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

OMB No 1545-0052

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 , 2010, and ending

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

JOSEPH FRANCIS WALLACE TRUST
C/O GIBBS FERGUSON, 209 WEST OAK ST
MCGEEHEE, AR 71654

A Employer identification number

71-6157075

B Telephone number (see the instructions)

870-222-6660

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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

I Fair market value of all assets at end of year
(from Part II, column (c), line 16)

\$ 2,726,086.

J Accounting method ☒ Cash ☐ Accrual
☐ 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)	425.			
	2	Ch ☒ if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	5,666.	5,666.	5,666.	
	4	Dividends and interest from securities	35.	35.	35.	
	5a	Gross rents				
	b	Net rental income or (loss)	-7,246.			
	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 STATEMENT 1	162,278.	161,653.			
12	Total. Add lines 1 through 11	168,404.	167,354.	5,701.		
ADMINISTRATIVE AND OPERATING EXPENSES	13	Compensation of officers, directors, trustees, etc	4,800.			4,800.
	14	Other employee salaries and wages				
	15	Pension-plans, employee benefits				
	16a	Legal fees (attach schedule)	7,200.	2,400.		4,800.
	b	Accounting fees (attach sch)	2,110.	860.		1,250.
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)(see instr)	3,761.	3,761.		
	19	Depreciation (attach sch) and depletion	2,226.	2,226.		
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
		SEE STATEMENT 5	5,069.	5,069.		
	24	Total operating and administrative expenses. Add lines 13 through 23	25,166.	14,316.		10,850.
25	Contributions, gifts, grants paid PART XV	122,199.			122,199.	
26	Total expenses and disbursements. Add lines 24 and 25	147,365.	14,316.	0.	133,049.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	21,039.				
b	Net investment income (if negative, enter -0-)		153,038.			
c	Adjusted net income (if negative, enter -0-)			5,701.		

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		234,793.	237,669.	237,669.
	3	Accounts receivable	1,477.			
		Less: allowance for doubtful accounts		977.	1,477.	1,477.
	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)	514,589.			
		Less: allowance for doubtful accounts		517,726.	514,589.	514,589.
	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)		5,840.	6,465.	6,465.
	c	Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment basis	1,799,632.			
	Less: accumulated depreciation (attach schedule) SEE STMT 6	381,608.	1,397,850.	1,418,024.	1,964,563.	
12	Investments – mortgage loans					
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe SEE STATEMENT 7)		1,323.	1,323.	1,323.	
16	Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)		2,158,509.	2,179,547.	2,726,086.	
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		2,158,509.	2,179,547.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☐					
	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				
	30	Total net assets or fund balances (see the instructions)		2,158,509.	2,179,547.	
	31	Total liabilities and net assets/fund balances (see the instructions)		2,158,509.	2,179,547.	

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	2,158,509.
2	Enter amount from Part I, line 27a	2	21,039.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,179,548.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 8	5	1.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	2,179,547.

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 N/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			(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			
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 the 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))
2009	121,873.	2,751,597.	0.044292
2008	98,497.	2,540,832.	0.038766
2007	102,011.	2,011,463.	0.050715
2006	102,664.	2,012,601.	0.051011
2005	104,003.	2,027,988.	0.051284

2 Total of line 1, column (d)	2	0.236068
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	0.047214
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	2,596,492.
5 Multiply line 4 by line 3	5	122,591.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,530.
7 Add lines 5 and 6	7	124,121.
8 Enter qualifying distributions from Part XII, line 4	8	133,049.

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 ☐ and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,530.
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	1,530.
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	1,530.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	3,200.	
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	3,200.	
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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,670.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ☒ 1,670. Refunded ☐	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) AR		
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 2010 or the taxable year beginning in 2010 (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

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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?	13	X	
Website address <u>N/A</u>				
14	The books are in care of <u>MONTGOMERY FIRM</u> Telephone no. <u>870-222-6005</u>			
Located at <u>202 W. LYNN, MCGHEE, AR</u> ZIP + 4 <u>71654</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	N/A	☐	N/A
		15		
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?	16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>				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?	☐ 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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 2010?	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 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 <u>20__ , 20__ , 20__ , 20__</u>	☐ Yes ☒ No	
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?	☐ Yes ☒ No	
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	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 2010?	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 N/A

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

6b X

If 'Yes' to 6b, file Form 8870.

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

7b

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
GIBBS FERGUSON 209 W. OAK STREET MCGEHEE, AR 71654	TRUSTEE 0	0.	0.	0.
WILLIAM FRED DENTON 1 FAIRVIEW DRIVE MCGEHEE, AR 71654	TRUSTEE 0	2,400.	0.	0.
JAMES KELLEY 30 WOLFE DRIVE MCGEHEE, AR 71654	TRUSTEE 0	2,400.	0.	0.

