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

2009

Department of the Treasury
Internal Revenue Service

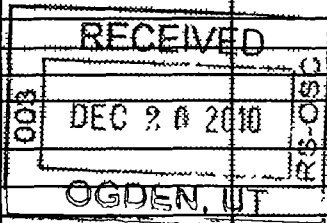
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year **2009**, or tax year beginning **10/01**, **2009**, and ending **9/30**, **2010**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions	WALTER PAYNE FOUNDATION 11405 HARCOURT TERRACE RICHMOND, VA 23233	A Employer identification number 01-0626611 B Telephone number (see the instructions) 804-780-2038 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"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <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		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 2,591,353.		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	290.	290.	290.	
4 Dividends and interest from securities	44,114.	44,114.	44,114.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	126,920.			
b Gross sales price for all assets on line 6a	1,521,397.			
7 Capital gain net income (from Part IV line 2)		126,920.		
8 Net short-term capital gain			23,617.	
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 Total. Add lines 1 through 11	171,324.	171,324.	68,021.	
ADMINISTRATIVE AND EXPENSES				
13 Compensation of officers, directors, trustees, etc	32,485.	16,242.		16,242.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) SEE ST 1	128.		128.	
b Accounting fees (attach sch) SEE ST 2	3,049.		3,049.	
c Other prof fees (attach sch) SEE ST 3	27,768.	27,768.		
17 Interest				
18 Taxes (attach schedule)(see instr) SEE STM 4	3,023.	538.	1,243.	1,242.
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 5	25.		25.	
24 Total operating and administrative expenses. Add lines 13 through 23	66,478.	44,548.	4,445.	17,484.
25 Contributions, gifts, grants paid PART XV	113,000.			113,000.
26 Total expenses and disbursements. Add lines 24 and 25	179,478.	44,548.	4,445.	130,484.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-8,154.			
b Net investment income (if negative, enter 0)		126,776.		
c Adjusted net income (if negative, enter 0-)			63,576.	



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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			
	2	Savings and temporary cash investments	373,083.	81,102.	81,102.
	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 6	2,008,677.	2,276,890.	2,510,251.
	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)				
16	Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	2,381,760.	2,357,992.	2,591,353.	
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.				
	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	2,381,760.	2,357,992.	
30	Total net assets or fund balances (see the instructions)	2,381,760.	2,357,992.		
31	Total liabilities and net assets/fund balances (see the instructions)	2,381,760.	2,357,992.		

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	2,381,760.
2	Enter amount from Part I, line 27a	2	-8,154.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,373,606.
5	Decreases not included in line 2 (itemize) See Statement 7	5	15,614.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	2,357,992.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE ATTACHED	P	VARIOUS	VARIOUS
b SEE ATTACHED	P	VARIOUS	VARIOUS
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 325,252.		290,609.	34,643.
b 1,196,145.		1,103,868.	92,277.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			34,643.
b			92,277.
c			
d			
e			

2 Capital gain net income or (net capital loss)	$\left[\begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right]$	2	126,920.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	$\left[\begin{array}{l} \text{If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0-} \\ \text{in Part I, line 8} \end{array} \right]$	3	23,617.

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	154,485.	2,610,244.	0.059184
2007	159,588.	3,141,625.	0.050798
2006	158,630.	3,364,094.	0.047154
2005	156,131.	3,175,057.	0.049174
2004	155,425.	3,184,816.	0.048802

2 Total of line 1, column (d)	2	0.255112
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	0.051022
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,513,000.
5 Multiply line 4 by line 3	5	128,218.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,268.
7 Add lines 5 and 6	7	129,486.
8 Enter qualifying distributions from Part XII, line 4	8	130,484.

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	1,268.
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	1,268.
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	1,268.
6 Credits/Payments.			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	1,453.	
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	1,453.
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	185.
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> 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 ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <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) ▶ VA		
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>▶ JAMES E. CRAWLEY</u> Telephone no. <u>▶ 804-780-2038</u> Located at <u>▶ 11405 HARCOURT TERRACE RICHMOND VA</u> ZIP + 4 <u>▶ 23233</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year <u>▶ 15</u>		N/A	<input type="checkbox"/> 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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__ , 20__ , 20__ , 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__ , 20__ , 20__ , 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)?

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?

If 'Yes' to 6b, file Form 8870

6b X

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
JAMES E. CRAWLEY 11405 HARCOURT TERRACE RICHMOND, VA 23233	President 5.00	32,485.	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 VII 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.	

Total. Add lines 1 through 3 0.

BAA

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	2,324,177.
b	Average of monthly cash balances	1b	227,092.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,551,269.
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	2,551,269.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	38,269.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,513,000.
6	Minimum investment return. Enter 5% of line 5	6	125,650.

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	125,650.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,268.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,268.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	124,382.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	124,382.
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	124,382.

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	130,484.
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	130,484.
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	1,268.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	129,216.

