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

OMB No 1545 0052

2009Department of the Treasury
Internal Revenue Service

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

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

G Check all that apply: ☐ Initial return ☐ Initial Return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation LILLIAN WALTON FOUNDATION		A Employer identification number 74-2509618
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite 901 OAK ST		B Telephone number (see the instructions) (830) 769-2001
	City or town State ZIP code JOORDANTON TX 78026		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 ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,181,098.		J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	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 ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	23,272.	23,272.		
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule) See line 11 Stmt	101,613.	101,613.			
12 Total. Add lines 1 through 11	124,885.	124,885.			
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc	24,796.	12,398.		12,398.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) L-16b Stmt	2,350.	2,350.		
	c Other professional fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule, see instr) See line 18 Stmt	1,552.	1,552.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) OFFICE SUPPLIES	45.	45.		
	24 Total operating and administrative expenses. Add lines 13 through 23	28,743.	16,345.		12,398.
	25 Contributions, gifts, grants paid	78,750.			78,750.
26 Total expenses and disbursements. Add lines 24 and 25	107,493.	16,345.		91,148.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	17,392.				
b Net investment income (if negative, enter -0-)		108,540.			
c Adjusted net income (if negative, enter -0-)					

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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
ASSETS	1 Cash — non-interest-bearing	38,260.	21,118.	21,118.
	2 Savings and temporary cash investments	437,561.	444,104.	444,104.
	3 Accounts receivable			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch.) ▶			
	Less: allowance for doubtful accounts ▶	1,072,965.	1,100,956.	1,100,956.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶ MINERAL INTEREST)	0.	0.	14,610.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	1,548,786.	1,566,178.	1,580,788.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)			
NET FUND ASSETS 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	1,548,786.	1,566,178.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	1,548,786.	1,566,178.	
	31 Total liabilities and net assets/fund balances (see the instructions)	1,548,786.	1,566,178.	

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	1,548,786.
2 Enter amount from Part I, line 27a	2	17,392.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,566,178.
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	1,566,178.

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)
1	a			
	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

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

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	93,308.	1,559,888.	0.059817
2007	86,206.	1,493,373.	0.057726
2006	79,644.	1,481,485.	0.053760
2005	66,661.	1,435,150.	0.046449
2004	64,284.	1,412,025.	0.045526

2 Total of line 1, column (d) ...

2

0.263278

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

0.052656

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4

1,570,438.

5 Multiply line 4 by line 3

5

82,693.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

1,085.

7 Add lines 5 and 6

7

83,778.

8 Enter qualifying distributions from Part XII, line 4

8

91,148.

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.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b.		1	1,085.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,085.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,085.
6 Credits/Payments:			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a		
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		
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		28.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		1,113.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0.
11 Enter the amount of line 10 to be. Credited to 2010 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
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?		X
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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) TX - Texas		
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	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		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		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 W. F. ZUHLKE JR. Telephone no. (830) 769-2001 Located at 901 OAK ST. JOURDANTON TX ZIP + 4 78026			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -Check here and enter the amount of tax-exempt interest received or accrued during the year 15			

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

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

	Yes	No
1 a 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 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 ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement -see the instructions)		
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__		
3 a 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.)		
4 a 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?		☒

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☒ Yes ☐ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions).

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b X

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 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

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
W F ZUHLKE JR 901 OAK ST JOURDANTON TX 78026	TRUSTEE 7.00	9,932.	0.	0.
GERALD ZUHLKE 901 OAK ST JOURDANTON TX 78026	TRUSTEE 7.00	9,932.	0.	0.
WANDA BORTH 901 OAK JOURDANTON TX 78026	TRUSTEE 1.00	4,932.	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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000

None

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

None

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 instructions)

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

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances.....	1b	34,683.
c	Fair market value of all other assets (see instructions) ..	1c	1,559,670.
d	Total (add lines 1a, b, and c)	1d	1,594,353.
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	1,594,353.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions).....	4	23,915.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 ..	5	1,570,438.
6	Minimum investment return. Enter 5% of line 5	6	78,522.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	78,522.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,085.
b	Income tax for 2009. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,085.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	77,437.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	77,437.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 ..	7	77,437.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26.	1a	91,148.
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	91,148.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	1,085.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	90,063.

