

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

**2010**

Department of the Treasury  
Internal Revenue Service

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

**For calendar year 2010, or tax year beginning , 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

The Wallace Foundation  
c/o Finance  
5 Penn Plaza 7th Floor  
New York, NY 10001

**A** Employer identification number  
13-6183757

**B** Telephone number (see the instructions)  
212-251-9700

**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)  
▶ \$ 1410919607.

**J** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis.)

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>REVENUE</b>	<b>1</b> Contributions, gifts, grants, etc., received (att sch.)				
	<b>2</b> <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	<b>3</b> Interest on savings and temporary cash investments	59,845.	59,845.		
	<b>4</b> Dividends and interest from securities	15,778,631.	15,778,631.		
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain/(loss) from sale of assets not on line 10	50,394,738.			
	<b>b</b> Gross sales price for all assets on line 6a. 415195649.				
	<b>7</b> Capital gain net income (from Part IV, line 2)		50,101,334.		
	<b>8</b> Net short-term capital gain				
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less: Cost of goods sold					
<b>c</b> Gross profit/(loss) (att sch.)					
<b>11</b> Other income (attach schedule) See Statement 1	5,943,033.	7,302,391.			
<b>12 Total.</b> Add lines 1 through 11	72,176,247.	73,242,201.	0.		
<b>ADMINISTRATIVE AND EXPENSES</b>	<b>13</b> Compensation of officers, directors, trustees, etc.	1,521,878.	457,792.		1,062,036.
	<b>14</b> Other employee salaries and wages	3,214,437.	241,352.		3,434,495.
	<b>15</b> Pension plans, employee benefits	1,472,706.	178,456.		1,222,553.
	<b>16a</b> Legal fees (attach schedule) See St. 2	51,031.	30,353.		19,234.
	<b>b</b> Accounting fees (attach sch.) See St. 3	102,030.	51,015.		40,715.
	<b>c</b> Other prof fees (attach sch.) See St. 4	7,908,332.	4,941,997.		2,171,170.
	<b>17</b> Interest				
	<b>18</b> Taxes (attach schedule)(see instr.) See Stmt 5	756,310.	545,089.		
	<b>19</b> Depreciation (attach sch) and depletion See Stmt 14	295,691.			
	<b>20</b> Occupancy	1,156,356.	124,135.		1,108,644.
	<b>21</b> Travel, conferences, and meetings	176,417.	13,231.		156,078.
	<b>22</b> Printing and publications	43,709.	673.		31,569.
<b>23</b> Other expenses (attach schedule) See Statement 6	386,426.	37,858.		336,137.	
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	17,085,323.	6,621,951.		9,582,631.	
<b>25</b> Contributions, gifts, grants paid	18,461,905.			37,335,800.	
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	35,547,228.	6,621,951.	0.	46,918,431.	
<b>27</b> Subtract line 26 from line 12:					
<b>a Excess of revenue over expenses and disbursements</b>	36,629,019.				
<b>b Net investment income</b> (if negative, enter -0-)		66,620,250.			
<b>c Adjusted net income</b> (if negative, enter -0-)			0.		



Department of the Treasury  
Internal Revenue Service  
Ogden UT 84201

For assistance, call:  
1-877-829-5500

Notice Number: CP211A  
Date: September 12, 2011

Taxpayer Identification Number:  
13-6183757  
Tax Form: 990PF  
Tax Period: December 31, 2010

040164.090911.0193.003 1 AT 0.365 375  
[Barcode]

THE WALLACE FOUNDATION  
% FINANCE  
5 PENN PLZ FL 7  
NEW YORK NY 10001-1837072

40164

### APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **November 15, 2011**.

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at [www.irs.gov/eo](http://www.irs.gov/eo). This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

## Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

<b>Type or print</b>	Name of Exempt Organization <b>The Wallace Foundation</b>	Employer identification number <b>13 6183757</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>c/o Finance, 5 Penn Plaza 7th floor</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>New York, NY 10001</b>	

**Check type of return to be filed** (file a separate application for each return):

- |   |   |                                    |
|---|---|------------------------------------|
| <input type="checkbox"/> Form 990               | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL            | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ            | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ **Mary Geras, Assistant Treasurer**

Telephone No. ▶ ( **212** ) **251-9751** FAX No. ▶ ( **212** ) **679-6998**

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15**, 20**11**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 20**10** or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_\_.

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$ <b>1,200,000</b>
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$ <b>1,200,000</b>
<b>c Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$ <b>0</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing your return. See instructions.	Name of exempt organization <b>The Wallace Foundation</b>	Employer identification number <b>13-6183757</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>5 Penn Plaza, 7th floor</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>New York, NY 10001</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **Mary Geras, Assistant Treasurer**  
 Telephone No. **212-251-9751** FAX No. **212-679-6996**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until **November 15**, 20 **11**.
- For calendar year **2010**, or other tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.
- If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- State in detail why you need the extension **The documents necessary to file a complete return have not be received.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	1,200,000
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	1,200,000
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	0

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Mary E. Geras** Title **Assistant Treasurer** Date **8/12/11**

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	52,965,502.	39,743,939.	39,743,939.
	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 the 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	1,396,293.	1,222,650.	1,222,650.
	10a Investments — U.S. and state government obligations (attach schedule) Statement 7	74,863,450.	88,179,142.	88,179,142.
	b Investments — corporate stock (attach schedule) Statement 8	954,599,301.	1,136,425,194.	1,136,425,194.
	c Investments — corporate bonds (attach schedule) Statement 9	190,253,232.	139,820,313.	139,820,313.
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment: basis 4,219,082				
Less: accumulated depreciation (attach schedule) See Stmt. 10 1,589,910	2,910,259.	2,629,172.	3,858,628.	
15 Other assets (describe See Statement 11)	2,844,817.	1,669,741.	1,669,741.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	1,279,832,854.	1,409,690,151.	1,410,919,607.	
LIABILITIES	17 Accounts payable and accrued expenses	1,300,927.	1,441,233.	
	18 Grants payable	32,384,083.	13,547,666.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe See Statement 12)	3,126,057.	5,853,137.	
	23 Total liabilities (add lines 17 through 22)	36,811,067.	20,842,036.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	1,243,021,787.	1,388,848,115.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	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)	1,243,021,787.	1,388,848,115.		
31 Total liabilities and net assets/fund balances (see the instructions)	1,279,832,854.	1,409,690,151.		

