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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

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 2010, or tax year beginning JUL 1, 2010, and ending JUN 30, 2011

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

Name of foundation EASLEY CHAR IRR TUA 5019004715		A Employer identification number 54-6074720
Number and street (or P O box number if mail is not delivered to street address) PO BOX 798	Room/suite	B Telephone number 434-847-4444
City or town, state, and ZIP code LYNCHBURG, VA 24505		C If exemption application is pending, 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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,851,633.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		157,255.	157,255.		Statement 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		304,893.			
b Gross sales price for all assets on line 6a 2,150,639.					
7 Capital gain net income (from Part IV, line 2)			304,893.		
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 or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		462,148.	462,148.		
13 Compensation of officers, directors, trustees, etc		12,000.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees Stmt 2		2,000.	2,000.		0.
c Other professional fees Stmt 3		28,617.	28,617.		0.
17 Interest					
18 Taxes Stmt 4		747.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		43,364.	30,617.		0.
25 Contributions, gifts, grants paid		391,472.			391,472.
26 Total expenses and disbursements. Add lines 24 and 25		434,836.	30,617.		391,472.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		27,312.			
b Net investment income (if negative, enter -0-)			431,531.		
c Adjusted net income (if negative, enter -0-)				N/A	

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SCANNED NOV 16 2011

Revenue

Operating and Administrative Expenses

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	32,715.	26,260.	26,260.
	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			
	7 Other notes and loans receivable ▶ 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			
	b Investments - corporate stock Stmt 5	4,939,973.	6,073,546.	7,356,553.
	c Investments - corporate bonds Stmt 6	2,438,880.	1,339,074.	1,468,820.
	11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
Liabilities	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	7,411,568.	7,438,880.	8,851,633.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Liabilities	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	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	7,411,568.	7,438,880.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
Net Assets or Fund Balances	30 Total net assets or fund balances	7,411,568.	7,438,880.	
	31 Total liabilities and net assets/fund balances	7,411,568.	7,438,880.	

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	7,411,568.
2 Enter amount from Part I, line 27a	2	27,312.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7,438,880.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,438,880.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE ATTACHED SCHEDULE		P	Various	Various
b SEE ATTACHED SCHEDULE		P	Various	Various
c SEE ATTACHED SCHEDULE		P	Various	Various
d SEE ATTACHED SCHEDULE		P	Various	Various
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 371,180.		367,919.	3,261.
b 1,757,174.		1,477,827.	279,347.
c 15,690.			15,690.
d 6,595.			6,595.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			3,261.
b			279,347.
c			15,690.
d			6,595.
e			

2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	304,893.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			{ }	3

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	374,807.	7,898,129.	.047455
2008	508,860.	7,598,982.	.066964
2007	455,827.	10,894,875.	.041839
2006	497,032.	10,745,412.	.046255
2005	465,609.	10,450,844.	.044552

2 Total of line 1, column (d)	2	.247065
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	.049413
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	8,534,865.
5 Multiply line 4 by line 3	5	421,733.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,315.
7 Add lines 5 and 6	7	426,048.
8 Enter qualifying distributions from Part XII, line 4	8	391,472.

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 instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	8,631.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	8,631.
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	8,631.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,440.	
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	1,440.	
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	7,191.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c 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? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see 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? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► FRANK G DAVIDSON, III Located at ► PO BOX 798, LYNCHBURG, VA	Telephone no. ►	434-847-4444	
		ZIP+4 ►	24505	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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 2010?	1b	
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)):	1c	X
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ►		
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 instructions.)	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. ►	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?		
b If "Yes," did it have excess business holdings in 2010 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 2010)	3b	
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 2010?	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)?

☐ 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)?

N/A

5b

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

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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?

N/A

7b

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FRANK G DAVIDSON, III PO BOX 798 LYNCHBURG, VA 24505	TRUSTEE 0.00	12,000.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. 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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2010)

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	8,664,838.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	8,664,838.
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	8,664,838.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	129,973.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,534,865.
6	Minimum investment return. Enter 5% of line 5	6	426,743.

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	426,743.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	8,631.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	8,631.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	418,112.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	418,112.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	418,112.

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	391,472.
b	Program-related investments - total from Part IX-B	1b	0.
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	391,472.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	391,472.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				418,112.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			390,993.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 391,472.				
a Applied to 2009, but not more than line 2a			390,993.	
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 2010 distributable amount				479.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				417,633.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

N/A

-

☐ 4942(i)(3) or ☐ 4942(i)(5)

- (4) Gross investment income**

[illegible]

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Form 990-PF		Dividends and Interest from Securities		Statement	1
Source	Gross Amount	Capital Gains Dividends	Column (A) Amount		
CAPITAL ADVISORY GROUP	157,255.	0.	157,255.		
Total to Fm 990-PF, Part I, ln 4	157,255.	0.	157,255.		