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.

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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				77,437.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			0.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	8,438.			
e From 2008	17,860.			
f Total of lines 3a through e	26,298.			
4 Qualifying distributions for 2009 from Part XII, line 4: \$ 91,148.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				77,437.
e Remaining amount distributed out of corpus	13,711.			
5 Excess distributions carryover applied to 2009 (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	40,009.			
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				
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)				
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	40,009.			
10 Analysis of line 9:				
a Excess from 2005	0.			
b Excess from 2006	0.			
c Excess from 2007	8,438.			
d Excess from 2008	17,860.			
e Excess from 2009	13,711.			

BAA

Form 990-PF (2009)

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling

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

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

W F ZUHLKE JR

901 OAK ST

JOURDANTON

TX

78026

(830) 769-2001

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

SEE ATTACHED

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

SEE ATTACHED

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> SEE ATTACHED SCHEDULE OF SCHOLARSHIPS		N/A	SEE ATTACHED SCH	71,250.
JOURDANTON LITTLE LEAGUE				
JOURDANTON TX 78026			UNRESTRICTED	1,500.
CHURCHES LOCATED IN				
JOURDANTON TX FIRST BAPTIST			UNRESTRICTED	1,500.
UNITED METHODIST			UNRESTRICTED	1,500.
LUTHERAN CHURCH			UNRESTRICTED	1,500.
ST MATTHEWS CATHOLIC			UNRESTRICTED	1,500.
Total			3a	78,750.
<i>b Approved for future payment</i> SEE ATTACHED SCHEDULE				182,500.
SET ASIDE GRANTS WERE NOT USED AS QUALIFYING DISTRIBUTIONS				
Total			3b	182,500.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1	Program service revenue.					
a	INTEREST ON LOANS			14	90,949.	
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	23,272.	
4	Dividends and interest from securities					
5	Net rental income or (loss) from real estate:					
a	Debt-financed property . . .					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory . .					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a	OIL ROYALTY			15	10,664.	
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				124,885.	
13	Total. Add line 12, columns (b), (d), and (e)				13	124,885.

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

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

[illegible]

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
INTEREST ON LOANS	90,949.	90,949.	
OIL ROYALTY	10,664.	10,664.	
Total	<u>101,613.</u>	<u>101,613.</u>	

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
990-PF TAX 2006	1,308.	1,308.		
PROPERTY TAX	244.	244.		
Total	<u>1,552.</u>	<u>1,552.</u>		

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RICHARD SHELTON CPA	FORM 990 PREPARATION	2,350.	2,350.		
Total		<u>2,350.</u>	<u>2,350.</u>		

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FORM 990 PF, PART IV, QUESTION 2(B), APPLICATION FORMS.

An application is submitted to the selection committee by the applicant stating his or her financial need and showing proof that they meet the scholastic requirements of the college of their choice. An application can be secured by writing to the Lillian Walton Foundation at the address on page 1 of this return.

FORM 990 PF, PART IV, QUESTION 2 (d), RESTRICTIONS ON AWARDS

There are no restrictions or limitation per se on the awards except that the following guidelines are followed:

1. The awards will be scholarships for study at a college.
2. The awards will be made to a class of individual who established financial need and that they satisfy college entrance requirements at the college of their choice.
3. The application process will be non-discriminatory and the scholarship will be awarded as nearly as possible in accordance with the ratio mix in Atascosa County, Texas.
4. The scholarships will be grants and repayment will not be required.
5. The grants will be supervised by obtaining reports or transcripts from the college or university where the recipient is enrolled, and if the recipient is expelled from the school for any reason, an attempt will be made to recover a pro-rata part of the grant for the unexpired term of the semester.

