



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2011

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

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

JB & KATHRYN SALLAS CHARITABLE
FOUNDATION
PO BOX 1087
CROCKETT, TX 75835

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

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 **J** Accounting method: Cash Accrual
 (from Part II, column (c), line 16) Other (specify) _____

► \$ 2,183,040. (Part I, column (d) must be on cash basis)

A	Employer identification number 26-3907247
B	Telephone number (see the instructions) (936) 544-2627
C	If exemption application is pending, check here ► <input type="checkbox"/>
D	1 Foreign organizations, check here ► <input type="checkbox"/>
E	2 Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>
F	If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>
G	If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	12,459.	12,459.	N/A	
	4 Dividends and interest from securities	24,588.	24,588.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	5,927.			
	b Gross sales price for all assets on line 6a	150,750.			
	7 Capital gain net income (from Part IV, line 2)		5,927.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold MAY 21 2012 IRS 106					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule) SEE STATEMENT 1	132,052.	93,360.			
12 Total. Add lines 1 through 11	175,026.	136,334.			
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	19,368.	9,684.	9,684.	
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) SEE ST 2	301.	210.	91.	
	b Accounting fees (attach sch) SEE ST 3	3,450.	2,415.	1,035.	
	c Other prof fees (attach sch) SEE ST 4	10,781.	10,781.		
	17 Interest				
	18 Taxes (attach schedule) SEE STM 5	1,572.	1,082.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 6	1,143.	949.	194.	
	24 Total operating and administrative expenses. Add lines 13 through 23	36,615.	25,121.	11,004.	
25 Contributions, gifts, grants paid PART XV	127,142.		127,142.		
26 Total expenses and disbursements. Add lines 24 and 25	163,757.	25,121.	138,146.		
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	11,269.				
b Net investment income (if negative, enter -0-)		111,213.			
c Adjusted net income (if negative, enter -0-)					

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	128,464.	103,390.	105,164.	
	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 ►				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments – U.S. and state government obligations (attach schedule)	STATEMENT 7	720,641.	586,059.	602,370.
	b	Investments – corporate stock (attach schedule)	STATEMENT 8	22,176.	22,072.	30,686.
	c	Investments – corporate bonds (attach schedule)	STATEMENT 9	122,792.	122,792.	146,667.
	11	Investments – land, buildings, and equipment basis	►			
	Less: accumulated depreciation (attach schedule) ►					
12	Investments – mortgage loans					
13	Investments – other (attach schedule)	STATEMENT 10	931,335.	1,102,364.	1,298,153.	
14	Land, buildings, and equipment: basis	► 25,553.				
	Less: accumulated depreciation (attach schedule) SEE STMT 11 ►	25,553.				
15	Other assets (describe ►)					
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		1,925,408.	1,936,677.	2,183,040.	
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	24	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ► <input type="checkbox"/>				
	25	Unrestricted				
	26	Temporarily restricted				
	27	Permanently restricted				
	28	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>				
	29	Capital stock, trust principal, or current funds				
	30	Paid-in or capital surplus, or land, building, and equipment fund				
	31	Retained earnings, accumulated income, endowment, or other funds				
	32	Total net assets or fund balances (see instructions)	1,925,408.	1,936,677.		
	33	Total liabilities and net assets/fund balances (see instructions)	1,925,408.	1,936,677.		
	34		1,925,408.	1,936,677.		
	35		1,925,408.	1,936,677.		

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	1,925,408.
2	Enter amount from Part I, line 27a	2	11,269.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	1,936,677.
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	1,936,677.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE STATEMENT 12					
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) 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	5,927.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	0.	
If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8					

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	140,280.	2,105,617.	0.066622
2009	55,980.	1,168,530.	0.047906
2008			
2007			
2006			

2 Total of line 1, column (d)	2	0.114528
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	0.057264
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,164,192.
5 Multiply line 4 by line 3	5	123,930.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,112.
7 Add lines 5 and 6	7	125,042.
8 Enter qualifying distributions from Part XII, line 4	8	138,146.

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

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-.