Form 990-PF		Accounting Fees		Statement	2
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
ACCOUNTANT	2,000.	2,000.		0.	
To Form 990-PF, Pg 1, ln 16b	2,000.	2,000.		0.	

Form 990-PF		Other Professional Fees		Statement	3
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
INVESTMENT ADVISOR FEE	28,617.	28,617.		0.	
To Form 990-PF, Pg 1, ln 16c	28,617.	28,617.		0.	

Form 990-PF		Taxes		Statement	4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
EXCISE TAX BASED ON INVESTMENT INCOME	747.	0.		0.	
To Form 990-PF, Pg 1, ln 18	747.	0.		0.	

Form 990-PF	Corporate Stock	Statement	5
Description	Book Value	Fair Market Value	
EQUITY FUNDS	6,073,546.	7,356,553.	
Total to Form 990-PF, Part II, line 10b	6,073,546.	7,356,553.	

Form 990-PF	Corporate Bonds	Statement	6
Description	Book Value	Fair Market Value	
FIXED INCOME	1,339,074.	1,468,820.	
Total to Form 990-PF, Part II, line 10c	1,339,074.	1,468,820.	

Activity Detail

Name: THE EASLEY FOUNDATION
Time Period: 07/01/2010 to 06/30/2011

DESCRIPTION	AMOUNT	PURPOSE
Anne Spencer House & Garden Museum, Inc.	24,000.00	CHARITABLE
Boys & Girls Club of Greater Lynchburg	2,973.66	CHARITABLE
Girl Scouts of VA Skyline Council, Inc.	13,198.00	CHARITABLE
The Gateway House, Inc.	8,500.00	CHARITABLE
Historic Sandusky Foundation, Inc.	16,700.00	CHARITABLE
Miriam's House	20,000.00	CHARITABLE
Opera on the James	25,000.00	CHARITABLE
Altavista YMCA	10,000.00	CHARITABLE
Citizens for Adult Literacy & Learning	3,000.00	CHARITABLE
Virginia University	15,000.00	EDUCATIONAL
Sweet Briar College	30,000.00	EDUCATIONAL
Dance Theatre of Lynchburg	21,500.00	CHARITABLE
New Vista School	5,000.00	EDUCATIONAL
Free Clinic of Central Virginia	13,867.00	CHARITABLE
Couples & Kids	4,348.30	CHARITABLE
United Way of Central VA	6,925.00	CHARITABLE
Amherst County Habitat for Humanity	9,000.00	CHARITABLE
CASA of Central Virginia	3,000.00	CHARITABLE
Ferrum College	30,000.00	EDUCATIONAL
Fort Early Corporation	8,000.00	CHARITABLE
Hampden-Sydney College	30,000.00	EDUCATIONAL
Lynchburg College	30,000.00	EDUCATIONAL
Presbyterian Home & Family Services	14,460.00	CHARITABLE
Randolph College	30,000.00	EDUCATIONAL
Rotary Club of Lynchburg	15,000.00	CHARITABLE
Camp Kum Ba Yah	2,000.00	CHARITABLE
	391,471.96	