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				124,382.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			112,960.	
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 ▶ \$ 130,484.				
a Applied to 2008, but not more than line 2a			112,960.	
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				17,524.
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				106,858.
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				

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 <i>Paid during the year</i> See Statement 9				
Total				▶ 3a 113,000.
b <i>Approved for future payment</i>				
Total				▶ 3b

REALIZED GAINS AND LOSSES
 WALTER PAYNE FOUNDATION JAMES E CRAWLEY PRESIDENT
 6645-3478-RS38-DFA-BP-Y
 From 10-01-09 Through 09-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-29-06	01-06-10	1,000 000	Cisco Systems Inc	23,120 00		24 519 36		1,399 36
07-12-07	01-06-10	1,500 000	Oracle Corp	30,735 00		36,854 05		6,119 05
05-23-06	01-06-10	300 000	Emerson Electric Company	12,141 00		13,116 47		975 47
01-26-04	01-06-10	750 000	General Electric Company	25,177 50		11,647 20		(13,530 30)
11-12-08	01-06-10	750 000	Mcdermott International Inc	6,014 92		19,162 08		13,147 16
10-11-07	01-06-10	1,000 000	Udr Inc	25,649 90		16,019 69		(9,630 21)
02-02-09	01-06-10	80 000	Udr Inc	937 08		1,281 57	344 49	
06-07-07	01-06-10	78 810	Columbia Acorn Tr CI A	2,555 80		1,927 69		(628 11)
06-07-07	01-06-10	10 696	Columbia Acorn Tr CI A	346 88		261 62		(85 26)
12-12-06	01-06-10	9 853	Columbia Acorn Tr CI A	287 02		241 00		(46 02)
12-12-06	01-06-10	478 814	Columbia Acorn Tr CI A	13,947 84		11,711 79		(2,236 05)
12-12-06	01-06-10	19 033	Columbia Acorn Tr CI A	554 44		465 55		(88 89)
12-13-07	01-06-10	471 509	Columbia Acorn Tr CI A	13,692 63		11,533 11		(2,159 52)
12-13-07	01-06-10	29 459	Columbia Acorn Tr CI A	855 50		720 57		(134 93)
12-13-07	01-06-10	6 332	Columbia Acorn Tr CI A	183 87		154 88		(28 99)
06-08-06	01-06-10	75 885	Columbia Acorn Tr CI A	2,168 80		1,856 15		(312 65)
12-13-05	01-06-10	273 865	Columbia Acorn Tr CI A	7,621 66		6,698 74		(922 92)
12-13-05	01-06-10	16 765	Columbia Acorn Tr CI A	466 58		410 07		(56 51)
12-13-05	01-06-10	6 478	Columbia Acorn Tr CI A	180 27		158 45		(21 82)
06-13-08	01-06-10	10 109	Columbia Acorn Tr CI A	271 52		247 27		(24 25)
06-13-08	01-06-10	156 880	Columbia Acorn Tr CI A	4,213 81		3,837 28		(376 53)
06-09-05	01-06-10	91 691	Columbia Acorn Tr CI A	2,356 45		2,242 76		(113 69)
06-09-05	01-06-10	6 479	Columbia Acorn Tr CI A	166 50		158 48		(8 02)
12-14-04	01-06-10	209 389	Columbia Acorn Tr CI A	5,247 30		5,121 66		(125 64)
12-14-04	01-06-10	12 358	Columbia Acorn Tr CI A	309 70		302 28		(7 42)
06-04-04	01-06-10	4 845	Columbia Acorn Tr CI A	113 61		118 51		4 90
08-06-04	01-06-10	2,288 330	Columbia Acorn Tr CI A	50,000 00		55,972 55		5,972 55
12-09-03	01-06-10	3 744	Columbia Acorn Tr CI A	80 61		91 58		10 97
12-11-08	01-06-10	54 384	Columbia Acorn Tr CI A	884 28		1,330 23		445 95
01-28-03	01-06-10	4,010 695	Columbia Acorn Tr CI A	60,000 00		98,101 60		38,101 60
12-15-06	01-06-10	23 499	First Eagle Fds Inc -*overseas Fd CI A	584 88		468 34		(116 54)
12-15-06	01-06-10	222 727	First Eagle Fds Inc -*overseas Fd CI A	5,543 68		4,438 95		(1,104 73)