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	1,243,021,787.
2 Enter amount from Part I, line 27a	2	36,629,019.
3 Other increases not included in line 2 (itemize) See Statement 13	3	109,197,309.
4 Add lines 1, 2, and 3	4	1,388,848,115.
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	1,388,848,115.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a See Statement 15			
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	50,101,334.
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	60,927,202.	1,154,565,495.	0.052771
2008	77,762,781.	1,446,867,119.	0.053746
2007	77,536,719.	1,657,867,985.	0.046769
2006	72,457,980.	1,502,069,816.	0.048239
2005	66,452,792.	1,373,732,153.	0.048374

2 Total of line 1, column (d)	2	0.249899
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	0.049980
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,296,310,573.
5 Multiply line 4 by line 3	5	64,789,602.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	666,203.
7 Add lines 5 and 6	7	65,455,805.
8 Enter qualifying distributions from Part XII, line 4	8	46,933,035.

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. <input type="checkbox"/> 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. <input type="checkbox"/> and enter 1% of Part I, line 27b. . . . .		1	1,332,405.
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	1,332,405.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-). . . . .		4	0.
5 <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .		5	1,332,405.
6 Credits/Payments:			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010. . . . .	6a	1,200,000.	
b Exempt foreign organizations – tax withheld at source. . . . .	6b		
c Tax paid with application for extension of time to file (Form 8868). . . . .	6c		
d Backup withholding erroneously withheld. . . . .	6d		
7 Total credits and payments. Add lines 6a through 6d. . . . .		7	1,200,000.
8 Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached. . . . .		8	1,212.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .		9	133,617.
10 <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .		10	
11 Enter the amount of line 10 to be: <b>Credited to 2011 estimated tax</b> . . . . . <b>Refunded</b> . . . . .		11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		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 <b>Form 1120-POL</b> 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 <b>Form 990-T</b> for this year? . . . . .	X	
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) . . . . . NY		
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 <i>General Instruction G</i> ? <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

**Part VII-A Statements Regarding Activities (Continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions).....	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?.....	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?..... Website address..... <u>www.wallacefoundation.org</u>	13	X	
14	The books are in care of <u>Mary Geras, Director of Finance</u> Telephone no. <u>212-251-9700</u> Located at <u>5 Penn Plaza 7th Floor New York NY</u> ZIP + 4 <u>10001</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here..... N/A... <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year..... <u>15</u> N/A			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?..... See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u>Denmark</u>	16	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
1 a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?..... <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? ( <b>Exception.</b> Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did <b>any</b> 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..... <input type="checkbox"/>	1 b	X
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?.....	1 c	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?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer 'No' and attach statement - see the instructions.).....	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
3 a	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 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? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i> ).....	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?.....	4 a	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?.....	4 b	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 propoganda, 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)? . . . . .

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? . . . . .

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? . . . . .

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

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? . . . . .

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .

5b	N/A	
6b		X
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
See Statement 16				

**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
See Statement 17				

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

25

**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
See Statement 18		
-----		
-----		
-----		
-----		
<b>Total</b> number of others receiving over \$50,000 for professional services.....		26

**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>Financial management training and assistance to 26 non-profit organizations in Chicago that are Out of School Time providers for children and youth based on an assessment of their practices.</u>	1,066,526.
2 <u>Through conference presentations, webinars, print advertising and media outreach share Wallace research findings with non-grantee audiences who can use the findings to improve their own work.</u>	453,268.
3 <u>Technical assistance to 54 non-profit art organizations enabling them to gather data, conduct market research and improve staff activities for their efforts to increase attendance and participation.</u>	371,600.
4 <u>Commissioned case study evaluation of four Wallace Excellence Awards' art organization's participation building efforts.</u>	306,000.

**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 <u>N/A</u>	
2 -----	
All other program-related investments. See instructions.	
<b>Total.</b> Add lines 1 through 3.....	0.

BAA

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	1,255,910,673.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	56,282,042.
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	3,858,628.
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,316,051,343.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	1,316,051,343.
<b>4</b>	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	19,740,770.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	1,296,310,573.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	64,815,529.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	64,815,529.
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	1,332,405.
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	1,332,405.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	63,483,124.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	181,352.
<b>5</b>	Add lines 3 and 4	<b>5</b>	63,664,476.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	63,664,476.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc — total from Part I, column (d), line 26	<b>1a</b>	46,918,431.
<b>b</b>	Program-related investments — total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	14,604.
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	46,933,035.
<b>5</b>	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)	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	46,933,035.

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7.....				63,664,476.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only.....			30,100,367.	
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: ▶ \$ <u>46,933,035.</u>				
a Applied to 2009, but not more than line 2a.....			30,100,367.	
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.....				16,832,668.
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.....				46,831,808.
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.....				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) N/A

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling . . . . . ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> "Assets" alternative test—enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test—enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the 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 page 28 of the 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:  
The Wallace Foundation, General Management, 5 Penn Plaza, 7th Floor, New York, NY 10001 (212) 251-9700
  - b** The form in which applications should be submitted and information and materials they should include:  
Brief letter of inquiry describing proposed projects
  - c** Any submission deadlines:  
N/A
  - d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:  
Grants are primarily limited to Education Leadership, Out of School Time and Arts Learning. No grants are made to individuals.