6 Credits/Payments

a 2011 estimated tax pmts and 2010 overpayment credited to 2011

6a 672

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

7 672

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

9 440

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

10

11 Enter the amount of line 10 to be Credited to 2012 estimated tax ►

Refunded

11

Part VII-A **Statements Regarding Activities**

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?

Yes No

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.

1c X

c Did the foundation file **Form 1120-POL** for this year?

1d 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.

1e X

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

1f X

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 N/A

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 XIV

7 X

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

N/A

8a X

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)

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 ► <u>N/A</u>			
14	The books are in care of ► <u>JAN MAIDEN</u> Telephone no ► <u>(936) 544-2627</u> Located at ► <u>PO BOX 1087 CROCKETT TX</u> ZIP + 4 ► <u>75835</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	► <u>15</u> N/A
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?	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 ►			

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
1b	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)?	► <input type="checkbox"/>	X
1c	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?		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If 'Yes,' list the years ► <u>20__ , 20__ , 20__ , 20__</u>			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see instructions.)	2b N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► <u>20__ , 20__ , 20__ , 20__</u>		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 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 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 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 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?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (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
JAN MAIDEN 1256 FM 2076 CROCKETT, TX 75835	TRUSTEE 7.00	6,456.	0.	0.
KATHY E. MILLER 813 FM 230 TRINITY, TX 75862	TRUSTEE 7.00	6,456.	0.	0.
WILSON NORRIS PO BOX 740 CROCKETT, TX 75835	TRUSTEE 7.00	6,456.	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		

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	<u>N/A</u>	
2		
3		
4		

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

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

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

b Average of monthly cash balances

c Fair market value of all other assets (see instructions)

d **Total** (add lines 1a, b, and c)

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

3 Subtract line 2 from line 1d

4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
(for greater amount, see instructions)

5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4

6 **Minimum investment return.** Enter 5% of line 5

1a	2,006,208.
1b	125,592.
1c	65,349.
1d	2,197,149.
2	0.
3	2,197,149.
4	32,957.
5	2,164,192.
6	108,210.

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

1 108,210.

2a Tax on investment income for 2011 from Part VI, line 5

2a 1,112.

2b

2c 1,112.

b Income tax for 2011. (This does not include the tax from Part VI.)

3 107,098.

c Add lines 2a and 2b

4 107,098.

3 Distributable amount before adjustments. Subtract line 2c from line 1

5 107,098.

4 Recoveries of amounts treated as qualifying distributions

6 107,098.

5 Add lines 3 and 4

7 107,098.

6 Deduction from distributable amount (see instructions)

7 **Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes

1a 138,146.

1b

a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26

2

1b

b Program-related investments – total from Part IX-B

2

2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes

3

3a

3 Amounts set aside for specific charitable projects that satisfy the:

3b

a Suitability test (prior IRS approval required)

b Cash distribution test (attach the required schedule)

4 138,146.

4 **Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4

5 1,112.

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)

6 137,034.

6 **Adjusted qualifying distributions.** Subtract line 5 from line 4

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				107,098.
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____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009	19,301.			
e From 2010	35,739.			
f Total of lines 3a through e	55,040.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 138,146.			0.	
a Applied to 2010, but not more than line 2a			0.	
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 2011 distributable amount				107,098.
e Remaining amount distributed out of corpus	31,048.			
5 Excess distributions carryover applied to 2011 (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:	86,088.			
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 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)	0.			
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	86,088.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009	19,301.			
d Excess from 2010	35,739.			
e Excess from 2011	31,048.			

BAA

Form 990-PF (2011)

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

N/A

Part XVI **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:

SEE STATEMENT 13

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> SEE STATEMENT 14				
Total				► 3a 127,142.
<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 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	12,459.	
4 Dividends and interest from securities				14	24,588.	
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						5,927.
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a <u>DEVON ROYALTY</u>				15	23,499.	
b <u>NAVIDAD</u>				16	4,812.	
c <u>NRG LAND RESOURCES, INC.</u>				16	13,733.	
d <u>TAX EXEMPT INTEREST</u>				14	38,692.	
e <u>XTO ENERGY INC</u>				16	51,316.	
12 Subtotal. Add columns (b), (d), and (e)					169,099.	5,927.