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REALIZED GAINS AND LOSSES
 WALTER PAYNE FOUNDATION JAMES E CRAWLEY PRESIDENT
 6645-3478-RS38-DFA-BP-Y
 From 10-01-09 Through 09-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
12-15-06	01-06-10	538 683	First Eagle Fds Inc →*overseas Fd CI A	13,407 83		10,735 95		(2,671.88)
12-17-07	01-06-10	26 362	First Eagle Fds Inc →*overseas Fd CI A	614 24		525 39		(88 85)
12-17-07	01-06-10	266 995	First Eagle Fds Inc →*overseas Fd CI A	6,220 98		5,321 21		(899 77)
12-17-07	01-06-10	940 153	First Eagle Fds Inc →*overseas Fd CI A	21,905 57		18,737 25		(3,168 32)
12-16-05	01-06-10	24 680	First Eagle Fds Inc →*overseas Fd CI A	563 94		491 87		(72 07)
12-16-05	01-06-10	204 997	First Eagle Fds Inc →*overseas Fd CI A	4,684 19		4,085 59		(598 60)
12-16-05	01-06-10	373 226	First Eagle Fds Inc →*overseas Fd CI A	8,528 22		7,438 39		(1,089 83)
12-13-04	01-06-10	65 269	First Eagle Fds Inc →*overseas Fd CI A	1,358 24		1,300 81		(57 43)
12-13-04	01-06-10	28 555	First Eagle Fds Inc →*overseas Fd CI A	594 23		569 10		(25 13)
12-13-04	01-06-10	1 360	First Eagle Fds Inc →*overseas Fd CI A	28 30		27 10		(1 20)
12-18-09	01-06-10	280 374	First Eagle Fds Inc →*overseas Fd CI A	5,520 57		5,587 85	67 28	
08-06-04	01-06-10	2,608 242	First Eagle Fds Inc →*overseas Fd CI A	50,000 00		51,982 27		1,982 27
12-05-03	01-06-10	21 686	First Eagle Fds Inc →*overseas Fd CI A	383 20		432 20		49 00
12-05-03	01 06-10	79 239	First Eagle Fds inc →*overseas Fd CI A	1,400 15		1,579 23		179 08
12-05-03	01-06-10	2 503	First Eagle Fds Inc →*overseas Fd CI A	44 22		49 88		5 66
12-19-08	01-06-10	845 204	First Eagle Fds Inc →*overseas Fd CI A	13,937 42		16,844 92		2,907 50
12-19-08	01-06-10	10 666	First Eagle Fds Inc →*overseas Fd CI A	175 89		212 57		36 68
01-28-03	01-06-10	2,947 679	First Eagle Fds Inc →*overseas Fd CI A	40,000 00		58,747 26		18,747 26
12-20-07	01-06-10	64 066	Growth Fund Amer Inc → CI F I	2,126 35		1,776 55		(349 80)
12-20-07	01-06-10	356 557	Growth Fund Amer Inc → CI F I	11,834 14		9,887 33		(1,946 81)
12-20-06	01-06-10	184 816	Growth Fund Amer Inc → CI F I	6,071 21		5,124 95		(946 26)
12-20-06	01-06-10	49 010	Growth Fund Amer Inc → CI F I	1,609 97		1,359 05		(250 92)
12-21-05	01-06-10	34 929	Growth Fund Amer Inc → CI F I	1,070 91		968 58		(102 33)
12-21-05	01-06-10	39 954	Growth Fund Amer Inc → CI F I	1,224 99		1,107 92		(117 07)
12-23-09	01-06-10	51 486	Growth Fund Amer Inc → CI F I	1,388 59		1,427 71	39 12	
12-14-04	01-06-10	20 879	Growth Fund Amer Inc → CI F I	552 66		578 97		26 31
12-16-03	01-06-10	2 762	Growth Fund Amer Inc → CI F I	65 31		76 59		11 28
08-06-04	01-06-10	2,122 241	Growth Fund Amer Inc → CI F I	50,000 00		58,849 74		8,849 74
12-24-08	01-06-10	75 533	Growth Fund Amer Inc → CI F I	1,487 25		2,094 53		607 28

