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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

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

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Paul J. Williams Foundation c/o Joyce K. Fields, 7004 Calen Ct Midland, TX 79707-1456		A Employer identification number 75-2610617
			B Telephone number (see the instructions) (432) 694-4237
			C If exemption application is pending, check here <input type="checkbox"/>
			D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 815,923.		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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	6,890.	6,890.	6,890.	
	4 Dividends and interest from securities	10,186.	10,186.	10,186.	
	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 342,000.				
	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)	12,444.	12,436.			
12 Total. Add lines 1 through 11	29,520.	29,512.	17,076.		
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc	8,600.	7,884.		716.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See St 2	1,130.	1,130.		
	b Accounting fees (attach sch) See St 3	2,430.	2,228.		202.
	c Other prof fees (attach sch) See St 4	26,260.	26,260.		
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Stm 5	894.	843.		51.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 6	123.	121.		2.
	24 Total operating and administrative expenses. Add lines 13 through 23	39,437.	38,466.		971.
	25 Contributions, gifts, grants paid Part XV	47,000.			47,000.
26 Total expenses and disbursements. Add lines 24 and 25	86,437.	38,466.	0.	47,971.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-56,917.				
b Net investment income (if negative, enter 0)		0.			
c Adjusted net income (if negative, enter 0)			17,076.		

9P

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	4,622.	6,653.	6,653.
	2 Savings and temporary cash investments	399,102.	340,155.	340,155.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) Statement 7	243,282.	243,281.	363,115.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis	19,615.		
Less: accumulated depreciation (attach schedule) See Stmt 8	19,615.	19,615.	27,000.	
12 Investments — mortgage loans				
13 Investments — other (attach schedule) Statement 9			79,000.	
14 Land, buildings, and equipment basis	1,234.			
Less: accumulated depreciation (attach schedule) See Stmt 10	1,234.			
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	666,621.	609,704.	815,923.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	<input type="checkbox"/>		
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>		
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	666,621.	609,704.	
	30 Total net assets or fund balances (see the instructions)	666,621.	609,704.	
	31 Total liabilities and net assets/fund balances (see the instructions)	666,621.	609,704.	

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	666,621.
2 Enter amount from Part I, line 27a	2	-56,917.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	609,704.
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	609,704.

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 \$50,000 CD Private B&T Co (IL)		P	7/24/08	2/02/09
b \$96,000 CD National City Bank (Cleveland, OH)		P	9/15/08	9/24/09
c \$98,000 CD FirstBank of PR		P	12/15/08	12/24/09
d \$98,000 CD Pacific Capital Bk NA		P	12/22/08	6/01/09
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 50,000.		50,000.	0.
b 96,000.		96,000.	0.
c 98,000.		98,000.	0.
d 98,000.		98,000.	0.
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			0.
b			0.
c			0.
d			0.
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>		2	0.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div> <div>If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0-</div> <div>in Part I, line 8</div> </div>		3	0.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	51,517.	970,291.	0.053094
2007	49,052.	1,082,689.	0.045306
2006	48,042.	989,701.	0.048542
2005	43,991.	942,782.	0.046661
2004	41,081.	896,580.	0.045820

2 Total of line 1, column (d)	2	0.239423
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	0.047885
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	810,216.
5 Multiply line 4 by line 3	5	38,797.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	38,797.
8 Enter qualifying distributions from Part XII, line 4	8	47,971.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)		1	0.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" 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		3	0.
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	0.
6 Credits/Payments.			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	1,285.	
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	1,285.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,285.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 1,285. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) TX		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Joyce K. Fields</u> Telephone no <u>(432) 694-4237</u> Located at <u>7004 Calen Court, Midland, TX</u> ZIP + 4 <u>79707-1456</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			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.

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see the instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b X

If 'Yes' to 6b, file Form 8870

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

7b N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Joyce K. Fields 7004 Calen Court Midland, TX 79707	Pres/Treas 1.00	8,200.	0.	0.
Bill Sperry 1730 Ashford Hollow Houston, TX 77077	Secretary 0	200.	0.	0.
Royce D. Fields 11415 Highgrove Drive Houston, TX 77077	Vice Preside 0	200.	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.

BAA

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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	527,188.
b Average of monthly cash balances	1b	189,366.
c Fair market value of all other assets (see instructions)	1c	106,000.
d Total (add lines 1a, b, and c)	1d	822,554.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	822,554.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	12,338.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	810,216.
6 Minimum investment return. Enter 5% of line 5	6	40,511.

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	40,511.
2a Tax on investment income for 2009 from Part VI, line 5	2a		
b Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	40,511.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	40,511.
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	40,511.