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

Part V: D. Relationship of Activities to the Accomplishment of Event Purpose

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

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 or

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets .
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees .
- (6) Performance of services or membership or fundraising solicitation

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1a (1)		X
1a (2)		X
1b (1)		X
1b (2)		X
1b (3)		X
1b (4)		X
1b (5)		X
1b (6)		X
1c		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
N/A			

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
N/A		

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.

► John Maiden 5/11/12 ► Trustee
Signature of officer or trustee Date Title

Paid Preparer Use Only	JAMES R. ALLEN	<i>James R. Allen CPA</i>	5-10-12	self-employed	P00076133
	Firm's name	HENRY & PETERS, P.C.		Firm's EIN 75-1503978	
	Firm's address	3310 SO. BROADWAY, SUITE 100		Phone no (903) 597-6311	
	TYLER, TX 75701				

BAA

2011

FEDERAL STATEMENTS
JB & KATHRYN SALLAS CHARITABLE
FOUNDATION

PAGE 1

26-3907247

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

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
DEVON ROYALTY	\$ 23,499.	23,499.	
NAVIDAD	4,812.	4,812.	
NRG LAND RESOURCES, INC.	13,733.	13,733.	
TAX EXEMPT INTEREST	38,692.		
XTO ENERGY INC	51,316.	51,316.	
TOTAL	\$ 132,052.	\$ 93,360.	0.

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
ATTORNEY FEES	\$ 301.	210.		
TOTAL	\$ 301.	\$ 210.		

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
TAX PREP	\$ 3,450.	2,415.		
TOTAL	\$ 3,450.	\$ 2,415.		

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EDWARD JONES FEES	\$ 10,781.	10,781.		
TOTAL	\$ 10,781.	\$ 10,781.		

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	\$ 490.			
FOREIGN TAXES	282.	\$ 282.		
PRODUCTION TAXES ON ROYALTIES	800.	800.		
TOTAL	\$ 1,572.	\$ 1,082.		\$ 0.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATIVE REIMBURSEMENT	\$ -7.	\$ -7.		
CHECK ORDER	18.	12.		\$ 6.
INVESTMENT FEES	26.	26.		
OTHER ROYALTY EXPENSE	918.	918.		
POSTAGE	188.			188.
TOTAL	\$ 1,143.	\$ 949.		\$ 194.

STATEMENT 7
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

<u>STATE/MUNICIPAL OBLIGATIONS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
MUNICIPAL BONDS	COST	\$ 586,059.	\$ 602,370.
		\$ 586,059.	\$ 602,370.
	TOTAL	\$ 586,059.	\$ 602,370.

STATEMENT 8
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CORPORATE STOCK	COST	\$ 22,072.	\$ 30,686.
	TOTAL	\$ 22,072.	\$ 30,686.

2011

FEDERAL STATEMENTS
JB & KATHRYN SALLAS CHARITABLE
FOUNDATION

PAGE 3

26-3907247

STATEMENT 9
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	VALUATION	BOOK	FAIR MARKET
	METHOD	VALUE	VALUE
CORPORATE BONDS	COST	\$ 122,792.	\$ 146,667.
	TOTAL	<u>\$ 122,792.</u>	<u>\$ 146,667.</u>

STATEMENT 10
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

<u>OTHER INVESTMENTS</u>	VALUATION	BOOK	FAIR MARKET
	METHOD	VALUE	VALUE
MUTUAL FUNDS	COST	\$ 992,490.	\$ 1,116,147.
UNIT TRUSTS	COST	109,874.	116,657.
ROYALTY INTERESTS LESS DEPLETION	COST	0.	65,349.
NON-PRODUCING ROYALTY INTERESTS	COST	0.	0.
	TOTAL	<u>\$ 1,102,364.</u>	<u>\$ 1,298,153.</u>

STATEMENT 11
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

<u>CATEGORY</u>	<u>BASIS</u>	<u>ACCUM.</u>	<u>BOOK</u>	<u>FAIR MARKET</u>
	DEPREC.	VALUE	VALUE	VALUE
MISCELLANEOUS	\$ 25,553.	\$ 25,553.	\$ 0.	\$ 0.
TOTAL	<u>\$ 25,553.</u>	<u>\$ 25,553.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 12
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