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REALIZED GAINS AND LOSSES
 WALTER PAYNE FOUNDATION JAMES E CRAWLEY PRESIDENT
 6645-3478-RS38-DFA-BP-Y
 From 10-01-09 Through 09-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
01-28-03	01-06-10	3,298.516	Growth Fund Amer Inc - CI F I	60,000.00		91,467.85		31,467.85
07-02-07	01-06-10	22,690	Dodge & Cox Bal Fd	2,041.46		1,480.30		(561.16)
10-01-07	01-06-10	23,088	Dodge & Cox Bal Fd	2,054.62		1,506.26		(548.36)
04-02-07	01-06-10	0,834	Dodge & Cox Bal Fd	72.99		54.41		(18.58)
04-02-07	01-06-10	18,232	Dodge & Cox Bal Fd	1,595.33		1,189.46		(405.87)
04-02-07	01-06-10	25,025	Dodge & Cox Bal Fd	2,189.67		1,632.63		(557.04)
01-02-07	01-06-10	3,017	Dodge & Cox Bal Fd	263.44		196.83		(66.61)
01-02-07	01-06-10	21,768	Dodge & Cox Bal Fd	1,900.77		1,420.14		(480.63)
01-02-07	01-06-10	116,210	Dodge & Cox Bal Fd	10,147.43		7,581.54		(2,565.89)
10-02-06	01-06-10	23,726	Dodge & Cox Bal Fd	2,052.79		1,547.88		(504.91)
04-04-06	01-06-10	18,358	Dodge & Cox Bal Fd	1,536.03		1,197.68		(338.35)
04-04-06	01-06-10	3,164	Dodge & Cox Bal Fd	264.72		206.42		(58.30)
07-03-06	01-06-10	21,290	Dodge & Cox Bal Fd	1,776.42		1,388.96		(387.46)
01-03-06	01-06-10	0,785	Dodge & Cox Bal Fd	64.10		51.21		(12.89)
01-03-06	01-06-10	19,628	Dodge & Cox Bal Fd	1,602.47		1,280.53		(321.94)
01-03-06	01-06-10	42,790	Dodge & Cox Bal Fd	3,493.38		2,791.62		(701.76)
01-02-08	01-06-10	25,437	Dodge & Cox Bal Fd	2,068.01		1,659.51		(408.50)
01-02-08	01-06-10	202,311	Dodge & Cox Bal Fd	16,447.85		13,198.77		(3,249.08)
01-02-08	01-06-10	8,070	Dodge & Cox Bal Fd	656.06		526.49		(129.57)
10-03-05	01-06-10	18,530	Dodge & Cox Bal Fd	1,497.61		1,208.90		(288.71)
01-03-05	01-06-10	46,061	Dodge & Cox Bal Fd	3,652.63		3,005.02		(647.61)
01-03-05	01-06-10	11,612	Dodge & Cox Bal Fd	920.83		757.57		(163.26)
01-03-05	01-06-10	15,870	Dodge & Cox Bal Fd	1,258.47		1,035.36		(223.11)
07-01-05	01-06-10	17,982	Dodge & Cox Bal Fd	1,425.79		1,173.15		(252.64)
04-01-05	01-06-10	0,242	Dodge & Cox Bal Fd	18.86		15.79		(3.07)
04-01-05	01-06-10	8,239	Dodge & Cox Bal Fd	641.17		537.51		(103.66)
04-01-05	01-06-10	16,963	Dodge & Cox Bal Fd	1,320.05		1,106.67		(213.38)
04-01-04	01-06-10	11,497	Dodge & Cox Bal Fd	863.07		750.06		(113.01)
04-01-04	01-06-10	5,904	Dodge & Cox Bal Fd	443.20		385.18		(58.02)
10-01-04	01-06-10	17,516	Dodge & Cox Bal Fd	1,312.33		1,142.74		(169.59)
07-01-04	01-06-10	12,245	Dodge & Cox Bal Fd	916.51		798.86		(117.65)
01-02-04	01-06-10	9,476	Dodge & Cox Bal Fd	690.03		618.21		(71.82)
01-02-04	01-06-10	11,687	Dodge & Cox Bal Fd	851.03		762.46		(88.57)
01-02-04	01-06-10	11,371	Dodge & Cox Bal Fd	828.03		741.84		(86.19)
03-31-08	01-06-10	28,747	Dodge & Cox Bal Fd	2,090.75		1,875.45		(215.30)
03-31-08	01-06-10	69,410	Dodge & Cox Bal Fd	5,048.21		4,528.31		(519.90)
03-31-08	01-06-10	0,784	Dodge & Cox Bal Fd	57.02		51.15		(5.87)
08-06-04	01-06-10	689,655	Dodge & Cox Bal Fd	50,000.00		44,993.09		(5,006.91)
06-30-08	01-06-10	29,615	Dodge & Cox Bal Fd	2,067.16		1,932.08		(135.08)
10-01-03	01-06-10	12,935	Dodge & Cox Bal Fd	869.12		843.88		(25.24)
07-01-03	01-06-10	16,258	Dodge & Cox Bal Fd	1,067.32		1,060.67		(6.65)
09-30-08	01-06-10	29,346	Dodge & Cox Bal Fd	1,886.36		1,914.53		28.17
12-23-09	01-06-10	21,592	Dodge & Cox Bal Fd	1,387.05		1,408.66	21.61	
09-29-09	01-06-10	21,742	Dodge & Cox Bal Fd	1,339.08		1,418.45	79.37	
01-28-03	01-06-10	2,253.756	Dodge & Cox Bal Fd	135,000.00		147,035.05		12,035.05
04-01-03	01-06-10	16,757	Dodge & Cox Bal Fd	991.65		1,093.23		101.58
04-01-03	01-06-10	0,381	Dodge & Cox Bal Fd	22.54		24.86		2.32
06-29-09	01-06-10	30,008	Dodge & Cox Bal Fd	1,611.13		1,957.72	346.59	
12-24-08	01-06-10	31,327	Dodge & Cox Bal Fd	1,544.11		2,043.77		499.66
03-30-09	01-06-10	37,224	Dodge & Cox Bal Fd	1,755.86		2,428.49	672.63	
12-31-07	01-07-10	137,281	Keeley Funds Inc - Small Cap Value Fu	3,772.47		2,811.52		(960.95)
12-29-06	01-07-10	0,055	Keeley Funds Inc - Small Cap Value Fu	1.45		1.13		(0.32)
11-15-05	01-07-10	55,336	Keeley Funds Inc - Small Cap Value Fu	1,145.46		1,133.28		(12.18)
12-29-09	01-07-10	10,505	Keeley Funds Inc - Small Cap Value Fu	211.67		215.14	3.47	

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 6645-3478-RS38-DFA-BP-Y
 From 10-01-09 Through 09-30-10