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FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR
FUTURE PAYMENT

GRANTS AWARDED 2009

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2009	SCHOLAR. RESCENDED IN 2009	AMOUNT APPROVED FOR FUTURE PAYMENT
MARILIE DURAN BOX 516 CHARLOTTE TX 78011	10000		0		10000
GARRETT MERCER 104 CHAPPARAL CIRCLE JOURDANTON TX 78026	10000		1250		8750
WYNDI CAMACHO BOX 1203 POTEET TX 78065	10000		1250		8750
IAN MICHAEL CALANDRA 4306 FM 2146 JOURDANTON TX 78026	10000		1250		8750
CODY LAWRENCE 700 CR 330 JOURDANTON TX 78026	10000		1250		8750
CHRISTINA F GARCIA 1613 BROWN AVE JOURDANTON TX 78026	10000		1250		8750
ALEXIA MENDEZ 305 COLONY DR PLEASANTON TX 78064	10000		1250		8750
ALEXANDER PENNOCK 89 HIGH LAND RD POTEET TX 78065	10000		1250		8750
PHILLIP PAWELEK 7 QUAIL HOLLOW PLEASANTON TX 78064	10000		1250		8750
GRANTS AWARDED 2009	90000	0	10000	0	80000
TOTAL SCHOLARSHIP GRANTS	390000	136250	71250	0	182500

NONE OF THE GRANT RECIPIENTS ARE RELATED TO TRUSTEES OR CONTRIBUTORS
ALL GRANTS AWARDED ARE FOR STUDY AT COLLEGE

LILLIAN WALTON FOUNDATION

2009

FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR
FUTURE PAYMENT

GRANTS AWARDED 2008

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCINDED IN PRIOR YEARS	AMOUNT PAID IN 2009	SCHOLAR. RESCINDED IN 2009	AMOUNT APPROVED FOR FUTURE PAYMENT
VERONICA GALLEGOS 409 MAPLE S T JOURDANTON TX	10000	1250	2500		6250
RAY LOUIS BACCA 116 SIMON RD PLEASANTON TX	10000	1250	2500		6250
JAMIE M LEAL JR BOX 926 POTEET TX	10000	1250	2500		6250
AMY C ZAMORA 180 MAJESTIC OAKS POTEET TX	10000	1250	2500		6250
TERESO HERNANDEZ 111 MAIN ST JOURDANTON TX	10000	1250	2500		6250
ASHTON DAWN SMITH 554 COUSER BOX 690 CHARLOTTE TX	10000	1250	2500		6250
AUSTIN J PESEK BOX 513 JOURDANTON TX	10000	1250	2500		6250
BRYAN YANEZ 1526 TARIN DR PLEASANTON TX	10000	1250	2500		6250
GRANTS AWARDED 2008	80000	10000	20000		50000

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FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR
FUTURE PAYMENT

GRANTS AWARDED 2007

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2009	SCHOLAR. RESCINDED IN 2009	AMOUNT APPROVED FOR FUTURE PAYMENT
PAMELA DAVILA 305 CANTRELL JOURDANTON TX	10000	3750	1250		5000
KAITLYN GRIMSHAW 1267 ENCINO DR PLEASANTON TX	10000	3750	2500		3750
CARLOS R TIJERINA BOX 652 CHARLOTTE TX	10000	3750	2500		3750
ARNOLD VALLE BOX 105 POTEET TX	10000	3750	1250		5000
MARITZA MARTINEZ 8200 W FM 476 POTEET TX	10000	3750	2500		3750
KENDRA MURPHY BOX 595 JOURDANTON TX	10000	3750	2500		3750
SARAH M FLORES BOX 365 PLEASANTON TX	10000	3750	2500		3750
SUMMER D MURRAY 412 LOW MEADOW PLEASANTON TX	10000	3750	2500		3750
ALYX R CAMACHO 4355 CR 307 JOURDANTON TX	10000	3750	1250		5000
GRANTS AWARDED 2007	90000	33750	18750		37500

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2009

FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR
FUTURE PAYMENT

GRANTS AWARDED 2006

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2009	SCHOLAR RESCINDED IN 2009	AMOUNT APPROVED FOR FUTURE PAYMENT
ZACHARY L SIMS BOX 236 CHARLOTTE TX	10000	6250	2500		1250
ASHLEY M HENDERSON 613 OLIVE ST JOURDANTON TX	10000	6250	2500		1250
ALYSSA ZUNIGA BOX 733 JOURDANTON TX	10000	5000	2500		2500
REAGAN M MARBLE RT 5 BOX 358T SAN ANTONIO TX	10000	6250	2500		1250
SONNY ESTRADA BOX 1055 POTEET TX	10000	6250	2500		1250
KEVIN R ANIOL BOX 280 LEMING TX	10000	6250	2500		1250
KRISTAN JENSCHKE 890 JENSCHKE LN POTEET TX	10000	6250	2500		1250
GRANTS AWARDED IN 2006	70000	42500	17500	0	10000