<u>ITEM</u>	<u>(A) DESCRIPTION</u>	<u>(B) HOW ACQUIRED</u>	<u>(C) DATE ACQUIRED</u>	<u>(D) DATE SOLD</u>
1	CAPITAL GAIN DISTRIBUTION	PURCHASED	5/19/2009	6/15/2011
2	10000 DALLAS FT WORTH TX INTL ARPT	PURCHASED	5/24/2000	9/01/2011
3	10000 HARRIS COUNTY TX HLTH FAC REV	PURCHASED	6/01/1999	12/01/2011
4	65000 IL STATE DECATUR MEM HOSP REV	PURCHASED	9/05/1997	9/26/2011
5	50000 LITTLE ELM TX INDPT SCH DIST	PURCHASED	5/21/2001	8/15/2011
6	141.176 AMERICAN MUTUAL FUND CL A	PURCHASED	10/28/2010	12/01/2011
7	53.746 CAPITAL INCOME BUILDER FUND A	PURCHASED	10/28/2010	12/01/2011
8	203.144 INCOME FUND OF AMERICA FUND A	PURCHASED	10/28/2010	12/01/2011
9	88.823 INVESTMENT CO OF AMERICA FD A	PURCHASED	10/28/2010	12/01/2011

STATEMENT 12 (CONTINUED)
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	3,750.		0.	3,750.				\$ 3,750.
2	10,000.		9,895.	105.				105.
3	10,000.		9,981.	19.				19.
4	65,000.		64,297.	703.				703.
5	50,000.		50,409.	-409.				-409.
6	3,600.		2,929.	671.				671.
7	2,640.		2,395.	245.				245.
8	3,360.		2,855.	505.				505.
9	2,400.		2,062.	338.				338.
								TOTAL \$ 5,927.

STATEMENT 13
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
 NAME:
 CARE OF: JAN MAIDEN, TRUSTEE
 STREET ADDRESS: PO BOX 1087
 CITY, STATE, ZIP CODE: CROCKETT, TX 75835
 TELEPHONE: 936-544-2627
 FORM AND CONTENT: APPLICATIONS SHOULD BE MADE IN WRITING WITH A COPY OF THE APPLYING ORGANIZATION'S DETERMINATION LETTER FOR SEC. 501(C) (3) STATUS.

SUBMISSION DEADLINES:
 RESTRICTIONS ON AWARDS: THE PHILOSOPHY OF THE FOUNDATION IS TO ASSIST THE SCHOOLS, CHURCHES, LIBRARIES, HOSPITALS, ETC. IN CROCKETT AND HOUSTON COUNTY, TEXAS. TO HELP THE YOUNG PEOPLE OF CROCKETT AND HOUSTON COUNTY, TEXAS IN NOT ONLY GETTING AN EDUCATION BUT TO HELP THEM CREATE A "BALANCED LIFE" THAT DEVELOPS QUALITIES OF LEADERSHIP, MORALITY AND CITIZENSHIP.

STATEMENT 14
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
ANGELINA COLLEGE 3500 S 1ST STREET LUFKIN, TX 75904		PUBLIC	SCHOLARSHIP	\$ 8,000.

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
ANTIOCH BAPTIST CHURCH 4416 FM 230 LOVELADY, TX 75851		PUBLIC	BUILDING FUND	\$ 2,000.
JOHN H WOOTERS CROCKETT PUBLIC LIBRARY 709 E HOUSTON AVE CROCKETT, TX 75835		PUBLIC	BOOKS	1,500.
CROCKETT VOLUNTEER FIRE DEPARTMENT 200 N FIFTH STREET CROCKETT, TX 75835		PUBLIC	EQUIPMENT	5,770.
FIRST BAPTIST CHURCH CROCKETT 801 E GOLIAD AVE CROCKETT, TX 75835		PUBLIC	SCHOLARSHIPS & EQUIPMENT	12,000.
GLENWOOD CEMETARY 1151 LOOP 304 EAST CROCKETT, TX 75835		PUBLIC	MAINTENANCE	1,500.
HERMANN EYE FUND 6400 FANNIN STREET HOUSTON, TX 77030		PUBLIC	MEDICAL	1,000.
KALINS CENTER PO BOX 901 CROCKETT, TX 75835		PUBLIC	ASSISTANCE	5,000.
MOORE FRYE ECKLES SCHOLARSHIP PO BOX 1248 CROCKETT, TX 75835		PUBLIC	SCHOLARSHIPS	15,630.
HOUSTON COUNTY SHARE, INC. PO BOX 1121 CROCKETT, TX 75835		PUBLIC	MEDICAL ASSISTANCE	3,794.
STEPHEN F AUSTIN STATE UNIVERSITY PO BOX 6096 NACOGDOCHES, TX 75962		PUBLIC	SCHOLARSHIPS	6,500.
UT LAW SCHOOL FOUNDATION 727 E DEAN KEETON STREET AUSTIN, TX 78705		PUBLIC	SCHOLARSHIPS	2,088.

