Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning , 2011, and ending ,

Name of foundation: LILLIAN WALTOM FOUNDATION

A Employer identification number: 74-2509618

Number and street (or P O box number if mail is not delivered to street address): 901 OAK ST | Room/suite:

B Telephone number (see the instructions): (830) 769-2001

City or town: JOURDANTON | State: TX | ZIP code: 78026

C If exemption application is pending, check here ☐

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

D 1 Foreign organizations, check here ☐

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

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 1,673,856.

J Accounting method [X] Cash ☐ Accrual ☐ Other (specify) *(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 ☐

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 instructions))*	**(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 (att sch)				
2 Ck ► [X] if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments	19,892.	19,892.		
4 Dividends and interest from securities				
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule) See Line 11 Stmt	111,627.	111,627.		
12 **Total.** Add lines 1 through 11	131,519.	131,519.		
13 Compensation of officers, directors, trustees, etc	30,412.	15,206.		15,206.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) L-16b Stmt	2,350.	2,350.		
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	3,535.	3,535.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) OFFICE SUPPLIES	3.	3.		
24 **Total operating and administrative expenses.** Add lines 13 through 23	36,300.	21,094.		15,206.
25 Contributions, gifts, grants paid	83,000.			80,500.
26 **Total expenses and disbursements.** Add lines 24 and 25	119,300.	21,094.		95,706.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	12,219.			
b **Net investment income** (if negative, enter -0-)		110,425.		
C **Adjusted net income** (if negative, enter -0-)				

JUL 16 2012

SCANNED JUL 30 2012

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	9,445.	23,810.	23,810.
	2 Savings and temporary cash investments	383,860.	424,658.	424,658.
	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 instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less allowance for doubtful accounts ►	1,258,012.	1,215,068.	1,215,068.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ► L-15 Stmt)	0.	0.	10,320.
	16 **Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	1,651,317.	1,663,536.	1,673,856.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)			
NET 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 ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,651,317.	1,663,536.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	1,651,317.	1,663,536.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	1,651,317.	1,663,536.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,651,317.
2	Enter amount from Part I, line 27a.	2	12,219.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	1,663,536.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,663,536.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a				
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) 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	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 — **2**

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)

If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 — **3**

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	86,154.	1,636,712.	0.052638
2009	90,063.	1,570,438.	0.057349
2008	93,308.	1,559,888.	0.059817
2007	86,206.	1,493,373.	0.057726
2006	79,644.	1,481,485.	0.053760

2	**Total** of line 1, column (d)	2	0.281290
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	0.056258
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,641,674.
5	Multiply line 4 by line 3	5	92,357.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,104.
7	Add lines 5 and 6	7	93,461.
8	Enter qualifying distributions from Part XII, line 4	8	95,706.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary – see instrs)**			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☒ and enter 1% of Part I, line 27b		1	1,104.
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	1,104.
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	1,104.
6 Credits/Payments:			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a 0.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	0.
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►		9	1,104.
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►		10	0.
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ►	**Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ ______ **(2)** On foundation managers ► $ ______			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ______			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► TX - Texas			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► W F ZUHLKE JR Telephone no ► (830) 769-2001

Located at ► 901 OAK ST JOURDANTON TX ZIP + 4 ► 78026

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► | 15 |

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►			

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

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

				Yes	No
1 a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here ► ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement - see instructions)		2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		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 2011?		4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☒ Yes ☐ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? 5b X

Organizations relying on a current notice regarding disaster assistance check here ► ☐

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

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
W F ZUHLKE JR 901 OAK ST JOURDANTON TX 78026	TRUSTEE 7.00	12,804.	0.	0.
GERALD ZUHLKE 901 OAK ST JOURDANTON TX 78026	TRUSTEE 7.00	12,804.	0.	0.
WANDA BORTH 1097 HWY 97 W JOURDANTON TX 78026	TRUSTEE 1.00	4,804.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1-see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

Total number of other employees paid over $50,000 ► None

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ►		None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a Average monthly fair market value of securities	1a	
b Average of monthly cash balances	1b	16,628.
c Fair market value of all other assets (see instructions)	1c	1,650,046.
d **Total** (add lines 1a, b, and c)	1d	1,666,674.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,666,674.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	25,000.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,641,674.
6 **Minimum investment return.** Enter 5% of line 5	6	82,084.