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							Short Term	Long Term
04-27-05	01-07-10	3,512.598	Keeley Funds Inc → Small Cap Value Fu	63,507.77		71,938.01		8,430.24
01-07-10	06-03-10	162.620	Advisors Inner Circle → Fund Ii Inc New Pe	1,549.77		1,588.80	39.03	
01-07-10	06-03-10	299.594	Eagle Ser → Mid Cap Stock Fund	6,998.52		6,914.64	(83.88)	
01-07-10	06-03-10	514.792	Fleming Cap Mut Fd Grp→ Jp Morgan Mid Cap	9,971.52		10,388.50	416.98	
04-27-05	06-03-10	97.856	Keeley Funds Inc → Small Cap Value Fu	1,769.24		2,011.92		242.68
05-04-10	06-03-10	29.431	Pimco Fds Total Return→ Fd CI A	327.57		326.39	(1.18)	
06-02-10	06-03-10	27.033	Pimco Fds Total Return→ Fd CI A	300.07		299.80	(0.27)	
04-05-10	06-03-10	28.782	Pimco Fds Total Return→ Fd CI A	317.75		319.19	1.44	
03-02-10	06-03-10	27.766	Pimco Fds Total Return→ Fd CI A	305.15		307.92	2.77	
02-02-10	06-03-10	19.632	Pimco Fds Total Return→ Fd CI A	215.17		217.72	2.55	
01-07-10	06-03-10	641.029	Pimco Fds Total Return→ Fd CI A	6,967.99		7,109.01	141.02	
05-03-10	06-03-10	54.553	Vanguard Short Term → Investment Grade F	586.44		582.08	(4.36)	
04-01-10	06-03-10	55.999	Vanguard Short Term → Investment Grade F	599.75		597.51	(2.24)	
02-01-10	06-03-10	43.952	Vanguard Short Term → Investment Grade F	470.29		468.97	(1.32)	
03-01-10	06-03-10	50.905	Vanguard Short Term → Investment Grade F	544.68		543.16	(1.52)	
06-01-10	06-03-10	56.308	Vanguard Short Term → Investment Grade F	601.37		600.81	(0.56)	
01-07-10	06-03-10	3,060.022	Vanguard Short Term → Investment Grade F	32,497.43		32,650.42	152.99	
01-07-10	09-24-10	303.951	Advisors Inner Circle → Fund Ii Inc New Pe	2,896.65		3,000.00	103.35	
08-24-10	09-24-10	59.758	Delaware Pooled Tr → Diversified Income	576.66		577.86	1.20	
04-26-10	09-24-10	68.594	Delaware Pooled Tr → Diversified Income	655.76		663.30	7.54	
07-26-10	09-24-10	61.964	Delaware Pooled Tr → Diversified Income	589.28		599.19	9.91	
03-24-10	09-24-10	64.588	Delaware Pooled Tr → Diversified Income	611.65		624.57	12.92	
01-07-10	09-24-10	1,089.460	Delaware Pooled Tr → Diversified Income	10,273.61		10,535.08	261.47	
01-07-10	09-24-10	192.308	Fleming Cap Mut Fd Grp→ Jp Morgan Mid Cap	3,725.01		4,000.00	274.99	
01-07-10	09-24-10	1,711.924	Ivy Funds Inc Captial → Apprec Fund Class	14,619.83		14,500.00	(119.83)	
04-27-05	09-24-10	142.857	Keeley Funds Inc → Small Cap Value Fu	2,582.85		3,000.00		417.15
09-02-10	09-24-10	27.591	Pimco Fds Total Return→ Fd CI A	318.40		318.40	0.00	
08-03-10	09-24-10	30.134	Pimco Fds Total Return→ Fd CI A	343.53		347.75	4.22	
07-02-10	09-24-10	28.889	Pimco Fds Total Return→ Fd CI A	325.29		333.38	8.09	

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 6645-3478-RS38-DFA-BP-Y
 From 10-01-09 Through 09-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss		
							Short Term	Long Term	
01-07-10	09-24-10	866 592	Pimco Fds Total Return Fd CI A	9 419 86		10,000 47	580 61		
01-07-10	09-24-10	851 939	Pioneer Series Trust In Cullen Value F	14,534 08		14,500 00	(34 08)		
01-07-10	09-24-10	121 175	Rowe T Price Intl Fds Emerging Markets S	3,743 10		4,000 00	256 90		
01-07-10	09-24-10	486 891	Thornburg Invnt Tr Intl Value Fd CI I	12,532 57		13,000 00	467 43		
09-01-10	09-24-10	44 510	Vanguard Short Term Investment Grade F	482 93		483 38	0 45		
08-02-10	09-24-10	45 438	Vanguard Short Term Investment Grade F	491 19		493 46	2 27		
07-01-10	09-24-10	45 663	Vanguard Short Term Investment Grade F	489 96		495 90	5 94		
01-07-10	09-24-10	1,061 442	Vanguard Short Term Investment Grade F	11,272 51		11,527 26	254 75		
01-07-10	09-24-10	167 364	Eagle Ser Mid Cap Stock Fund	3,909 62		4,000 00	90 38		
TOTAL GAINS							4,673 76	152,803 77	
TOTAL LOSSES							(249 24)	(64,950 86)	
TOTAL REALIZED GAIN/LOSS							4,424.52	87,852.91	
			92.277 44	1,103,867.97	0.00	1,196,145.41			

The information contained herein is based upon data obtained from sources believed to be reliable and in some cases the client, however, such data is not guaranteed as to its accuracy or completeness and is for informational purposes only. Please note that some securities, notably mutual funds and real estate investment trust, may revise the classification of prior distributions late in the tax preparation season. Should this occur, the cost basis information above would need to be adjusted, thereby affecting your gain/loss. Unless otherwise instructed by you, Davenport will use its usual and customary method for establishing the cost basis for security sales in your account. This method generally assigns the highest available cost basis to a security sale, as opposed to the "first-in, first-out" (FIFO) method. Please be advised that 1/23/89 in the open Date column is a default date indicating missing cost basis and acquisition date; thus, the totals are incomplete.