**Part XV** Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Statement 19				
<b>Total</b> . . . . . ▶				<b>3a</b> 37,335,800
b <i>Approved for future payment</i> See Statement 19				
<b>Total</b> . . . . . ▶				<b>3b</b> 7,019,544







**THE WALLACE FOUNDATION**  
**13-6183757**  
**2010**

Index of Statements Attached to Return of Private Foundation (Form 990-PF)

- 1 Form 990-PF, Part I, Line 11, Other Income
- 2 Form 990-PF, Part I, Line 16a, Legal Fees
- 3 Form 990-PF, Part I, Line 16b, Accounting Fees
- 4 Form 990-PF, Part I Line 16c, Other Professional Fees
- 5 Form 990-PF, Part I, Line 18, Taxes
- 6 Form 990-PF, Part I, Line 23, Other Expenses
- 7 Form 990-PF, Part II, Line 10a, Investments- U.S. and State Government Obligation
- 8 Form 990-PF, Part II, Line 10b, Investments-Corporate Stock
- 9 Form 990-PF, Part II, Line 10c, Investments-Corporate Bonds
- 10 Form 990-PF, Part II, Line 14, Land, Buildings and Equipment Minus  
Accumulated Depreciation
- 11 Form 990-PF, Part II, Line 15, Other Assets
- 12 Form 990-PF Part II, Line 22, Other Liabilities
- 13 Form 990-PF, Part III, Line 3, Other Increases Not Included in Line 2, Part III
- 14 Form 990-PF, Part I, Line 19, Depreciation
- 15 Form 990-PF, Part IV, Line 1, Capital Gains and Losses for Tax on Investment Income
- 16 Form 990-PF, Part VIII, Line 1, Information about Officers, Directors, Trustees,  
Foundation Managers and their Compensation
- 17 Form 990-PF, Part VIII, Line 2, Compensation of Five Highest Paid Employees
- 18 Form 990-PF, Part VIII, Line 3, Five Highest Paid Independent Contractors for  
Professional Services
- 19 Form 990-PF, Part XV, Line 3a and 3b, Grants and Contributions  
Paid During the Year or Approved for Future Payment

THE WALLACE FOUNDATION  
13-6183757  
2010

For the fiscal year beginning January 1, 2010 and ending December 31, 2010

Form 990-PF, Part I, Line 11, Other Income

	Col. (a) Revenue and Expense Per Books	Unrelated Business Income	Col. (b) Income Excluded by Section 512, 513, or 514
Income (loss) from Form K-1, other than line 1:			
Amberbrook IV LLC	\$ (131,791)	14,156	(145,947)
Amberbrook V LLC	(350,526)	(464)	(350,062)
Baupost Value Partners, L.P.-IV	147,083	-	147,083
Commonfund Capital Natural Resources V, L.P.	10,954	(60,647)	71,601
Commonfund Capital Natural Resources VI, L.P.	(169,314)	(233,004)	63,690
Commonfund Capital Natural Resources VII, L.P.	(176,705)	(51,013)	(125,692)
CSFB Strategic Partners III, L.P.	219,030	(64,472)	244,754
CS Strategic Partners IV, L.P.	157,790	(25,724)	222,262
Denham Commodity Partners Fund V L.P.	(265,020)	(13,019)	(252,001)
European Strategic Partners	(272,034)	-	(272,034)
Farallon Capital Institutional Partners, L.P.	226,632	-	226,632
GrandBanks Capital Venture Fund II L.P.	(263,751)	-	(263,751)
Gryphon International EAFE Growth Fund	601,160	-	601,160
HarbourVest Partners VII-Buyout Holding Fund, L.P.	7,230	-	7,230
HarbourVest Partners VII-Venture Holding Fund, L.P.	(75,142)	-	(75,142)
Insight Venture Partners VI L.P.	(201,519)	-	(201,519)
J.C. Flowers II, L.P.	24,636	-	24,636
JCF II AIV E L.P.	(460)	-	(460)
JCF HRE AIV II Trust	(4,115)	-	(4,115)
JCF II Sidecar L.P.	(290)	-	(290)
Jupiter JCF AIV II Special L.P.	(2,469)	-	(2,469)
J.C. Flowers III, L.P.	(323,107)	-	(323,107)
JCF III AIV I L.P.	(2,025)	-	(2,025)
JCF III AIV SRV L.P.	(618)	-	(618)
OFI Institutional Emerging Market Equity Fund, L.P.	360,015	4,925	355,090
Pantheon USA Fund V, L.P.	(1,556)	(3,180)	1,624
Pantheon USA Fund VI, L.P.	(45,924)	(32,712)	(13,212)
Providence Equity Partners VI (Umbrella U.S.) L.P.	(61,716)	(47,070)	(14,646)
Providence Equity VI Credit L.P.	114,141	(412)	114,553
Providence Equity Partners VI International L.P.	(42,202)	-	(42,202)
Security Capital Preferred Growth LLC	861,038	-	861,038
The Silchester International Investors Tobacco Free International Value Equity Trust	2,681,261	-	2,681,261
Updata Partners IV, L.P.	(219,763)	(524)	(219,239)
The Varde Fund IX L.P.	1,347,396	(147)	1,347,543
Walton Street Real Estate Fund V L.P.	(122,170)	(4,169)	(118,001)
Walton Street Real Estate Fund VI L.P.	(3,278)	(9,756)	6,478
Wellington Trust Company, National Association Multiple Common Trust Funds Trust:	383,622	-	383,622
-Capital Energy Portfolio	563,608	-	563,608
	<u>4,970,101</u>	<u>(527,232)</u>	<u>5,497,333</u>