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

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

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE'.

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 SEE STATEMENT 9	
	122,091.
2 CONTRIBUTION TO MCGEHEE FOOD PANTRY, WHICH IS A 501(C)(3) CHARITY.	
	108.
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes	
a	Average monthly fair market value of securities	1a 5,866.
b	Average of monthly cash balances	1b 233,674.
c	Fair market value of all other assets (see instructions)	1c 2,481,952.
d	Total (add lines 1a, b, and c)	1d 2,721,492.
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 2,721,492.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions) SEE STATEMENT 10	4 125,000.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 2,596,492.
6	Minimum investment return. Enter 5% of line 5	6 129,825.

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	1 129,825.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 1,530.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b
c	Add lines 2a and 2b	2c 1,530.
3	Distributable amount before adjustments Subtract line 2c from line 1	3 128,295.
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5 128,295.
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	7 128,295.

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 133,049.
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	4 133,049.
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 1,530.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 131,519.

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.

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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				128,295.
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only			126,788.	
b Total for prior years. 20____, 20____, 20____		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: ▶ \$ 133,049.				
a Applied to 2009, but not more than line 2a			126,788.	
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				6,261.
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 instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				122,034.
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 2005 not applied on line 5 or line 7 (see instructions)	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

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

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(i)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

SEE STATEMENT 11

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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
<i>a Paid during the year</i> WALLACE TRUST FOUNDATION 209 W. OAK STREET MCGEHEE, AR 71654		P.F.	SCHOLARSHIPS/ CHARITABLE	122,091.
MCGEHEE FOOD PANTRY MCGEHEE, AR 71654	NONE		CHARITY	108.
Total			3a	122,199.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
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	5,666.	
4	Dividends and interest from securities			14	35.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property			16	-7,246.	
6	Net rental income or (loss) from personal property					
7	Other investment income			1	625.	
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	FORM 4835			16	161,653.	
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				160,733.	
13	Total. Add line 12, columns (b), (d), and (e)					160,733.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

Form **4835**

Farm Rental Income and Expenses
(Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor))
(Income not subject to self-employment tax)
► Attach to Form 1040 or Form 1040NR. ► See instructions.

OMB No 1545-0074

2010Attachment
Sequence No **37**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on tax return

Your social security number

Employer identification number (EIN), if any

71-6157075

JOSEPH FRANCIS WALLACE TRUST**A** Did you actively participate in the operation of this farm during 2010 (see instructions)?☒ Yes☐ No**Part I Gross Farm Rental Income – Based on Production.** Include amounts converted to cash or the equivalent

1 Income from production of livestock, produce, grains, and other crops		1	188,839.
2a Cooperative distributions (Form(s) 1099-PATR)	2a 906.	2b Taxable amount	2b 906.
3a Agricultural program payments (see instructions)	3a 30,448.	3b Taxable amount	3b 30,448.
4 Commodity Credit Corporation (CCC) loans (see instructions):			
a CCC loans reported under election			
b CCC loans forfeited	4b	4c Taxable amount	4c
5 Crop insurance proceeds and federal crop disaster payments (see instructions).			
a Amount received in 2010	5a	5b Taxable amount	5b
c If election to defer to 2011 is attached, check here ☐		5d Amount deferred from 2009	5d
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) SEE STATEMENT 1		6	49,755.
7 Gross farm rental income. Add amounts in the right column for lines 1 through 6. Enter the total here and on Schedule E (Form 1040), line 42		7	269,948.

Part II Expenses – Farm Rental Property. Do not include personal or living expenses

8 Car and truck expenses (see Schedule F (Form 1040) instructions) Also attach Form 4562	8	21 Pension and profit-sharing plans	21
9 Chemicals	9	22 Rent or lease	
10 Conservation expenses (see instructions)	10	a Vehicles, machinery, and equipment (see instructions)	22a
11 Custom hire (machine work)	11 30,225.	b Other (land, animals, etc)	22b
12 Depreciation and section 179 expense deduction not claimed elsewhere	12 18,992.	23 Repairs and maintenance	23 11,288.
13 Employee benefit programs other than on line 21 (see Schedule F (Form 1040) instructions)	13	24 Seeds and plants	24
14 Feed	14	25 Storage and warehousing	25
15 Fertilizers and lime	15 561.	26 Supplies	26
16 Freight and trucking	16	27 Taxes	27 9,782.
17 Gasoline, fuel, and oil	17 2,990.	28 Utilities	28 4,713.
18 Insurance (other than health)	18 7,251.	29 Veterinary, breeding, and medicine	29
19 Interest		30 Other expenses (specify):	
a Mortgage (paid to banks, etc)	19a	a <u>DUES AND FEES</u>	30a 344.
b Other	19b	b <u>ACCOUNTING</u>	30b 860.
20 Labor hired (less employment credits) (see Schedule F (Form 1040) instructions)	20	c <u>ERADICATION PROGRAM</u>	30c 144.
		d <u>LEVELING & SURVEYING</u>	30d 18,414.
		e <u>RICE DRYING</u>	30e 2,611.
		f <u>RICE RESEARCH</u>	30f 120.
		g	30g
31 Total expenses. Add lines 8 through 30g (see instructions)		31	108,295.
32 Net farm rental income or (loss). Subtract line 31 from line 7. If the result is income, enter it here and on Schedule E (Form 1040), line 40. If the result is a loss, you must go to line 33		32	161,653.
33 If line 32 is a loss, check the box that describes your investment in this activity (see instructions)		33a	All investment is at risk
c You may have to complete Form 8582 to determine your deductible loss, regardless of which box you checked (see instructions). If you checked box 33b, you must complete Form 6198 before going to Form 8582 . In either case, enter the deductible loss here and on Schedule E (Form 1040), line 40.		33b	Some invmnt is not at risk
		33c	