REALIZED GAINS AND LOSSES
 WALTER PAYNE FOUNDATION
 8617-3133-RS38-DAM-II-Y
 From 10-01-09 Through 09-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss		
							Short Term	Long Term	
01-04-06	10-14-09	3 000	Google Inc Cl A	1,337 96		1,594 60		256 64	
11-10-05	10-14-09	28 000	Google Inc Cl A	10,781 68		14,882 97		4,101 29	
08-25-09	10-14-09	100 000	Colgate-palmolive Company	7,313 92		7,852 73	538 81		
04-14-04	10-14-09	75 000	Colgate-palmolive Company	4,088 23		5,889 54		1,801 31	
11-19-08	10-27-09	250 000	Owens & Minor Inc Holding Company	9,821 50		9,871 71	50 21		
04-22-09	10-27-09	105 000	Owens & Minor Inc Holding Company	3,672 14		4,146 12	473 98		
06-24-09	11-18-09	320 000	Boeing Company	13,837 09		16,653 36	2,816 27		
05-20-09	11-25-09	63 000	Amazon com Inc	5,044 65		8,356 50	3,311 85		
05-20-09	02-03-10	137 000	Amazon com Inc	10,970 11		16,051 13	5,081 02		
04-18-07	02-03-10	350 000	Allergan Inc	20,593 90		19,778 10		(815 80)	
09-16-03	02-24-10	98 000	Berkshire Hathaway Inc De Cl B New	4,931 38		7,787 79		2,856 41	
09-14-06	03-03-10	29 000	Apple Inc	2,157 59		6,054 89		3,897 30	
04-30-08	03-03-10	230 000	Nokia Corp Spon Adr	6,923 85		3,186 31		(3,737 54)	
12-07-05	03-03-10	650 000	Nokia Corp Spon Adr	11,604 65		9,004 79		(2,599 86)	
02-16-05	04-14-10	185 000	United Parcel Service Inc Cl B	14,489 79		12,072 21		(2,417 58)	
06-27-07	04-14-10	120 000	United Parcel Service Inc Cl B	8,713 80		7,830 62		(883 18)	
09-10-08	04-21-10	280 000	Diageo Plc New Sponsored Adr	20,664 73		19,649 92		(1,014 81)	
06-24-09	04-28-10	570 000	Carnival Corp Paired Ctf1 Com Carnivl Crp	14,762 26		23,697 40	8,935 14		
09-17-09	06-16-10	695 000	Yahoo Inc	12,153 88		10,733 81	(1,420 07)		
03-03-10	06-16-10	465 000	Yahoo Inc	7,341 05		7,181 62	(159 43)		
05-16-07	06-16-10	460 000	Omnicom Group Inc	23,789 15		17,696 49		(6,092 66)	
08-25-09	06-16-10	50 000	Omnicom Group Inc	1,863 00		1,923 53	60 53		
04-27-05	06-30-10	500 000	Bb&t Corp	19,417 10		13,352 62		(6,064 48)	
08-25-09	06-30-10	90 000	Bb&t Corp	2,484 00		2,403 47	(80 53)		
12-10-08	06-30-10	160 000	Potash Corp Of Saskatchewan In	10,514 40		14,148 74		3,634 34	
08-25-09	08-11-10	100 000	Walgreen Company	3,193 99		2,779 06	(414 93)		
04-25-94	08-11-10	525 000	Walgreen Company	2,786 68		14,590 09		11,803 41	
02-18-09	08-25-10	280 000	Nike Inc Class B	12,037 48		19,334 57		7,297 09	
08-25-09	09-01-10	100 000	Oracle Corp	2,248 00		2,238 28		(9 72)	
06-06-07	09-01-10	1,095 000	Oracle Corp	21,070 98		24,509 19		3,438 21	
TOTAL GAINS								21,267 81	39,086 00
TOTAL LOSSES								(2,074 96)	(23,635 63)
TOTAL REALIZED GAIN/LOSS				34,643 22	290,608.94	0.00	325,252.16	19,192.85	15,450.37

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Client PAYNE

WALTER PAYNE FOUNDATION

01-0626611

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Statement 1
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	\$ 128.		\$ 128.	
Total	<u>\$ 128.</u>	<u>\$ 0.</u>	<u>\$ 128.</u>	<u>\$ 0.</u>

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING FEES	\$ 3,049.		\$ 3,049.	
Total	<u>\$ 3,049.</u>	<u>\$ 0.</u>	<u>\$ 3,049.</u>	<u>\$ 0.</u>

Statement 3
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
INVESTMENT ADVISORY FEES	\$ 27,768.	\$ 27,768.		
Total	<u>\$ 27,768.</u>	<u>\$ 27,768.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
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 WITHHELD	\$ 538.	\$ 538.		
PAYROLL TAXES	2,485.		\$ 1,243.	\$ 1,242.
Total	<u>\$ 3,023.</u>	<u>\$ 538.</u>	<u>\$ 1,243.</u>	<u>\$ 1,242.</u>

Client PAYNE

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Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
SCC REGISTRATION FEE	\$ 25.		\$ 25.	
Total	\$ 25.	\$ 0.	\$ 25.	\$ 0.

