

**Z. SMITH REYNOLDS FOUNDATION, INC.**  
**STATEMENT OF INCOME, GRANTS, EXPENSES, AND UNDISTRIBUTED INCOME**

December 8, 1936 through December 31, 2010

	2010	2009	1936-2010
Undistributed Income Beginning of Period	\$18,351,392	\$22,731,945	
<b>Income Received:</b>			
Zachary Smith Reynolds Trust	7,078,656	8,570,388	221,004,988
W. N. Reynolds Trust	8,325,278	10,474,001	280,780,412
Interest on investments*	741,937	151,172	16,701,503
Refunds of grants	48,761	17,977	765,521
Other Income	24	8,549	42,108
<b>TOTAL INCOME</b>	<b>\$16,194,656</b>	<b>\$19,222,087</b>	<b>\$519,294,532</b>
<b>Disbursements:</b>			
Grants Paid	\$17,009,819	\$20,774,269	\$457,070,889
<b>Direct Charitable Activities:</b>			
Nancy Susan Reynolds Awards	150,354	168,555	3,233,600
Sabbatical Program	135,944	173,941	2,260,733
Special Projects/meetings/seminars	138,978	317,067	6,234,123
<b>Total Grants and Direct Charitable Activities</b>	<b>\$17,435,095</b>	<b>\$21,433,832</b>	<b>\$468,799,345</b>
<b>Administrative Expenses:</b>			
Personnel	913,638	950,119	15,063,424
Operating Expenses	1,315,350	1,213,663	20,243,750
Federal Excise Tax	12,082	5,026	318,130
<b>Total Administrative Expenses and Taxes</b>	<b>\$2,241,070</b>	<b>\$2,168,808</b>	<b>\$35,625,304</b>
<b>TOTAL DISBURSEMENTS</b>	<b>\$19,676,165</b>	<b>\$23,602,640</b>	<b>\$504,424,649</b>
Undistributed Income End of Period	\$14,869,883	\$18,351,392	\$14,869,883
Unpaid Grants End of Period	\$14,466,799	\$10,935,281	\$14,466,799

**NOTES TO FINANCIAL STATEMENTS**

The Foundation's income is derived from two trusts that are separately controlled and each of which meets the reporting requirements of the federal government and of those states in which they are located. No list of investments appears in this report because the Foundation itself has no assets.

\*Interest earned on short-term investments of income received from the two trusts but not yet distributed.