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

FDIZ1101L 01/03/11

Form **4835** (2010)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2010
Attachment
Sequence No **67**

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

Name(s) shown on return

Joseph Francis Wallace Trust

Identifying number

71-6157075

Business or activity to which this form relates

Form 4835

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount (see instructions)	1	500,000.00
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.00
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7	Listed property Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	2,251.00

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	10,773.68
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶		

Section B-Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		12,420.01	7.0	HY	200DB	1,774.29
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	4,193.62
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations--see instructions	22	18,992.59
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2010)

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If "Yes," is the evidence written?			Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)										25	
26 Property used more than 50% in a qualified business use											
2009 GMC Truck	8/20/09	100.00%	32,891.14	16,445.57	5.0	150DBHY	4,193.62				
		%									
27 Property used 50% or less in a qualified business use											
		%				S/L-					
		%				S/L-					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1										28	4,193.62
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1										29	

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		X
39 Do you treat all use of vehicles by employees as personal use?		X
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		X
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		X
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

2010
Attachment
Sequence No **67**

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

Name(s) shown on return

Joseph Francis Wallace Trust

Identifying number

71-6157075

Business or activity to which this form relates

Form 990-PF

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount (see instructions)	1	500,000.00
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.00
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13	

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

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

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

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	888.39
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶		

Section B-Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		25,700.00	15.0	HY	150DB	1,285.00
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property	5/28/10	3,273.00	39 yrs	MM	S/L	52.45
				MM	S/L	

Section C-Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return. Partnerships and S corporations--see instructions	22	2,225.84
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable**Section A-Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If "Yes," is the evidence written?			Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)									25		
26 Property used more than 50% in a qualified business use											
		%									
		%									
27 Property used 50% or less in a qualified business use											
		%				S/L-					
		%				S/L-					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1									28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1									29		

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2010

FEDERAL STATEMENTS

PAGE 1

CLIENT 1405

JOSEPH FRANCIS WALLACE TRUST

5/15/11

06 11PM

STATEMENT 1 - CROPS
FORM 4835, LINE 6
OTHER INCOME

MCGEHEE PRODUCERS GIN REBATE
WINCHESTER GIN-REBATE
RICELAND-PER UNIT RETAINS

	\$	2,079.
		2,160.
		<u>45,516.</u>
TOTAL	\$	<u><u>49,755.</u></u>

Section 168(k) Class Elections

Election not to apply first-year bonus depreciation:

MACRS 3-yr

MACRS 5-yr

MACRS 7-yr

MACRS 10-yr

MACRS 15-yr

MACRS 20-yr

MACRS 25-yr

MACRS 27-yr

MACRS 39-yr

Computer Software (167)

Section 168(k) Class Elections

Election not to apply first-year bonus depreciation:

MACRS 3-yr

MACRS 5-yr

MACRS 7-yr

MACRS 10-yr

MACRS 15-yr

MACRS 20-yr

MACRS 25-yr

MACRS 27-yr

MACRS 39-yr

Computer Software (167)

2010

FEDERAL STATEMENTS

PAGE 1

JOSEPH FRANCIS WALLACE TRUST

71-6157075

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
FORM 4835	\$ 161,653.	\$ 161,653.	
OTHER INVESTMENT INCOME	625.		
TOTAL	<u>\$ 162,278.</u>	<u>\$ 161,653.</u>	<u>0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
GIBBS FERGUSON, ATTORNEY	\$ 7,200.	\$ 2,400.		\$ 4,800.
TOTAL	<u>\$ 7,200.</u>	<u>\$ 2,400.</u>	<u>\$ 0.</u>	<u>\$ 4,800.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING FEES	\$ 860.	\$ 860.		
TAX PREPARATION FEES	1,250.			\$ 1,250.
TOTAL	<u>\$ 2,110.</u>	<u>\$ 860.</u>	<u>\$ 0.</u>	<u>\$ 1,250.</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
EXCISE TAXES PAID	\$ 3,761.	\$ 3,761.		
TOTAL	<u>\$ 3,761.</u>	<u>\$ 3,761.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