Realized Gains and Losses From 07/01/2010 to 06/30/2011

The Easley Foundation Acct #· 47693202

Realized Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Quantity</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Alger Smidcap Growth A	03/06/2009	06/07/2011	9,615.385	160,192.31	72,500.00		87,692.31	87,692.31
Alger Smidcap Growth A	04/21/2009	06/07/2011	4,888.677	81,445.36	45,611.36		35,834.00	35,834.00
			14,504.062	241,637.67	118,111.36		123,526.31	123,526.31
Baird Aggregate Bond Fd Instl	05/24/2010	12/07/2010	2,701.367	28,679.90	28,526.44	153.46		153.46
Baird Aggregate Bond Fd Instl	06/25/2010	12/07/2010	343.009	3,641.67	3,622.18	19.49		19.49
Baird Aggregate Bond Fd Instl	07/26/2010	12/07/2010	371.235	3,941.34	3,942.52	-1.18		-1.18
Baird Aggregate Bond Fd Instl	08/25/2010	12/07/2010	312.828	3,321.23	3,378.54	-57.31		-57.31
Baird Aggregate Bond Fd Instl	09/27/2010	12/07/2010	334.436	3,550.65	3,625.29	-74.64		-74.64
Baird Aggregate Bond Fd Instl	10/25/2010	12/07/2010	296.622	3,149.19	3,221.31	-72.12		-72.12
Baird Aggregate Bond Fd Instl	11/26/2010	12/07/2010	350.955	3,726.02	3,762.24	-36.22		-36.22
			4,710.452	50,010.00	50,078.52	-68.52		-68.52
Baird Aggregate Bond Fd Instl	03/06/2009	12/16/2010	36,039.609	379,125.31	344,538.66		34,586.65	34,586.65
Baird Aggregate Bond Fd Instl	12/28/2009	12/16/2010	400.331	4,211.35	4,087.38	123.97		123.97
Baird Aggregate Bond Fd Instl	01/25/2010	12/16/2010	209.953	2,208.64	2,179.31	29.33		29.33
Baird Aggregate Bond Fd Instl	02/25/2010	12/16/2010	348.320	3,664.22	3,608.60	55.62		55.62
Baird Aggregate Bond Fd Instl	03/25/2010	12/16/2010	284.997	2,998.08	2,944.02	54.06		54.06
Baird Aggregate Bond Fd Instl	04/26/2010	12/16/2010	299.177	3,147.25	3,114.43	32.82		32.82
Baird Aggregate Bond Fd Instl	05/24/2010	12/16/2010	9,609.239	101,086.16	101,473.56	-387.40		-387.40
Baird Aggregate Bond Fd Instl	05/25/2010	12/16/2010	339.268	3,568.99	3,569.10	-0.11		-0.11
			47,530.894	500,010.00	465,515.06	-91.71	34,586.65	34,494.94
Crm Small/Mid Cap Value	03/06/2009	06/20/2011	52,241.346	550,020.00	515,593.58	-160.23		34,426.42
Crm Small/Mid Cap Value	04/21/2009	06/20/2011	9,142.497	141,791.10	72,500.00		69,291.10	69,291.10
Crm Small/Mid Cap Value	12/14/2010	06/20/2011	6,018.530	93,341.45	58,139.00		35,202.45	35,202.45
			18.741	290.65	280.18	10.47		10.47
			15,179.768	235,423.20	130,919.18	10.47	104,493.55	104,504.02
Goldman Sachs Absolute Return	04/21/2009	12/16/2010	20,833.333	192,083.34	175,000.00		17,083.34	17,083.34
Goldman Sachs Absolute Return	12/08/2009	12/16/2010	18.626	171.73	168.75		2.98	2.98
Goldman Sachs Absolute Return	12/17/2009	12/16/2010	13,274.336	122,389.38	120,000.00	2,389.38		2,389.38

Realized Gains and Losses

From 07/01/2010 to 06/30/2011

The Easley Foundation Acct # 47693202

Realized Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Quantity</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Goldman Sachs Absolute Return	12/30/2009	12/16/2010	20,340	187.53	184.28	3.25		3.25
Goldman Sachs Absolute Return	12/08/2010	12/16/2010	51,704	476.71	474.64	2.07		2.07
Goldman Sachs Absolute Return	12/08/2010	12/16/2010	160,318	1,478.13	1,471.72	6.41		6.41
			34,358,657	316,786.82	297,299.39	2,401.11	17,086.32	19,487.43
Highbridge Stat Market Neutral	04/21/2009	06/07/2011	6,537,983	101,002.34	105,000.00		-3,997.66	-3,997.66
Highbridge Stat Market Neutral	12/17/2009	06/07/2011	3,783,102	58,443.42	60,000.00		-1,556.58	-1,556.58
			10,321,085	159,445.76	165,000.00		-5,554.24	-5,554.24
J Hancock 3 Raimier Large Cap G	08/28/2007	06/07/2011	5,984,442	125,000.00	127,707.99		-2,707.99	-2,707.99
Loomis Sayles Global Bond Fund	03/25/2008	12/07/2010	257,847	4,276.40	4,223.54		52.86	52.86
Loomis Sayles Global Bond Fund	04/28/2008	12/07/2010	246,103	4,081.63	4,009.01		72.62	72.62
Loomis Sayles Global Bond Fund	05/27/2008	12/07/2010	237,495	3,938.86	3,859.29		79.57	79.57
Loomis Sayles Global Bond Fund	09/22/2009	12/07/2010	82,929	1,375.38	1,326.87		48.51	48.51
Loomis Sayles Global Bond Fund	10/27/2009	12/07/2010	85,783	1,422.71	1,387.11		35.60	35.60
Loomis Sayles Global Bond Fund	11/24/2009	12/07/2010	79,746	1,322.59	1,309.43		13.16	13.16
Loomis Sayles Global Bond Fund	12/11/2009	12/07/2010	158,714	2,632.28	2,561.64	70.64		70.64
Loomis Sayles Global Bond Fund	12/24/2009	12/07/2010	1,346,470	22,331.21	21,530.05	801.16		801.16
Loomis Sayles Global Bond Fund	01/26/2010	12/07/2010	87,273	1,447.43	1,404.23	43.20		43.20
Loomis Sayles Global Bond Fund	03/23/2010	12/07/2010	83,100	1,378.22	1,331.26	46.96		46.96
Loomis Sayles Global Bond Fund	04/27/2010	12/07/2010	83,360	1,382.53	1,335.43	47.10		47.10
Loomis Sayles Global Bond Fund	07/27/2010	12/07/2010	17,274	286.49	278.97	7.52		7.52
Loomis Sayles Global Bond Fund	08/24/2010	12/07/2010	12,024	199.42	198.63	0.79		0.79
Loomis Sayles Global Bond Fund	09/21/2010	12/07/2010	81,140	1,345.71	1,353.42	-7.71		-7.71
Loomis Sayles Global Bond Fund	10/26/2010	12/07/2010	80,174	1,329.69	1,370.97	-41.28		-41.28
Loomis Sayles Global Bond Fund	11/23/2010	12/07/2010	75,939	1,259.45	1,269.70	-10.25		-10.25
			3,015,371	50,010.00	48,749.55	958.13	302.32	1,260.45
Loomis Sayles Global Bond Fund	03/13/2007	12/16/2010	7,835,639	127,629.79	122,235.97		5,393.82	5,393.82
Loomis Sayles Global Bond Fund	06/24/2008	12/16/2010	251,528	4,096.98	3,994.26		102.72	102.72
Loomis Sayles Global Bond Fund	07/29/2008	12/16/2010	264,577	4,309.53	4,156.51		153.02	153.02
Loomis Sayles Global Bond Fund	12/24/2009	12/16/2010	467,164	7,609.34	7,469.95	139.39		139.39
Loomis Sayles Global Bond Fund	02/23/2010	12/16/2010	86,049	1,401.60	1,361.30	40.30		40.30
Loomis Sayles Global Bond Fund	06/22/2010	12/16/2010	51,867	844.83	811.20	33.63		33.63

