAMILY PLANNING OF THE BIGHORNS SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	3,000
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	60,000
WYOMING PUBLIC RADIOUNIV OF WY LARAMIE, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
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	5,000
FREE CLINIC OF SHERIDAN1428 W 5TH STREET SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,500
HABITAT FOR HUMANITYOF EASTERN BIGHORNS SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	3,000
CHILDREN HORSES ANDADULTS IN PARTNERSHIP SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
SHERIDAN COUNTYHISTORICAL SOCIETY SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	1,000
SHERIDAN COUNTY MEMORIAL HOSPITAL FOUNDATION SHERIDAN, WY 82801	NONE	PUBLIC	CHARITABLE	77,500
Total  3a				179,000

Form 990PF Part XVI-A Line 11 - Other revenue:

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
11 Other revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a PTP DISTRIBUTIONS			14	48,753	
b FIDELITY EXPLORATION			14	2,065	
c EXCISE TAX REFUND			41	2,302	
d NON-DEDUCTIBLE PTP UBTI LOS			14	27,490	
e VARIOUS PTPS PER SCH K-1					
f KINDERMORGAN ENERGY PARTNER	900003	-7,554			
g ENTERPRISE PRODUCTS PARTNER	900003	-6,541			
h LEGACY RESERVES LP	900003	408			
i ENBRIDGE ENERGY PARTNERS LP	900003	-4,808			
j ENERGY TRANSFER PARTNERS LP	900003	-4,126			
k PIONEER SW ENERGY PARTNERS	900003	5,146			
l EV ENERGY PARTNERS LP	900003	-729			
m LINN ENERGY LLC	900003	-6,188			
n ENCORE ENERGY PARTNERS LP	900003	821			
o VANGUARD NAT RESOURCES LLC	900003	145			
p BREITBURN ENERGY PARTNERS L	900003	1,982			
q MARTIN MIDSTREAM PARTNERS L	900003	-6,046			

TY 2011 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	2,000	1,000		1,000
BOOKKEEPING	3,600	3,600		

TY 2011 Compensation Explanation

Name: WILLIAM F WELCH &
LORENE W WELCH FOUNDATION

EIN: 83-6033434

Person Name	Explanation
FRANK ROTELLINI	
WILLIAM B EBZERY	
RICHARD M DAVIS JR	

TY 2011 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		
2500-SEADRILL LTD	85,781	103,050
4300-ALTRIA GROUP INC.	63,175	146,028
3000-AMERICAN CAPITAL AGENCY	95,926	104,520
2000-AMERICAN CAPITAL MORTGAGE	49,200	49,460
700-ANADARKO PETROLEUM CORP	37,825	48,489
3000-ANNALY CAPITAL MGMT. INC.	52,919	51,930
375-APPLE INC	115,689	249,465
500-BOEING CO	28,532	35,700
4000-BREITBURN ENERGY PARTNERS LP	76,226	78,280
300-BUCKEYE PARTNERS LP	10,767	14,826
1000-CSX CORP	23,209	22,460
300-CATERPILLAR INC.	17,954	25,599
600-CELGENE CORP	26,682	43,224
800-CHEVRON CORP	57,621	89,728
1200-CLEAN ENERGY FUELS CORP	16,474	15,768
1000-COLGATE PALMOLIVE	36,690	106,310
3400-ENBRIDGE ENERGY PARTNERS, LP	94,139	100,164
500-ENERGY SEL SECT SPDR FD	29,940	35,765
1600-ENERGY TRANSFER PARTNERS	70,690	68,352
1500-ENTERPRISE PRODS PARTNERS LP	48,587	80,100
1000-EV ENERGY PARTNERS LP	32,595	62,770
1200-EXXON MOBIL	76,206	104,760
1200-JOHNSON & JOHNSON	47,413	80,916
750-KINDER MORGAN ENERGY PARTNERS	43,416	62,078
1280-KINDER MORGAN INC WTS	2,172	4,032
837-KINDER MORGAN INC	23,889	29,939
1500-KODIAK OIL & GAS CORP	15,000	13,410
2500-LEGACY RESERVES LP	66,052	69,725
1400-LINN ENERGY LLC	41,034	55,664

Name of Stock	End of Year Book Value	End of Year Fair Market Value
500-MCDONALDS CORP	29,210	44,745
800-MERCK & CO	23,480	34,440
1350-PHILIP MORRIS INTERNATIONAL	40,071	120,555
2000-PIONEER SOUTHWEST ENERGY UNIT	50,912	51,200
1000-QUEST DIAGNOSTICS INC.	32,580	60,470
4000-RARE ELEMENT RESOURCES LTD	39,003	15,720
1000-REYNOLDS AMERICAN	29,524	46,100
10000-SIRIUS XM RADIO INC	33,321	25,300
1212-SOUTHERN COPPER CORP	37,471	39,438
1678.021-TORTOISE ENERGYCAP CORP	40,449	46,028
1500-VANGUARD NATURAL RESOURCES	43,554	42,930
2375-VECTOR GROUP LTD	41,896	40,399
900-VOLCANO CORP	17,945	25,452
1000-WESTPORT INNOVATIONS INC	43,558	35,210
2000-ARES CAPITAL CORP	48,545	53,800
3500-BANK OF AMERICA CORP 8.2%	82,106	90,300
4900-BANK OF AMERICA CORP 8.625%	114,094	125,930
2000-BARCLAYS BANK PLC 7.75%	48,712	50,540
1000-CONSTELLATION ENERGY GRP 8.625%	22,265	26,690
3500-REGIONS ASSET MANAGEMENT III	87,808	91,770
1800-WELLS FARGO CAPITAL 7.875%	44,661	47,340
4800-ZIONS BANCORP	118,823	126,384
300-RAIT FINANCIAL TRUST	7,017	7,317

TY 2011 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	83,340
MINERALS	8,724	8,724	8,724
COAL			276,469

TY 2011 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	103	103		
SAFE DEPOSIT BOX	160	160		
STORAGE EXPENSE	656	656		

TY 2011 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
HUGOTON ROYALTY TRUST	582	582	
PTP DISTRIBUTIONS	48,753	48,753	
FIDELITY EXPLORATION	2,065	2,065	
EXCISE TAX REFUND	2,302		
NON-DEDUCTIBLE PTP UBTI LOSS	27,490		
KINDERMORGAN ENERGY PARTNERS	-7,554		
ENTERPRISE PRODUCTS PARTNERS	-6,541		
LEGACY RESERVES LP	408		
ENBRIDGE ENERGY PARTNERS LP	-4,808		
ENERGY TRANSFER PARTNERS LP	-4,126		
PIONEER SW ENERGY PARTNERS LP	5,146		
EV ENERGY PARTNERS LP	-729		
LINN ENERGY LLC	-6,188		
ENCORE ENERGY PARTNERS LP	821		
VANGUARD NAT RESOURCES LLC	145		
BREITBURN ENERGY PARTNERS LP	1,982		
MARTIN MIDSTREAM PARTNERS LP	-6,046		

TY 2011 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 MGMT - CYPRESS CAPIT	33,533	33,533		
ACCOUNT FEES - MORGAN STANLEY	4,351	4,351		

TY 2011 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
FOREIGN TAXES ON DIVIDENDS	53	53		