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	82,084.
2a Tax on investment income for 2011 from Part VI, line 5	2a	1,104.		
b Income tax for 2011 (This does not include the tax from Part VI)	2b			
c Add lines 2a and 2b			2c	1,104.
3 Distributable amount before adjustments Subtract line 2c from line 1			3	80,980.
4 Recoveries of amounts treated as qualifying distributions			4	
5 Add lines 3 and 4			5	80,980.
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	80,980.

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	95,706.
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	95,706.
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	1,104.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	94,602.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				80,980.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011				
a From 2006 — 0.				
b From 2007 — 8,438.				
c From 2008 — 17,860.				
d From 2009 — 13,711.				
e From 2010 — 7,744.				
f Total of lines 3a through e	47,753.			
4 Qualifying distributions for 2011 from Part XII, line 4 ► $ 95,706.				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2011 distributable amount				80,980.
e Remaining amount distributed out of corpus	14,726.			
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	62,479.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	62,479.			
10 Analysis of line 9				
a Excess from 2007 — 8,438.				
b Excess from 2008 — 17,860.				
c Excess from 2009 — 13,711.				
d Excess from 2010 — 7,744.				
e Excess from 2011 — 14,726.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ►

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter.					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year – see instructions.)

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

W F ZUHLKE JR
901 OAK ST
JOURDANTON TX 78026 (830) 769-2001

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

SEE ATTACHED

c Any submission deadlines

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

SEE ATTACHED

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED SCHEDULE OF SCHOLARSHIPS		N/A	SEE ATTACHED SCH	72,500.
JOURDANTON COMMUNITY LIBRARY JOURDANTON TX 78026			UNRESTRICTED	1,500.
JOURDANTON LITTLE LEAGUE JOURDANTON TX 78026			UNRESTRICTED	1,500.
CHURCHES LOCATED IN JOURDANTON TX				
FIRST BAPTIST			UNRESTRICTED	1,500.
UNITED METHODIST			UNRESTRICTED	1,500.
LUTHERAN CHURCH			UNRESTRICTED	1,500.
ST MATTHEWS CATHOLIC			UNRESTRICTED	1,500.
FULL GOSPEL CHURCH			UNRESTRICTED	1,500.
Total			► **3a**	83,000.
b *Approved for future payment*				
SEE ATTACHED SCHEDULE				196,250.
SET ASIDE GRANTS WERE NOT USED AS QUALIFYING DISTRIBUTIONS				
Total			► **3b**	196,250.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a INTEREST ON LOANS			14	107,992.	
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	19,892.	
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a OIL ROYALTY			15	3,635.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				131,519.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 131,519.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
	N/A

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

X William F Fuchs Jr. X 7-11-12 TRUSTEE

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
Richard Shelton	Richard Shelton	06/25/12		P00844509

Firm's name ► Richard Shelton CPA | Firm's EIN ►

Firm's address ► PO BOX 446, JOURDANTON TX 78026-0446 | Phone no (830) 769-3016

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

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
INTEREST ON LOANS	107,992.	107,992.	
OIL ROYALTY	3,635.	3,635.	
Total	111,627.	111,627.	

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

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
990-PF TAX 2009	3,426.	3,426.		
PROPERTY TAX	109.	109.		
Total	3,535.	3,535.		

Form 990-PF, Page 1, Part I
Line 16b - Accounting Fees

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

Form 990-PF, Page 2, Part II, Line 15
Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	End of Year Fair Market Value
MINERAL INTEREST	0.	0.	10,320.
Total	0.	0.	10,320.

LILLIAN WALTOM FOUNDATION
2011
FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR FUTURE PAYMENT

GRANTS AWARDED 2011

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2011	SCHOLAR RESCINDED IN 2011	APPROVED FOR FUTURE PAYMENT
SUNG J LEE 3039 BLUEBONNETT PLEASANTON TX 78064	10000		2500		7500
CLAUDINA CIENFREGUS 2020 VANESS RD POTEET TX 78065	10000		1250		8750
JAQUELYN HALL BOX 661 JOURDANTON TX 78026	10000		1250		8750
SHELBEE RIPPLE 1240 CR 326 JOURDANTON TX 78026	10000		1250		8750
ANGELICA BARNELLAS 55 CECELIA LANE PLEASANTON TX 78064	10000		1250		8750
MICHAEL CANO BOX 447 CHARLOTTE TX 78011	10000		1250		8750
BRANDY KUENSTLER 1307 LAREDO DR PLEASANTON TX 78064	10000		1250		8750
TOMAS CRUZ 210 NAPAL JOURDANTON TX 78026	10000		1250		8750
ALEXANDRA MCDONALD 1365 BIG LEAF DR SAN ANTONIO TX 78266	10000		1250		8750
MIGUEL VALDEZ 17255 HWY 16 POTEET TX 78065	10000		2500		7500
COURTNEY RILEY 1325 CR 307 JOURDANTON TX 78026	10000		2500		7500
DANIELLE MARTINEZ 300 CHRISTINE RD # 56 JOURDANTON TX 78026	10000		1250		8750
BRIANNA GARZES 3880 W FM 476 POTEET TX 78065	10000		1250		8750
GRANTS AWARDED 2011	130000		20000		110000
TOTAL	400000	131250	72500		196250