**THE WALLACE FOUNDATION**  
**13-6183757**  
**2010**

For the fiscal year beginning January 1, 2010 and ending December 31, 2010

Form 990-PF, Part I, Line 11, Other Income

	Col. (a) Revenue and Expense Per Books	Unrelated Business Income	Col. (b) Income Excluded by Section 512, 513, or 514
Income (loss) as reported on Form K-1 line 1 & 2 - Ordinary income (loss) from trade or business activities:			
Amberbrook IV LLC	(3,832)	(3,602)	(230)
Amberbrook V LLC	(10,805)	1,924	(12,729)
Baupost Value Partners, L.P.-IV	19,748	17,489	2,259
Commonfund Capital Natural Resources V, L.P.	13,477	24,884	(11,407)
Commonfund Capital Natural Resources VI, L.P.	(393)	6,808	(7,201)
Commonfund Capital Natural Resources VII, L.P.	(63,947)	(64,263)	316
CSFB Strategic Partners III, L.P.	14,798	54,085	(39,287)
CS Strategic Partners IV, L.P.	(30,422)	33,831	(64,253)
Denham Commodity Partners Fund V L.P.	155,215	(4,673)	159,888
Farallon Capital Institutional Partners, L.P.	1,883,480	-	1,883,480
HarbourVest Partners VII-Buyout Holding Fund, L.P.	2	-	2
Pantheon USA Fund V, L.P.	1,282	974	308
Pantheon USA Fund VI, L.P.	(9,563)	(11,682)	2,119
Providence Equity Partners VI (Umbrella U.S.) L.P.	(56,847)	(56,847)	-
Providence Equity Partners VI L.P.	(20,183)	(20,183)	-
The Varde Fund IX L.P.	(155,437)	(50,482)	(104,955)
Walton Street Real Estate Fund V L.P.	(324,535)	(254,575)	(69,960)
Walton Street Real Estate Fund VI L.P.	(559,913)	(505,814)	(54,099)
	<b>852,125</b>	<b>(832,126)</b>	<b>1,684,251</b>
Class action settlements for securities previously held	120,807	0	120,807
<b>Grand Total</b>	<b>\$5,943,033</b>	<b>(1,359,358)</b>	<b>7,302,391</b>

**THE WALLACE FOUNDATION**  
**13-6183757**  
**2010**

**Statements 2,3,4**

For the fiscal year beginning January 1, 2010 and ending December 31, 2010

Form 990-PF, Part I, Line 16, a, b, c: Legal Fees, Accounting Fees and Other Professional Fees

<u>Line</u>	<u>Statement</u>	<u>Type of Service</u>	<u>Col (a)</u> <u>Per Books</u>	<u>Col (b)</u> <u>Inv.-Related</u>	<u>Col(d)</u> <u>Disbursements for</u> <u>Charitable Purposes</u> <u>(Cash Basis Only)</u>
16 a	2	Legal Fees	\$ 50,176	30,352	18,380
		Related Disbursements	855	1	854
		<b>Total Legal Fees</b>	<b>\$ 51,031</b>	<b>30,353</b>	<b>19,234</b>
16 b	3	Accounting Fees			
		<b>Audit/Tax Fees</b>	<b>\$ 102,030</b>	<b>51,015</b>	<b>40,715</b>
16 c	4	Other Professional Fees			
		Investment Fees	\$ 4,968,117	4,922,310	-
		General Consultants	191,505	10,404	173,118
		Recruiting Fees	185,664	9,283	174,826
		Communications	279,738	-	273,190
		Program Development	85,914	-	91,494
			<b>\$ 742,821</b>	<b>19,687</b>	<b>712,628</b>
		Direct Charitable Activities			
		Dissemination	453,268	-	398,031
		Technical Assistance to Grantees	1,438,126	-	751,570
		Grantee Conferences	-	-	2,941
		Research and Evaluation	306,000	-	306,000
			<b>\$ 2,197,394</b>	<b>-</b>	<b>1,458,542</b>
		<b>Total Other Professional Fees</b>	<b>\$ 7,908,331</b>	<b>4,941,997</b>	<b>2,171,170</b>

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Form 990-PF, Part I, Line 18, Taxes

<u>Description</u>	<u>Col. (a)</u> <u>Revenue and</u> <u>Expense Per Books</u>	<u>Col.(b)</u> <u>Net Investment</u> <u>Income</u>
Federal excise tax and UBIT	\$ 210,966	-
Foreign taxes	<u>545,344</u>	<u>545,089</u>
<b>Total Taxes</b>	<b><u>\$ 756,310</u></b>	<b><u>545,089</u></b>

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Form 990-PF, Part I, Line 23, Cols. a, b &amp; d - Other Expenses

Description	Col (a) Per Books	Col (b) Inv-Related	Col. (d) Disbursements for Charitable purposes (Cash Basis Only)
<b>Operating Expenses:</b>			
Insurance	\$ 132,068	\$ 14,177	114,951
Computer Software, Maintenance and Parts	167,950	17,197	143,408
Office Management	60,400	6,484	55,538
Training Courses	11,111	-	11,667
NY State Filing Fee	1,500	-	1,500
Subtotal	<u>373,029</u>	<u>37,858</u>	<u>327,064</u>
<b>Direct Charitable Activities</b>			
Dissemination	<u>13,397</u>	<u>-</u>	<u>9,073</u>
<b>Total Other Expenses</b>	<u>\$ 386,426</u>	<u>37,858</u>	<u>336,137</u>

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Part II, Line 10a - Investments