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	47,971.
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	47,971.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	47,971.

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				40,511.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			46,207.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 47,971.				
a Applied to 2008, but not more than line 2a			46,207.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2009 distributable amount				1,764.
e Remaining amount distributed out of corpus	0.			
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	0.			
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				38,747.
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	0.			
10 Analysis of line 9.				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

N/A

1

7

Prior 3 years

(4) Gross investment income

(e) Total

assets at any time during the year – see instructions.)

None

None

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

c Any submission deadlines.

Form 990-PF (2009)

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)				
<i>a Paid during the year</i> See Statement 11				
Total			3a	47,000.
<i>b Approved for future payment</i>				
Total			3b	

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545 0172

2009Attachment
Sequence No **67**

Name(s) shown on return

Paul J. Williams Foundation

Identifying number

75-2610617

Business or activity to which this form relates

Form 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B – Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property. Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

2009

Federal Statements

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Client WILLIAMS

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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
Other Investment Income	\$ 12,444.	\$ 12,436.	
Total	\$ 12,444.	\$ 12,436.	0.

Statement 2
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees-O&G	\$ 1,130.	\$ 1,130.		
Total	\$ 1,130.	\$ 1,130.	\$ 0.	\$ 0.

Statement 3
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bookkeeping & Tax Return	\$ 2,430.	\$ 2,228.		\$ 202.
Total	\$ 2,430.	\$ 2,228.	\$ 0.	\$ 202.

Statement 4
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Landman Researching Fees-O&G	\$ 26,260.	\$ 26,260.		
Total	\$ 26,260.	\$ 26,260.	\$ 0.	\$ 0.

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Statement 5
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	\$ 96.	\$ 96.		
Gross Production Tax	186.	186.		
Payroll Taxes	612.	561.		\$ 51.
Total	\$ 894.	\$ 843.	\$ 0.	\$ 51.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Service Charges	\$ 30.	\$ 28.		\$ 2.
Broker Annual Fee	80.	80.		
Broker Certificate Fee	13.	13.		
Total	\$ 123.	\$ 121.	\$ 0.	\$ 2.

Statement 7
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
250 shs AMN Software Inc Cl A	Cost	\$ 1,281.	\$ 1,500.
400 shs Caterpillar Inc Del	Cost	6,237.	22,796.
522 shs Duke Energy Corp New	Cost	3,543.	8,984.
66 shs Du Pont E I De Nemours	Cost	2,236.	2,222.
500 shs FPL Group Inc	Cost	9,750.	26,410.
1350 shs Gap Inc Delaware	Cost	7,025.	28,283.
100 shs Intl Business Machines Corp	Cost	2,413.	13,090.
220 shs Bank of America Corp	Cost	3,003.	3,313.
522 shs ConocoPhillips	Cost	8,744.	26,659.
250 shs Ryder System Inc	Cost	5,938.	10,293.
578 shs AT&T Inc	Cost	13,168.	16,201.
171 shs Southern Company	Cost	2,349.	5,698.
500 shs Terex Corp Del New Com	Cost	1,219.	9,905.
500 shs Wal-Mart Stores Inc	Cost	6,719.	26,725.
1000 shs Citigroup Inc	Cost	18,426.	3,310.
1350 shs Southwest Airlns Co	Cost	12,694.	15,431.
600 shs Intel Corp	Cost	20,170.	12,240.
200 shs Cisco Systems Inc	Cost	15,601.	4,788.
78 shs Gentiva Health Svcs Inc	Cost	441.	2,107.
800 shs Nokia Corp	Cost	37,151.	10,280.
361 shs Pfizer Inc	Cost	5,315.	6,567.
250 shs Telefonos De Mex A ADR	Cost	657.	4,168.
375 shs America Movil SAB de CV ADR	Cost	730.	17,610.
240 shs Chevron Corp	Cost	8,014.	18,478.

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Statement 7 (continued)
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
67 shs Mirant Corp Escrow	Cost	\$ 0.	\$ 0.
88 shs Monsanto Co New Del Com	Cost	345.	7,194.
500 shs Barrick Gold Corporation	Cost	9,710.	19,690.
335 shs Ameren Corp	Cost	15,882.	9,363.
246 shs Public Storage Inc	Cost	21,429.	20,037.
261 shs Spectra Energy Corp	Cost	2,642.	5,353.
250 shs Telmex Internacional S A B De CV	Cost	449.	4,420.
	Total	\$ 243,281.	\$ 363,115.

Statement 8
Form 990-PF, Part II, Line 11
Investments - Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Land	\$ 19,615.		\$ 19,615.	\$ 27,000.
Total	\$ 19,615.	\$ 0.	\$ 19,615.	\$ 27,000.