Statement 6
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
302 SHRS BERKSHIRE HATHAWAY	Cost	\$ 14,800.	\$ 24,969.
320 SHRS CHEVRON	Cost	18,305.	25,936.
275 SHRS COLGATE PALMOLIVE	Cost	14,990.	21,137.
630 SHRS DANAHER CORP	Cost	16,324.	25,584.
159 SHRS EOG RESOURCES	Cost	3,074.	14,782.
403 SHRS EXXON MOBILE	Cost	7,660.	24,901.
1155 SHRS LOWES	Cost	29,833.	25,745.
85 SHRS MARKEL CORP	Cost	22,956.	29,290.
435 SHRS PEPSICO	Cost	24,702.	28,901.
230 SHRS PRAXAIR INC	Cost	6,870.	20,760.
295 SHRS SCHLUMBERGER	Cost	5,673.	18,175.
375 SHRS UNITED TECHNOLOGIES	Cost	16,525.	26,711.
1777.663 SHRS KEELEY SMALL CAP VALUE	Cost	32,140.	37,633.
360 SHRS PROCTOR & GAMBLE	Cost	21,762.	21,589.
835 BROOKFIELD ASSET MANAGEMENT	Cost	19,928.	23,689.
405 SHRS T. ROWE PRICE	Cost	15,831.	20,276.
415 SHRS JOHNSON & JOHNSON	Cost	16,142.	25,713.
93 SHRS APPLE COMPUTERS	Cost	6,919.	26,389.
38 SHRS GOOGLE	Cost	13,578.	19,980.
975 SHRS MICROSOFT	Cost	32,950.	23,878.
263 SHRS MILLICOM INTERNATIONAL CELLULAR	Cost	21,101.	25,235.
550 SHRS JP MORGAN CHASE & CO	Cost	25,191.	20,933.
1035 SHRS INTEL	Cost	22,854.	19,872.
190 SHRS IBM	Cost	22,153.	25,487.
645 SHRS WALT DISNEY COMPANY	Cost	21,851.	21,350.
771 SHRS SABMILLER PLC	Cost	21,693.	24,595.
495 SHRS WAL-MART	Cost	28,100.	26,492.
166 SHRS TRANSOCEAN INC	Cost	14,692.	10,672.
305 SHRS SPDR SERIES TRUST	Cost	20,120.	18,108.
280 SHRS LABORATORY CORP	Cost	20,069.	21,960.
490 SHRS ACCENTURE LTD	Cost	18,886.	20,820.
440 SHRS AUTOMATIC DATA PROCESSING	Cost	20,046.	18,493.
1010 SHRS CISCO SYSTEMS	Cost	28,847.	22,119.
745 SHRS ALBEMARLE	Cost	28,053.	34,873.
265 SHRS MCDONALDS	Cost	16,102.	19,745.
265 SHRS OCCIDENTAL PETROLEUM	Cost	14,518.	20,750.
45 SHRS CME GROUP	Cost	10,007.	11,720.
345 SHRS ABBOTT LABS	Cost	18,819.	18,023.
275 SHRS CATERPILLAR	Cost	9,725.	21,637.
499 SHRS FISERV	Cost	21,954.	26,856.
685 SHRS QUALCOMM	Cost	29,133.	30,916.
595 SHRS AMERICAN TOWER	Cost	20,200.	30,500.

Client PAYNE

WALTER PAYNE FOUNDATION

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Statement 6 (continued)
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
111 shrs AUTOZONE	Cost	\$ 18,703.	\$ 25,409.
855 SHRS CARMAX INC	Cost	18,441.	23,820.
1410 SHRS FORD MOTOR COMPANY	Cost	17,740.	17,258.
225 SHRS VISA INC	Cost	17,146.	16,709.
330 SHRS ANHEUSER BUSCH INBEV	Cost	18,365.	19,388.
715 SHRS WELLS FARGO	Cost	18,610.	17,957.
315 SHRS BECTON DICKINSON & COMPANY	Cost	24,143.	23,342.
540 SHRS MERCK & COMPANY	Cost	18,809.	19,877.
271 SHRS NOVO NORDISK	Cost	17,666.	26,677.
325 SHRS TEVA PHARMACEUTICAL	Cost	19,373.	17,144.
250 SHRS GENERAL DYNAMICS	Cost	19,158.	15,703.
415 SHRS ILLINOIS TOOL WORKS	Cost	18,307.	19,513.
495 SHRS CHECK POINT SOFTWARE	Cost	17,673.	18,280.
382 SHRS BARRICK GORD CORP	Cost	17,491.	17,683.
385 SHRS INTL FLAVOR & FRAGRANCES	Cost	19,422.	18,680.
410 SHRS NEXTERA ENERGY	Cost	21,626.	22,300.
3756.602 SHRS ADVISORS INNER CIRCLE FD	Cost	35,800.	37,416.
17062.176 SHRS DELAWARE POOLED TR DIV	Cost	160,687.	165,674.
2117.385 SHRS EAGLE SER MID CAP STOCK FD	Cost	49,462.	50,860.
2409.589 SHRS FLEMING CAP MUT FD GRP	Cost	46,674.	50,216.
21888.966 SHRS IVY FUNDS INC CAPITAL	Cost	186,545.	184,962.
12068.437 SHRS PIMCO FDS TOTAL RETURN	Cost	131,184.	139,994.
11016.518 SHRS PIONEER SER TR III	Cost	187,443.	186,840.
1716.729 SHRS T ROWE PRICE INT'L FDS	Cost	51,730.	57,734.
6716.204 SHRS THORNBURG INVT TR	Cost	172,152.	178,450.
14827.142 SHRS VANGUARD SHORT TERM FD	Cost	157,464.	161,171.
	Total	\$ 2,276,890.	\$ 2,510,251.

Statement 7
Form 990-PF, Part III, Line 5
Other Decreases

DIFFERENCE IN BASIS OF ASSETS	Total	\$ 15,614.
	Total	\$ 15,614.