Description	Interest Rate	Maturity Date	Par Value	Fair Market Value
<b>U.S. Agency Obligations:</b>				
Federal Home Loan PC Pool 1L1242	5.45	02/01/2036	876,397.88	\$ 931,023.76
Federal Home Loan PC Pool 1Q0723	5.61	01/01/2038	133,418	141,111
Federal National Mortgage Association 2009 M2 A1	2.39	01/25/2019	1,133,603	1,157,643
Federal National Mortgage Association 2010 M1 A2	4.45	09/25/2019	650,000	669,591
Federal National Mortgage Association Pool 462014	5.26	07/01/2015	396,495	432,608
Federal National Mortgage Association Pool 888395	4.70	07/01/2034	145,401	153,234
Federal National Mortgage Association Pool AE0446	4.09	9/1/2020	424,649.79	428,514
Small Business Admin 2008 20J Partn CTF	5.63	10/01/2028	670,021.23	738,035.09
Small Business Admin 2009 20C Partn CTF CL 1	4.66	03/01/2029	282,421.05	295,364.41
Small Business Admin 2008 20H Partn CTF	6.02	08/01/2028	1,718,971.77	1,912,012.30
Small Business Admin 2007 20K Partn CTF CL 1	5.51	11/01/2027	232,320.23	252,048.86
Small Business Admin 2008 20I Partn CTF CL 1	5.60	09/01/2028	1,785,709.98	1,927,316.78
Small Business Admin 2005 20K Partn CTF	5.36	11/01/2025	693,580.87	748,346.02
Small Business Admin Gtd Dev 2004 20 I CL 1 Partn CT	4.99	09/01/2024	374,890.74	399,952.19
<b>Total for U.S. Agency Obligations:</b>				<b><u>10,186,801</u></b>
<b>U.S. Government Obligations:</b>				
United States Treasury Principal Strip	-	11/15/2027	12,900,000	6,181,035
United States Treasury Bond	3.63	4/15/2028	946,526.00	1,221,832.55
United States Treasury Bond	2.38	1/15/2025	116,024.00	129,112.67
United States Treasury Bond	2.50	1/15/2029	814,912.00	924,672.50
United States Treasury Bond	4.75	2/15/2037	7,000,000.00	7,522,830.00
United States Treasury Principal Strip	-	5/15/2030	35,000,000.00	14,822,850.00
United States Treasury Principal Strip	0.01	5/15/2037	11,000,000.00	3,342,350.00
United States Treasury Principal Strip	0.01	5/15/2039	32,300,000.00	8,782,693.00
United States Treasury Bond	7.13	2/15/2023	5,700,000.00	7,655,841.00
United States Treasury Bond	4.50	2/15/2036	6,000,000.00	6,211,860.00
United States Treasury Note/Bond	4.25	11/15/2040	576,000.00	566,640.00
United States Treasury Note	3.13	5/15/2019	206,000.00	208,173.30
United States Treasury Note/Bond	4.63	2/15/2040	600,000.00	628,500.00
United States Treasury Note/Bond	4.38	5/15/2040	13,079,000.00	13,142,302.36
United States Treasury Bond	4.25	5/15/2039	6,400,000.00	6,305,024.00
Treasury Bill	0.01	3/10/2011	299,000.00	298,865.86
<b>Total for U.S. Government Obligations:</b>				<b><u>77,944,582</u></b>
Receivable for Investments Sold, Net				47,759
<b>Total for U.S. Agency &amp; Government Obligations:</b>				<b><u>\$ 88,179,142</u></b>

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Part II, Line 10b - Investments

Description	Shares	Fair Market Value
<b>Common Stock:</b>		
Abaxis Inc	8,400	\$ 225,540
Accenture PLC	48,304	2,342,261
Access Integrated Technologies (Warrants)	2,158	-
Adecco SA Reg	29,172	1,916,946
Aflac Inc	24,950	1,407,929
Afren PLC	84,200	194,578
African Minerals Ltd	18,800	123,918
AG Growth International Inc	6,200	315,456
Agnico Eagle Mines Ltd	7,700	590,590
Allergan Inc	10,498	720,898
Alliant Techsystems Inc	4,249	316,253
Alpha Natural Resources Inc	17,700	1,062,531
Amazon.com Inc	8,616	1,550,880
American Express Co	38,836	1,666,841
American Medical Sys Hldgs	28,100	529,966
American Science & Engineering	1,400	119,322
American States Water Co	7,800	268,866
American Tower Corp	31,753	1,639,725
Amsurg Corp	10,100	211,595
Anadarko Petroleum Corp	16,100	1,226,176
Antofagasta PLC	6,700	169,097
Aon Corp	24,700	1,136,447
Apache Corp	3,900	464,997
Apple Inc	5,509	1,776,983
Applied Industrial Tech Inc	1,100	35,728
Aptargroup Inc	29,600	1,408,072
Arch Capital Group Ltd	20,753	1,827,302
Astec Industries Inc	3,300	106,953
BAE Systems PLC	90,522	467,695
Balchem Corp	8,350	282,314
Ball Corp	20,650	1,405,233
Bank Of Hawaii Corp	6,200	292,702
BB&T Corp	47,750	1,255,348
Berry Petroleum Co	15,000	655,500
BHP Billiton	16,400	655,012
Big Lots Inc	59,100	1,800,186
Blackbaud Inc	17,800	461,020
Blackrock Inc	5,800	1,105,364
Boston Beer Company Inc	4,800	456,432
Brigham Exploration Co	42,300	1,152,252
Brinker International Inc	12,300	256,824
Brit Insurance Holdings NV	29,646	483,647
Brookline Bancorp Inc	21,800	236,530
Brown & Brown Inc	8,600	205,884
Cabot Oil & Gas Corp	15,100	571,535
Cameron International Corp	18,800	953,724
Capella Education Co	4,100	272,978
Carbo Ceramics Inc	9,050	937,037
Carlsberg	5,108	513,572
Carpwright PLC	30,213	377,951
Celgene Corp	37,111	2,194,745
Chart Industries Inc	7,500	253,350



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Part II, Line 10b - Investments

<b>Description</b>	<b>Shares</b>	<b>Fair Market Value</b>
Church & Dwight Co Inc	16,950	1,169,889
Cimarex Energy Co	7,300	646,269
Clarcor Inc	21,500	922,135
CME Group Inc	7,144	2,298,582
Coca-Cola	30,600	2,012,562
Cognizant Tech Solutions	30,263	2,217,975
Compass Group PLC	255,190	2,321,318
Compass Minerals International Inc	16,800	1,499,736
Computer Modelling Group Ltd	10,200	264,588
Con-way Inc	28,550	1,044,074
Concho Resources Inc	22,400	1,963,808
Conocophillips	43,100	2,935,110
Consol Energy Inc	15,700	765,218
Copart Inc	4,700	175,545
Covidien	27,200	1,241,952
Covidien PLC	44,549	2,034,107
Credit Saison Co Ltd	61,200	1,007,361
Crown Holdings Inc	58,120	1,940,046
Cullen Frost Bankers Inc	6,400	391,168
CVS Caremark Corp	15,000	521,550
Daiwa Securities Group Inc	146,700	756,064
Darling International Inc	9,400	124,832
Del Monte Foods Co	88,700	1,667,560
Denbury Resources Inc	28,695	547,788
Dentsply International Inc	10,100	345,117
Devon Energy Corporation	21,360	1,676,974
Diageo	77,526	1,438,337
Dime Community Bancshares Inc	19,800	288,882
Dionex Corp	5,500	649,055
DIRECTV Holdings, LLC	38,766	1,547,926
Dominion Resources Inc	39,450	1,685,304
Donaldson Co Inc	14,800	862,544
Dow Chemical	39,750	1,357,065
Dril-Quip Inc	7,200	559,584
Duke Energy Corp	72,796	1,296,497
El Paso Corp	118,500	1,630,560
Expeditors Intl Wash Inc	29,477	1,609,444
Experian PLC	239,532	2,992,687
Exponent Inc	11,200	420,336
FactSet Research Systems Inc	5,500	515,680
First Financial Bankshares Inc	3,400	174,012
First Quantum Minerals Ltd	3,100	336,940
First Solar Inc	10,697	1,392,108
Flowers Foods Inc	8,900	239,499
FMC Corp	12,270	980,250
Forrester Research Inc	7,100	250,559
Fortune Brands Inc	25,950	1,563,488
Forward Air Corporation	8,000	227,040
Freeport-McMoRan Copper & Gold Inc	8,300	996,747
Gemalto	13,606	581,271
General Maritime Corp	17,900	58,175
Genon Energy Inc	261,840	997,610
Gentex Corp	13,900	410,884