JOSEPH FRANCIS WALLACE TRUST

71-6157075

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
MISCELLANEOUS ADMIN .	\$ 49.	\$ 49.		
RENTAL EXPENSES	5,020.	5,020.		
TOTAL	\$ 5,069.	\$ 5,069.	\$ 0.	\$ 0.

STATEMENT 6
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
AUTO./TRANSPORTATION EQUIP.	\$ 32,891.	\$ 23,106.	\$ 9,785.	\$ 9,785.
MACHINERY AND EQUIPMENT	319,324.	257,527.	61,797.	61,797.
BUILDINGS	166,826.	100,975.	65,851.	65,851.
LAND	1,280,591.		1,280,591.	1,827,130.
TOTAL	\$ 1,799,632.	\$ 381,608.	\$ 1,418,024.	\$ 1,964,563.

STATEMENT 7
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
PURCHASE OPTION	\$ 1,008.	\$ 1,008.
UTILITY DEPOSIT	315.	315.
TOTAL	\$ 1,323.	\$ 1,323.

STATEMENT 8
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

ROUNDING	\$ 1.
TOTAL	\$ 1.

STATEMENT 9
FORM 990-PF, PART IX-A, LINE 1
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

DIRECT CHARITABLE ACTIVITIES	EXPENSES
WALLACE TRUST FOUNDATION-CONTRIBUTIONS TO THE WALLACE TRUST FOUNDATION WERE USED TO PROVIDE FOR THE EDUCATIONAL EXPENSES OF STUDENTS, ASSISTANCE FOR INDIVIDUALS WITH HARDSHIPS, AS WELL AS FUNDING FOR VARIOUS OTHER CHARITABLE ORGANIZATIONS.	\$ 122,091.

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STATEMENT 10
FORM 990-PF, PART X, LINE 4
EXPLANATION OF CASH DEEMED HELD FOR CHARITABLE ACTIVITIES

CASH REQUIRED TO BE DISTRIBUTED FOR CHARITABLE PURPOSES BY THE END OF 2011.

STATEMENT 11
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:

NAME:

GIBBS FERGUSON

CARE OF:

STREET ADDRESS:

209 WEST OAK STREET

CITY, STATE, ZIP CODE:

MCGEEHEE, AR 71654

TELEPHONE:

FORM AND CONTENT:

APPLICATIONS SHOULD BE IN WRITING GIVING DETAILS WHY THE APPLICANT DESERVES CONSIDERATION.

SUBMISSION DEADLINES:

APPLICATIONS ARE ACCEPTED AT ANY TIME.

RESTRICTIONS ON AWARDS:

SCHOLARSHIPS AND GRANTS ARE LIMITED TO THE EDUCATION, MAINTENANCE, SUSTENANCE AND REHABILITATION OF DESERVING PEOPLE WHO ARE IN NEED OF ASSISTANCE DUE TO AGE, ILLNESS, DISABILITY, INFIRMITY OR ADVERSE CONDITIONS AND WHOSE NEEDS ARE NOT MET THROUGH USUAL ASSISTANCE FROM STATE OR FEDERAL GOVERNMENTS OR FROM MAINLINE CHARITABLE ORGANIZATIONS.

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FEDERAL SUPPORTING DETAIL

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**OTHER INCOME PRODUCING ACTIVITIES
INTEREST ON SAVINGS & CASH INVESTMENTS**

FIRST NATIONAL BANK OF MCGEHEE	\$	3,983.
NOMINEE FROM WALLACE TRUST FOUNDATION		1,683.
TOTAL	\$	<u>5,666.</u>

**OTHER INCOME PRODUCING ACTIVITIES
DIVIDENDS/INTEREST FROM SECURITIES.**

FARMERS BUTAIN & SUPPLY CO	\$	25.
MCGEHEE PRODUCERS GIN		10.
TOTAL	\$	<u>35.</u>

WEDNESDAY, MAY 11, 2011

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NOTICE

The annual return of the Joseph Francis Wallace Trust Foundation are available for inspection at the Ferguson Law Office, 209 West Oak, McGehee, AR, Gibbs Ferguson, Attorney at Law, 870-222-6660 during regular business hours by any citizen who requests inspection within 180 days after the date of this notice is first published or the return is also available for inspection at the Montgomery Firm, CPA's, PA, 202 West Lynn, McGehee, 870-222-6005.

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