LILLIAN WALTOM FOUNDATION
2011
FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR FUTURE PAYMENT

GRANTS AWARDED 2010

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2011	SCHOLAR RESCINDED IN 2011	AMOUNT APPROVED FOR FUTURE PAYMENT
CELINA BARRERA BOX 333 CHARLOTTTE TX 78011	10000	1250	2500		6250
KYLE LEMERE 7527 HWY 16 POTEET TX 78065	10000	1250	2500		6250
EMILY D BURK 1440 SCHOOL DR POTEET TX 78065	10000	1250	1250		7500
FELICIA N MARTINEZ BOX 184 CHARLOTTE TX 78011	10000	1250	2500		6250
KATHERYN SCHUCHART 300 LA CEBIA JOURDANTON TX 78026	10000	1250	2500		6250
MARISSA MURILLO 328 CROWNHILL DR PLEASANTON TX 78064	10000	1250	2500		6250
MARY ALICE BELLAMY 3485 FM 3806 PLEASANTON TX 78064	10000	1250	1250		7500
GRANTS AWARDED 2010	70000	8750	15000	0	46250

LILLIAN WALTOM FOUNDATION
2011
FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR FUTURE PAYMENT

GRANTS AWARDED 2009

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2011	SCHOLAR RESCINDED IN 2011	AMOUNT APPROVED FOR FUTURE PAYMENT
MARILIE DURAN BOX 516 CHARLOTTE TX 78011	10000	3750	2500		3750
IAN MICHAEL CALANDRA 4306 FM 2146 JOURDANTON TX 78026	10000	3750	2500		3750
CHRISTINA F GARCIA 1613 BROWN AVE JOURDANTON TX 78026	10000	3750	0		6250
ALEXIA MENDEZ 305 COLONY DR PLEASANTON TX 78064	10000	2500	0		7500
ALEXANDER PENNOCK 89 HIGH LAND RD POTEET TX 78065	10000	3750	2500		3750
PHILLIP PAWELEK 7 QUAIL HOLLOW PLEASANTON TX 78064	10000	3750	2500		3750
GRANTS AWARDED 2009	60000	21250	10000	0	28750

LILLIAN WALTOM FOUNDATION
2011
FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR FUTURE PAYMENT

GRANTS AWARDED 2008

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2011	SCHOLAR RESCINDED in 2011	AMOUNT APPROVED FOR FUTURE PAYMENT
VERONICA GALLEGOS 409 MAPLE S T JOURDANTON TX	10000	6250	2500		1250
RAY LOUIS BACCA 116 SIMON RD PLEASANTON TX	10000	6250	2500		1250
JAMIE M LEAL JR BOX 926 POTEET TX	10000	6250	2500		1250
AMY C ZAMORA 180 MAJESTIC OAKS POTEET TX	10000	6250	2500		1250
TERESO HERNANDEZ 111 MAIN ST JOURDANTON TX	10000	6250	2500		1250
ASHTON DAWN SMITH 554 COUSER BOX 690 CHARLOTTE TX	10000	5000	2500		2500
AUSTIN J PESEK BOX 513 JOURDANTON TX	10000	6250	2500		1250
BRYAN YANEZ 1526 TARIN DR PLEASANTON TX	10000	6250	2500		1250
GRANTS AWARDED 2008	80000	48750	20000		11250

LILLIAN WALTOM FOUNDATION
2011
FORM 990 PF, PART XV, LINE 3, GRANTS AND CONTRIBUTIONS PAID DURING YEAR OR APPROVED FOR FUTURE PAYMENT