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
SAM HOUSTON STATE UNIVERSITY PO BOX 2537 HUNTSVILLE, TX 77341		PUBLIC	SCHOLARSHIPS	\$ 6,500.
ANTIOCH CEMETARY PO BOX 26 LOVELADY, TX 75851		PUBLIC	PERPETUAL CARE	3,500.
AUSTONIO VOLUNTEER FIRE DEPARTMENT 710 CR 3180 CROCKETT, TX 75835		PUBLIC	EQUIPMENT	3,000.
BELOTT VOLUNTEER FIRE DEPARTMENT 1121 CR 1115 CROCKETT, TX 75835		PUBLIC	EQUIPMENT	3,000.
CROCKETT MERCHANTS LITTLE LEAGUE PO BOX 1249 CROCKETT, TX 75835		PUBLIC	EQUIPMENT	1,930.
EVERGREEN CEMETARY PO BOX 525 CROCKETT, TX 75835		PUBLIC	PERPETUAL CARE	1,430.
GRAPELAND PUBLIC LIBRARY PO BOX 879 GRAPELAND, TX 75844		PUBLIC	BOOKS & EQUIPMENT	5,000.
GRAPELAND VOLUNTEER FIRE DEPARTMENT PO BOX 427 GRAPELAND, TX 75844		PUBLIC	EQUIPMENT	3,000.
HOUSTON COUNTY LAKE VOLUNTEER FIRE DEPT 226 BEASLEY STREET GRAPELAND, TX 75844		PUBLIC	EQUIPMENT	3,000.
KENNARD VOLUNTEER FIRE DEPARTMENT PO BOX 115 KENNARD, TX 75847		PUBLIC	EQUIPMENT	3,000.
LATEXO VOLUNEE FIRE DEPT PO BOX 942 LATEXO, TX 75849		PUBLIC	EQUIPMENT	3,000.

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
LOVELADY VOLUNTEER FIRE DEPT PO BOX 83 LOVELADY, TX 75851		PUBLIC	EQUIPMENT	\$ 3,000.
PEARSON CHAPEL BAPTIST CHURCH 6932 FM 1280 W LOVELADY, TX 75851		PUBLIC	BUILDING FUND	1,000.
PENNINGTON VOLUNTEER FIRE DEPT PO BOX 152 PENNINGTON, TX 75856		PUBLIC	EQUIPMENT	3,000.
PINEY WOODS FINE ARTS ASSOCIATION PO BOX 1213 CROCKETT, TX 75835		PUBLIC	CHILDREN'S PROGRAM	9,000.
PORTER SPRINGS VOLUNTEER FIRE DEPT 1946 FM 132 CROCKETT, TX 75835		PUBLIC	EQUIPMENT	3,000.
SCOTT & WHITE HEALTHCARE FOUNDATION 2401 S 31ST STREET TEMPLE, TX 76508		PUBLIC	MEDICAL CARE	1,000.
WECHES VOLUNTEER FIRE DEPT 21781 SH 21 E GRAPELAND, TX 75844		PUBLIC	EQUIPMENT	3,000.
WELDON VOLUNTEER FIRE DEPT 6082 CR 3575 LOVELADY, TX 75851		PUBLIC	EQUIPMENT	3,000.
				TOTAL \$ <u>127,142.</u>