LILLIAN WALTOM FOUNDATION

2009

FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR
FUTURE PAYMENT

GRANTS AWARDED IN 2005

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2009	SCHOLAR RESCINDED IN 2009	AMOUNT APPROVED FOR FUTURE PAYMENT
JOSIAH SCHORSCH 1275 CR 325 JOURDANTON TX	10000	7500	0		2500
LIZA M JACINTO BOX 1695 POTEET TX	10000	8750	1250		0
MEGAN N GUERRA 1546 KIMBERLY CIRCLE PLEASANTON TX	10000	7500	0		2500
MYCHAE S WHEELER 149 EAST LAKE DR PLEASANTON TX	10000	8750	1250		0
MEGAN H GENTRY 455 E CR 304 JOURDANTON TX	10000	8750	1250		0
MINDY SHEARRER 678 DEER TRAIL JOURDANTON TX	10000	8750	1250		0
GRANTS AWARDED 2005	60000	50000	5000	0	5000

LILLIAN WALTOM FOUNDATION
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PAGE 2 LINE 7(b)- OTHER NOTES RECEIVABLE

NAME	NOTE DATED	COLLATERAL	INTEREST RATE %	12/31/2009 BALANCE
RUBEN ALANIZ	2007	REAL ESTATE	15	5179
JOSEPH VALDEZ	2002	REAL ESTATE	8 5	68690
PAULINE ARELLANC	2007	VEHICLE	12 5	2890
MIGUEL MARTINEZ	2007	VEHICLE	10	1443
MARIA MENDEZ	2007	REAL ESTATE	18	2744
RAFAEL LUGO	1994	REAL ESTATE	8	6307
KENNETH R CRISP	2001	REAL ESTATE	8 75	37987
LINDA CASIAS	2002	REAL ESTATE	10	33975
CARL PAXON	2007	REAL ESTATE	8	69859
JASON ROANE	1993	REAL ESTATE	9	16862
JUAN AGUILAR	1999	REAL ESTATE	8	15072
RICHARD WELLS	1999	REAL ESTATE	10	16298
DAVID ROBERTSON	2007	EQUIPMENT	8 5	2106
DAVID ROBERTSON	2007	REAL ESTATE	8	104523
RICHARD WEST	2003	REAL ESTATE	9	8465
OLIVIA TREVINO	2007	REAL ESTATE	9	60706
DON RIPPLE	2003	REAL ESTATE	8 5	26887
JOE RAMOS	2003	REAL ESTATE	8	50369
M FORREST	2004	VEHICLE	18	214
R COMACHO	2004	REAL ESTATE	10	27653
D CORDOVA	2004	REAL ESTATE	9	74694
R BOWLING	2008	REAL ESTATE	8 5	29140
E CARRASCO	2008	REAL ESTATE	8 5	43474
E FERNANDEZ JR	2008	REAL ESTATE	18	5892
XAVIER FLORES	2008	VEHICLE	10	6038
EDWARD MIRANDA	2008	REAL ESTATE	8.5	45950
RITA MUNOZ	2008	VEHICLE	9	923
A ROBLES	2008	VEHICLE	12	11136
J SMOOT	2008	REAL ESTATE	8 5	45731
J TREVINO	2008	REAL ESTATE	12 5	19758
A VALDEZ	2008	VEHICLE	12 5	5229
MANUEL VALDEZ	2008	REAL ESTATE	8	119778
MARLENE WILSON	2008	VEHICLE	8 5	6818
CELIA CONTRERAS	2009	VEHICLE	18	2979
JUAN GOMEZ	2009	REAL ESTATE	6 5	32945
MARTIN LLAMAS JR	2009	REAL ESTATE	12	20869
ALAN MARTINEZ	2009	F/S	12 5	7927
CORINA MARTINEZ	2009	REAL ESTATE	10	42006
JESSIE S REYES	2009	REAL ESTATE	12	10238
LAUREN VYVLECKA	2009	VEHICLE	9	<u>10781</u>
TOTAL				1100535