Statement 9
Form 990-PF, Part II, Line 13
Investments - Other

<u>Other Investments</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Oil & Gas Mineral Interests	Cost	\$ 0.	\$ 79,000.
	Total	\$ 0.	\$ 79,000.

Statement 10
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Furniture and Fixtures	\$ 1,234.	\$ 1,234.	\$ 0.	\$ 0.
Total	\$ 1,234.	\$ 1,234.	\$ 0.	\$ 0.

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Statement 11
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
High Sky Children's Ranch 8701 West County Road 60 Midland, TX 79707	None	Public	Assistance to abused, neglected and troubled children	\$ 6,000.
Hospice of Midland, Inc. 911 West Texas Midland, TX 79701	None	Public	Assistance to the terminally ill	6,000.
M D Anderson Cancer Ctr P. O. Box 301439 Houston, TX 77230	None	Public	Cancer research	2,000.
Make-A-Wish Foundation of North Texas 407 N. Big Spring, Suite 208 Midland, TX 79701	None	Public	Granting wishes to children under 18 with life threatening illnesses	1,000.
Manor Park, Inc. 2208 N. Loop 250 West Midland, TX 79707	None	Public	Care and housing for seniors	5,000.
Midland Bible Church 2800 North A Street Midland, TX 79705	None	Public	General functions of the church	10,000.
Museum of the Southwest 1705 W. Missouri Ave. Midland, TX 79701	None	Public	General operations of the museum	1,000.
West of the Pecos Museum First & Highway 285, P. O. Box 1784 Pecos, TX 79772	None	Public	Promoting Pecos, TX and preserving western heritage	3,500.
Midland Classical Academy 5711 Whitman Drive Midland, TX 79705	None	Public	Providing classical education based on a Christian worldview	12,500.
Total				\$ <u>47,000.</u>

2009**Federal Supporting Detail****Page 1****Client WILLIAMS****Paul J. Williams Foundation****75-2610617**

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Other Income Producing Activities
Other investment income [O]

Oil & Gas Royalty Income	\$	4,109.
Oil & Gas Lease Bonus Income		8,327.
Other Investment Income		8.
Total	\$	<u>12,444.</u>

Net Investment Income / Adj. Net Income
Other investment income

Oil & Gas Royalty Income	\$	4,109.
Oil & Gas Lease Bonus Income		8,327.
Delay Lease Rental		0.
Total	\$	<u>12,436.</u>

FMV of Assets (990-PF)
Land

Real Estate and Minerals		\$ 27,000.
Total	\$	<u>27,000.</u>

2009

Federal Worksheets

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Client WILLIAMS

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Average Monthly Fair Market Value of Securities
Form 990-PF, Part X, Line 1a

Security	January	February	March	April	May	June	July	August	September	October	November	December
	649,511	585,702	553,468	575,642	593,682	548,510	506,392	524,073	487,797	442,006	448,726	410,750
Averages	649,511	585,702	553,468	575,642	593,682	548,510	506,392	524,073	487,797	442,006	448,726	410,750

Totals 6,326,259 Number of Months 12

Average Monthly Fair Market Value 527,188

Client WILLIAMS

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Average Monthly Cash Balances
Form 990-PF, Part X, Line 1b

Cash Bal.	January	February	March	April	May	June	July	August	September	October	November	December
	61,293	86,439	113,557	115,254	115,869	164,143	213,288	214,974	264,715	316,788	296,204	309,868
Averages	<u>61,293</u>	<u>86,439</u>	<u>113,557</u>	<u>115,254</u>	<u>115,869</u>	<u>164,143</u>	<u>213,288</u>	<u>214,974</u>	<u>264,715</u>	<u>316,788</u>	<u>296,204</u>	<u>309,868</u>

Totals	<u>2,272,392</u>	Number of Months	<u>12</u>
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Average Monthly Cash Balances 189,366

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2009 Federal Book Depreciation Schedule

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus Pct	Cur 179 Bonus	Special Dep Allow	Prior 179/ Bonus/ Sp. Dep.	Prior Dec Bal Dep.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
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Form 990/990-PF

Furniture and Fixtures

1	Telephone System	9/23/98		1,234							1,234	1,234	S/L	HY	7	0
Total Furniture and Fixtures																
				1,234	0	0	0	0	0	0	1,234	1,234				
				1,234	0	0	0	0	0	0	1,234	1,234				
				1,234	0	0	0	0	0	0	1,234	1,234				
				1,234	0	0	0	0	0	0	1,234	1,234				
				1,234	0	0	0	0	0	0	1,234	1,234				

Grand Total Depreciation