GRANTS AWARDED 2007

	AMOUNT OF GRANT OR CONTRIBUTION	PAID OR RESCENDED IN PRIOR YEARS	AMOUNT PAID IN 2011	SCHOLAR RESCINDED IN 2011	AMOUNT APPROVED FOR FUTURE PAYMENT
KAITLYN GRIMSHAW 1267 ENCINO DR PLEASANTON TX	10000	8750	1250		0
CARLOS R TIJERINA BOX 652 CHARLOTTE TX	10000	8750	1250		0
MARITZA MARTINEZ 8200 W FM 476 POTEET TX	10000	8750	1250		0
KENDRA MURPHY BOX 595 JOURDANTON TX	10000	8750	1250		0
SARAH M FLORES BOX 365 PLEASANTON TX	10000	8750	1250		0
SUMMER D MURRAY 412 LOW MEADOW PLEASANTON TX	10000	8750	1250		0
GRANTS AWARDED 2007	60000	52500	7500	0	0

LILLIAN WALTOM FOUNDATION
74-2509618
12-31-11

PAGE 2 LINE 7(b)- OTHER NOTES RECEIVABLE

NAME	NOTE DATED	COLLATERAL	INTEREST RATE %	12/31/2011 BALANCE
RUBEN ALANIZ	2011	REAL ESTATE	18	17997
JOSEPH VALDEZ	2005	REAL ESTATE	8 5	64291
MICHAEL MARTINEZ	2010	FIN STMT	10	3871
MIGUEL MARTINEZ	2010	REAL ESTATE	10	5746
RAFAEL LUGO	1994	REAL ESTATE	8	1789
KENNETH R CRISP	2001	REAL ESTATE	8 75	23312
LINDA CASIAS	2002	REAL ESTATE	10	30693
CARL PAXON	2006	REAL ESTATE	8	66631
RICHARD WELLS	2000	REAL ESTATE	10	13816
DAVID ROBERTSON	2006	REAL ESTATE	8	96677
RICHARD WEST	2003	REAL ESTATE	9	7967
DON RIPPLE	2003	REAL ESTATE	8 5	24613
D CORDOVA	2004	REAL ESTATE	9	71949
E CARRASCO	2008	REAL ESTATE	8 5	39868
E FERNANDEZ JR	2008	REAL ESTATE	18	2654
XAVIER FLORES	2006	REAL ESTATE	7	67916
XAVIER FLORES	2010	VEHICLE	11	14767
EDWARD MIRANDA	2008	REAL ESTATE	8 5	43593
DOMINGA OCHOA	2010	REAL ESTATE	11	37187
A ROBLES	2011	VEHICLE	12	3149
J SMOOT	2007	REAL ESTATE	8 5	43317
MANUEL VALDEZ	2010	REAL ESTATE	10	53847
JUAN GOMEZ	2009	REAL ESTATE	6 5	24727
MARTIN LLAMAS JR	2009	REAL ESTATE	12	18881
ALAN MARTINEZ	2010	FIN STMT	12 5	6784
CORINA MARTINEZ	2009	REAL ESTATE	10	36828
JESSIE S REYES	2009	REAL ESTATE	12	7464
LAUREN VYVLECKA	2009	VEHICLE	9	6351
JAIME BENNETT	2010	REAL ESTATE	10	119144
TIMOTHY CHALLES	2010	REAL ESTATE	10	20244
ANGELITA GOMEZ	2010	REAL ESTATE	9	39733
DORMA HOBBS	2010	REAL ESTATE	10	13284
RICHIE MARTINEZ	2010	VEHICLE	18	3583
SABRINA AYALA	2011	REAL ESTATE	8	86051
JERRY BRADY	2011	REAL ESTATE	12 5	16613
EDWARD MIRANDA	2011	REAL ESTATE	8 5	34914
SANDRA MERIN	2004	REAL ESTATE	10	25822
JOE TREVINO	2011	REAL ESTATE	12 5	18995
TOTAL				1215068

LILLIAN WALTOM FOUNDATION

74-2509618

2011

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

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

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

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

1. The awards will be scholarships for study at a college.

2 The awards will be made to a class of individual who established financial need and that they satisfy college entrance requirements at the college of their choice.

3 The application process will be non-discriminatory and the scholarship will be awarded as nearly as possible in accordance with the ratio mix in Atascosa County, Texas.

4 The scholarships will be grants and repayment will not be required.

5. The grants will be supervised by obtaining reports or transcripts from the college or university where the recipient is enrolled, and if the recipient is expelled from the school for any reason, an attempt will be made to recover a pro-rata part of the grant for the unexpired term of the semester.