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Part II, Line 10b - Investments

<b>Description</b>	<b>Shares</b>	<b>Fair Market Value</b>
Givaudan SA	351	379,958
Goldcorp Inc	11,700	537,966
Goldman Sachs Group Inc	10,950	1,841,352
Graco Inc	5,700	224,865
Grande Cache Coal Corp	21,100	222,329
Green Plains Renewable Energy	3,400	38,284
Greenhill & Co Inc	3,000	245,040
Groupe Bruxelles Lambert	5,549	468,468
GT Solar International Inc	24,200	220,704
Gulfport Energy Corp	11,500	248,975
Guoco Group Ltd	107,000	1,420,491
Haemonetics Corp	11,400	720,252
Halliburton Co	36,700	1,498,461
Hanover Insurance Group Inc	5,300	247,616
Harleysville Group Inc	7,200	264,528
Hawkins Inc	3,300	146,520
Healthcare Services Group	26,625	433,189
HeidelbergCement AG	19,524	1,228,425
Henry Schein Inc	11,100	681,429
Heritage Oil PLC	16,900	118,724
Hibbett Sports Inc	9,700	357,930
Hillenbrand Inc	11,100	230,991
Holly Corp	9,600	391,392
Home Depot Inc	27,600	967,656
Home Retail Group	35,039	103,409
Honeywell International Inc	37,300	1,982,868
IAMGOLD CORP	35,000	623,000
ICON PLC	21,507	471,003
IDEXX Laboratories Inc	10,700	740,654
Immucor Inc	11,850	234,986
Infinity Property & Casualty Corp	3,700	228,660
Intrepid Potash Inc	16,900	630,201
Intuitive Surgical Inc	5,616	1,447,524
J&J Snack Foods Corp	5,400	260,496
JC Penney Inc	68,200	2,203,542
Jack Henry & Associates Inc	7,600	221,540
Johnson Controls Inc	45,700	1,745,740
Joy Global Inc	5,550	481,463
Kao Corp	9,100	245,494
Key Energy Services Inc	27,300	354,354
Kinross Gold Corp	40,465	747,482
Koninklijke Ahold	128,236	1,692,124
Lancashire Holdings Ltd	63,817	552,531
Lancaster Colony Corp	4,500	257,400
Landauer Inc	3,800	227,886
Layne Christensen Co	9,200	316,664
Lincoln Electric Holdings Inc	2,100	137,067
Lindsay Corp	5,700	338,751
Lloyds Banking Group PLC	950,144	977,349
Louisiana Pacific Corp	30,900	292,314
Lowe's Cos Inc	68,500	1,717,980
LSB Industries Inc	8,000	194,080
Lufkin Industries Inc	7,700	480,403

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Part II, Line 10b - Investments

<b>Description</b>	<b>Shares</b>	<b>Fair Market Value</b>
Major Drilling Group Intl	9,000	378,743
Mantech International Corp	10,100	417,433
Marathon Oil Corp	54,950	2,034,799
Masco Corp	84,030	1,063,820
Massey Energy Co	9,000	482,850
Matthews Intl Corp	9,200	321,816
Meitec Corp	7,732	165,594
Merck Co Inc	64,659	2,330,310
Meridian Bioscience Inc	11,900	275,604
Metlife Inc	26,000	1,155,440
Micros Systems Inc	20,100	881,586
Microsoft Corp	72,950	2,036,764
Mitsubishi UFJ Financial Group	221,000	1,196,215
Modtech Holdings Inc	25,526	-
Molson Coors Brewing Co	12,750	639,923
Monsanto Co	18,150	1,263,966
Murphy Oil Corp	4,400	328,020
MWI Veterinary Supply Inc	7,900	498,885
Nabors Industries Ltd	13,400	314,364
Natural Gas Services Group	13,100	247,721
NCI Inc	9,100	209,209
Nestle	15,082	885,892
New Jersey Resources Corp	9,350	403,079
Newfield Exploration Co	16,800	1,211,448
Newmont Mining Corp	27,650	1,698,540
Noble Energy Inc	5,600	482,048
Nordson Corp	6,500	597,220
Northern Oil And Gas Inc	9,900	269,379
Northwest Natural Gas Co	4,000	185,880
Novartis	29,311	1,727,969
Occidental Petroleum Corp	34,222	3,357,178
Oceaneering Intl Inc	13,300	979,279
Oneok Inc	30,650	1,700,156
Oracle Corp	67,230	2,104,299
Osisko Mining Corp	38,600	564,054
Owens Corning	42,500	1,323,875
Owens Illinois Inc	63,630	1,953,441
Pacific Rubiales Energy Corp	19,700	669,124
Packaging Corp Of America	32,450	838,508
Panalpina Welttransport	9,713	1,255,677
Pargesa Holding SA	20,414	1,738,946
Patterson Cos Inc	14,200	434,946
Peabody Energy Corp	6,100	390,278
Pepsico Inc	46,150	3,014,980
PetMed Express Inc	10,800	192,348
Petrohawk Energy Corp	32,800	598,600
Pfizer Inc	158,951	2,783,232
Pharmaceutical Prod Dev Inc	16,400	445,096
PICO Holdings Inc	3,700	117,660
Pioneer Natural Resources Co	10,900	946,338
Polaris Industries Inc	5,100	397,902
Potash Corp Of Saskatchewan	3,700	572,871
Praxair Inc	16,465	1,571,914