Realized Gains and Losses From 07/01/2010 to 06/30/2011

The Easley Foundation Acct # 47693202

Realized Gains and Losses

<u>Description</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Quantity</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Loomis Sayles Global Bond Fund	12/09/2010	12/16/2010	252.814	4,117.93	4,138.56	-20.63		-20.63
			9,209.638	150,010.00	144,167.75	192.69	5,649.56	5,842.25
			12,225.009	200,020.00	192,917.30	1,150.82	5,951.88	7,102.70
Western Asset Core Plus Fds Inc	03/14/2007	12/07/2010	2,050.041	22,113.31	21,771.44		341.87	341.87
Western Asset Core Plus Fds Inc	04/30/2010	12/07/2010	434.438	4,686.18	4,635.45	50.73		50.73
Western Asset Core Plus Fds Inc	06/30/2010	12/07/2010	408.830	4,409.96	4,366.30	43.66		43.66
Western Asset Core Plus Fds Inc	07/30/2010	12/07/2010	420.438	4,535.17	4,544.94	-9.77		-9.77
Western Asset Core Plus Fds Inc	08/31/2010	12/07/2010	371.071	4,002.66	4,052.10	-49.44		-49.44
Western Asset Core Plus Fds Inc	09/30/2010	12/07/2010	372.572	4,018.84	4,083.39	-64.55		-64.55
Western Asset Core Plus Fds Inc	10/29/2010	12/07/2010	402.259	4,339.07	4,428.87	-89.80		-89.80
Western Asset Core Plus Fds Inc	11/30/2010	12/07/2010	176.588	1,904.81	1,926.58	-21.77		-21.77
			4,636.237	50,010.00	49,809.07	-140.94	341.87	200.93
Western Asset Core Plus Fds Inc	03/14/2007	12/16/2010	23,388.681	250,010.00	248,387.79		1,622.21	1,622.21
			28,024.918	300,020.00	298,196.86	-140.94	1,964.08	1,823.14
Short Term Gains				371,179.91	367,918.68	3,261.23		
Total Long Gains				1,757,173.54	1,477,826.98		279,346.56	
Total (Sales)				2,128,353.45	1,845,745.66	3,261.23	279,346.56	282,607.79

Realized Gains and Losses
From 07/01/2010 to 06/30/2011

The Easley Foundation Acct # 47693202

Capital Gain Distributions

<u>Description</u>	<u>Pay Date</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Baird Aggregate Bond Fd Instl	12/27/2010		2,348.36	2,348.36
Goldman Sachs Absolute Return	12/08/2010	1,471.72	474.64	1,471.72
Goldman Sachs Absolute Return	12/08/2010	1,471.72	474.64	1,946.36
Pimco All Assets All Auth	12/08/2010		521.56	521.56
Tfs Market Neutral Fund	12/10/2010	14,218.69	3,250.49	14,218.69
Tfs Market Neutral Fund	12/10/2010	14,218.69	3,250.49	17,469.18
Total (Distributions)		15,690.41	6,595.05	22,285.46
Total Gains		18,951.64	285,941.61	304,893.25