Statement 8
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program: WALTER PAYNE FOUNDATION
Name:
Care Of: JAMES E. CRAWLEY DAVENPORT & COMPANY
Street Address: P.O. BOX 85678
City, State, Zip Code: RICHMOND, VA 23285-5678
Telephone: 804-780-2038
Form and Content: APPLICATIONS SHOULD INCLUDE A DETAILED DESCRIPTION OF THE PROJECT, THE GEOGRAPHIC LOCATION AND GENERAL DESCRIPTION OF INTENDED BENEFICIARIES OF THE PROJECT, AND THE FINANCIAL NEEDS OF APPLICANT FOR THE PROJECT.
Submission Deadlines: REQUESTS SHOULD BE SUBMITTED BY JUNE 1.

Client PAYNE

WALTER PAYNE FOUNDATION

01-0626611

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Statement 8 (continued)
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Restrictions on Awards: CONTRIBUTIONS WILL ONLY BE CONSIDERED FOR CHARITABLE ORGANIZATIONS LOCATED IN THE VIRGINIA COUNTIES OF APPOMATTOX AND PRINCE EDWARD, OR TO CHARITABLE ORGANIZATIONS BENEFITING PERSONS RESIDING, WORKING AND/OR ATTENDING SCHOOL IN THE VIRGINIA COUNTIES OF APPOMATTOX AND PRINCE EDWARD. PREFERENCE WILL BE GIVEN TO THOSE ORGANIZATIONS THAT DO NOT RECEIVE GOVERNMENT FUNDING.

Statement 9
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
ALLIANCE FOR FAMILIES & CHILDREN 2600 MEMORIAL AVE SUITE 201 LYNCHBURG, VA 24501	NONE	PUBLIC	EDUCATION	\$ 6,000.
THE APPOMATTOX COUNTY ASSEMBLY P.O. BOX 2169 APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	1,000.
VA COOP EXTENSION 4-H 216 TURKEY ROAD APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	750.
HOLIDAY LAKE 4-H EDUCATIONAL CENTER INC 1267 4-H CAMP ROAD APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	7,500.
FORK UNION MILITARY ACADEMY P.O. BOX 278 FORK UNION, VA 23055	NONE	PUBLIC	CHARITABLE	2,750.
PROSPECT VOL. FIRE DEPARTMENT P.O. BOX 145 FARMVILLE, VA 23960	NONE	PUBLIC	CHARITABLE	6,000.
APPOMATTOX COUNTY HISTORICAL SOCIETY P.O. BOX 253 APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	7,000.
UNITED WAY OF PRINCE EDWARD P.O. BOX 122 FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	7,500.

Client PAYNE

WALTER PAYNE FOUNDATION

01-0626611

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Statement 9 (continued)
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>
SCOPE MEALS ON WHEELS P.O. BOX 758 FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	\$ 8,000.
CONCORD VOL FIRE DEPARTMENT P.O. BOX 26 CONCORD, VA 24538	NONE	PUBLIC	CHARITABLE	6,000.
APPOMATTOX BAPTIST ASSOCIATION 122 COUNTRYSIDE DR APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	1,000.
PAMPLIN VOL FIRE DEPARTMENT P.O. BOX 1099 PAMPLIN, VA 23958	NONE	PUBLIC	CHARITABLE	6,000.
UNITED DAUGHTERS OF THE CONFED 855 PRICE RD PAMPLIN, VA 23958	NONE	PUBLIC	CHARITABLE	750.
LONGWOOD CENTER FOR THE VISUAL ARTS 129 NORTH MAIN STREET FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	7,000.
APPOMATTOX RETIRED TEACHERS AS 7570 FRANCISCO RD DILLWYN, VA 23936	NONE	PUBLIC	CHARITABLE	1,000.
APPOMATTOX INTERSTATE 4-H EXCH 216 TURKEY RD APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	750.
PAMPLIN RURITAN CLUB RT 1, BOX 47A PAMPLIN, VA 23958	NONE	PUBLIC	CHARITABLE	5,000.
DARLINGTON HEIGHTS VOL FIRE DE 3348 MORRIS CREEK RD PAMPLIN, VA 23958	NONE	PUBLIC	CHARITABLE	6,000.
FACES P.O. BOX 644 FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	8,000.

CLIENT PAYNE

WALTER PAYNE FOUNDATION

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STATEMENT 9 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
HABITAT FOR HUMANITY P.O. BOX 816 FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	\$ 7,000.
STEPS INCORPORATED 300 COURT ST VICTORIA, VA 23974	NONE	PUBLIC	CHARITABLE	5,000.
APPOMATTOX COUNTY COMMUNITY PARK PO BOX 863 APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	5,000.
ANIMAL WELFARE ACTION GROUP PO BOX 37 APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	3,250.
GOOD SAMARITAN CLOTHING EXCHANGE PO BOX 2790 APPOMATTOX, VA 24522	NONE	PUBLIC	CHARITABLE	750.
HEARTLAND HORSE HEROES PO BOX 482 BLACKSTONE, VA 23824	NONE	PUBLIC	CHARITABLE	1,000.
PREGNANCY SUPPORT CENTER PO BOX 281 FARMVILLE, VA 23901	NONE	PUBLIC	CHARITABLE	3,000.
TOTAL				\$ <u>113,000.</u>