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Part II, Line 10b - Investments

Description	Shares	Fair Market Value
Priceline.com Inc	4,308	1,721,261
PSS World Medical Inc	10,300	232,780
Publicis Groupe	32,701	1,710,932
QEP Resources Inc	18,800	682,628
Qinetiq PLC	634,821	1,292,080
Qualcomm Inc	69,194	3,424,411
Quality Systems Inc	5,300	370,046
Quanta Services Inc	65,368	1,302,131
Randgold Resources Ltd	4,700	386,951
Raven Industries Inc	8,200	391,058
Raytheon Company	35,200	1,631,168
Reed Elsevier	173,470	1,470,679
Republic Services Inc	58,262	1,739,703
Research In Motion	46,384	2,696,302
Resolute Energy Corp	17,900	264,204
Ritchie Bros Auctioneers	18,400	424,120
RLI Corp	5,800	304,906
Robbins & Myers Inc	7,000	250,460
Rofin Sinar Technologies Inc	3,200	113,408
Rollins Inc	31,125	614,719
Royal Dutch Shell PLC	33,563	1,113,505
Ruddick Corp	21,000	773,640
Safety Insurance Group Inc	5,600	266,392
Safeway Inc	81,050	1,822,815
Sally Beauty Holdings Inc	25,950	377,054
Sankyo Co Ltd	16,000	904,507
Sanofi Aventis	65,150	2,099,785
Sara Lee Corp	105,240	1,842,752
Savills PLC	129,773	784,678
Schlumberger Ltd	14,100	1,177,350
Schwab (Charles) Corp	41,650	712,632
Seadrill Ltd	15,800	536,045
Seino Holdings Co Ltd	27,000	185,759
Sensient Technologies Corp	5,700	209,361
Signet Jewelers Ltd	54,823	2,379,318
Silgan Holdings Inc	7,300	261,413
Sirona Dental Systems Inc	10,000	417,800
SM Energy Co	6,100	359,473
Sodexo	20,935	1,448,362
Solera Holdings Inc	20,200	1,036,664
South Jersey Industries	6,600	348,612
Southwestern Energy Co	23,646	885,070
SPDR Gold Shares	4,100	568,752
Steel Dynamics Inc	17,000	311,100
Strayer Education Inc	2,100	319,662
T Rowe Price Group Inc	35,058	2,262,643
Tamedia	2,276	303,027
TE Connectivity Ltd	62,693	2,219,332
Techne Corp	2,900	190,443
Teck Resources Ltd	6,400	395,712
Television Francaise (T.F.1)	31,840	555,295
Terex Corp	8,600	266,944
Texas Instruments Inc	39,350	1,278,875

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Part II, Line 10b - Investments

Description	Shares	Fair Market Value
Thomas & Betts Corp	28,650	1,383,795
TJX Companies Inc	32,350	1,436,017
Toro Co	3,800	234,232
Total	25,572	1,360,238
Tractor Supply Company	10,200	494,598
Trimble Navigation Ltd	10,400	415,272
Unihair Co Ltd	26,100	350,768
Unilever PLC	39,302	1,213,646
United Stationers Inc	5,300	338,193
USG Corp	41,450	697,604
Vale	13,000	449,410
Validus Holdings Ltd	6,600	202,026
Valmont Industries	4,700	417,031
VCA Antech Inc	6,100	142,069
Vedanta Resources PLC	7,033	277,152
Viacom Inc	48,900	1,936,929
Viewpoint Financial Group	18,460	215,797
Visa Inc	24,258	1,707,278
Vodafone Group PLC	78,400	2,072,112
Wabtec Corp	12,900	682,281
Walter Energy Inc	3,400	434,656
Waste Management Inc	44,700	1,648,089
Weatherford Intl Ltd	47,500	1,083,000
Wells Fargo & Co	64,800	2,008,152
West Pharmaceutical Services	5,900	243,080
Westamerica Bancorporation	10,800	599,076
Westfield Financial Inc	22,500	208,125
Weyerhaeuser Co	53,382	1,010,521
Whiting Petroleum Corp	5,400	632,826
Williams Cos Inc	75,700	1,871,304
Wright Medical Group Inc	4,500	69,885
Xstrata PLC	33,900	799,053
Yanzhou Coal Mining Co	6,000	18,331
Yum Brands Inc	33,585	1,647,344
Zebra Technologies Corp	13,575	515,714
<b>Total for Common Stock:</b>		<b><u>261,308,538.01</u></b>
<b>Preferred Stock:</b>		
DG Funding Trust Frn	103	<b><u>786,332</u></b>
<b>Mutual Funds - Equity:</b>		
DFA Investment Dimensions Group Inc.:		
- Emerging Markets Value Portfolio	1,891,093	<b><u>68,381,924</u></b>

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Part II, Line 10b - Investments

<b>Description</b>	<b>Fair Market Value</b>
<b>U.S. Limited Partnerships, Corporations and Trusts:</b>	
Amberbrook IV LLC	5,663,997
Amberbrook V LLC	16,811,645
Baupost Value Partners, L.P.-IV	36,770,892
Commonfund Capital Natural Resources Partners V, L.P.	6,663,682
Commonfund Capital Natural Resources Partners VI, L.P.	9,688,427
Commonfund Capital Natural Resources Partners VII, L.P.	4,825,415
CS Strategic Partners IV L.P.	15,548,752
CSFB Strategic Partners III, L.P.	17,643,994
Denham Commodity Partners Fund V L.P.	5,155,804
Farallon Capital Institutional Partners, L.P.	62,983,909
Farallon FCIP Ltd	62,371
Grandbanks Capital Venture Fund II L.P.	3,165,211
Gryphon International EAFE Growth Fund	52,203,885
HarbourVest Partners VII-Buyout Holding Fund, L.P.	4,716,927
HarbourVest Partners VII-Venture Holding Fund, L.P.	3,542,292
OFI Institutional Emerging Markets Equity Fund, L.P.	42,585,201
Pantheon USA Fund V, L.P.	7,422,354
Pantheon USA Fund VI, L.P.	12,197,474
Providence Equity Partners VI (Umbrella U.S.) L.P.	351,261
Providence Equity Partners VI L.P.	9,991,466
Realty Associates Fund VII Corporation	11,496,474
Security Capital Preferred Growth LLC	24,248,967
The Silchester International Investors Tobacco Free International Value Equity Trust	67,370,964
The Varde Fund IX L.P.	43,390,965
Udata Partners IV L.P.	3,685,719
Walton Street Real Estate Fund V, L.P.	8,296,037
Walton Street Real Estate Fund VI, L.P.	6,744,770
Wellington Trust Company, National Association Multiple Common Trust Funds Trust:	
- Capital Appreciation Portfolio	18,169,061
- Energy Portfolio	39,834,717
<b>Total for U.S. Limited Partnerships, Corporations and Trusts:</b>	<b>541,232,632</b>
<b>Non-U.S. Limited Partnerships, Corporations and Trusts :</b>	
Archstone Offshore Fund, Ltd.	51,316,221
HarbourVest Partners VIII Cayman Buyout Fund, L.P.	4,402,557
HarbourVest Partners VIII Cayman Venture Fund, L.P.	8,895,567
HSH Cayman Parters L.P.	192,813
Insight Venture Partners (Cayman) VI, L.P.	9,720,617
J.C. Flowers II, L.P.	3,629,178
J.C. Flowers III, L.P.	(10,144)
JCF HRE AIV II 2 Trust	9,470
JCF II AIV E L.P.	53,648
JCF II Sidecar L.P.	43,347
JCF II Special AIV K L.P.	197,667
JCF II Special AIV S L.P.	63,122
JCF III AIV I L.P.	2,245,977
JCF III AIV II LP	2,245,596
JCF III AIV SRV LP	109,233
Jupiter JCF AIV II Special L.P.	1,378,525
Paulson Advantage Plus Ltd-Class A 2009	35,444,593

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For the fiscal year beginning January 1, 2010 and ending December 31, 2010

Part II, Line 10b - Investments

<b>Description</b>	<b>Fair Market Value</b>
Paulson Credit Opportunities Ltd-Class A	40,692,043
Providence Equity Partners Credit I L.P.	1,575,432
Providence Equity Partners VI International L.P.	3,023,912
European Strategic Partners 2006 'B'	13,497,410
Wellington Management Investors (Bermuda), Ltd. Terrebonne Class A Shares	24,007,434
York Credit Opportunities Unit Trust	61,951,274
<b>Total for Non-U.S. Limited Partnerships, Corporations and Trusts:</b>	<b>264,685,493</b>
Receivable for Investments Sold, Net	30,275
<b>Grand Total for All Corporate Stock</b>	<b>\$ 1,136,425,194</b>

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For the fiscal year beginning January 1, 2010 and ending December 31, 2010

Part II, Line 10c - Investments

Description	Interest Rate	Maturity Date	Par Value	Fair Market Value
<b>Corporate Bonds:</b>				
ACE INA Hldg Inc	5.70	2/15/2017	880,000	\$ 964,902
Alabama Pwr Co	6.00	3/1/2039	361,000	400,497
Amgen Inc	6.40	2/1/2039	463,000	533,200
Anheuser Busch Inbev Worldwide Inc	1.03	3/26/2013	1,035,000	1,044,387
Banc Amer Coml Mtg Tr	5.31	10/10/2045	1,480,000	1,507,278
Bank Amer Corp Medium Term	2.10	4/30/2012	1,707,000	1,742,437
Bank Amer Fdg Corp	5.65	5/1/2018	1,215,000	1,241,451
Bank Of America Credit Card Tr	1.46	12/16/2013	1,316,000	1,323,011
Bank Of America Credit Card Tr	0.28	3/15/2014	924,000	922,663
Bank Of New York Mellon	4.60	1/15/2020	1,000,000	1,049,270
Bellsouth Cap Fdg Corp	7.12	7/15/2097	890,000	931,590
Berkshire Hathaway Fin Corp	4.60	5/15/2013	710,000	763,704
Blackstone Holdings FINA	6.63	8/15/2019	849,000	872,721
Boeing Co	7.95	8/15/2024	1,120,000	1,456,795
Canadian Pac Forest Prods Ltd	4.65	7/15/2037	1,220,000	1,258,012
Caterpillar Inc	7.90	12/15/2018	308,000	396,414
CDP Financial	5.60	11/25/2039	624,000	648,561
Cellco Part/ Verizon Wireless	3.75	5/20/2011	550,000	556,743
Citibank Credit Card Issuance	5.45	5/10/2013	375,000	381,563
Citicorp Pass Thru Tr	8.04	12/15/2019	674,000	774,466
Citigroup Inc	6.38	8/12/2014	375,000	414,454
CVS Pass Through Trust	8.35	7/10/2031	448,908	534,703
CVS Pass Through Trust	7.51	1/10/2032	327,759	372,413
Dominion Res Inc	5.25	8/1/2033	1,275,000	1,403,495
FMR Corp	7.49	6/15/2019	622,000	711,151
FMR Corp	4.75	3/1/2013	303,000	318,217
GE Capital Credit Card Master	0.30	3/15/2015	752,000	748,245
General Elec Cap Corp	5.63	5/1/2018	1,000,000	1,090,510
Glaxosmithline Cap Inc	4.85	5/15/2013	545,000	591,761
GMAC LLC	1.75	10/30/2012	1,011,000	1,028,905
Goldman Sachs Group Inc	5.95	1/18/2018	374,000	405,745
Goldman Sachs Group Inc	7.50	2/15/2019	641,000	747,400
Greenwich Capital Commercial	5.22	4/10/2037	695,000	737,503
Hidden Ridge Facility	5.65	1/1/2022	370,000	384,800
Household Fin Corp	7.00	5/15/2012	959,000	1,028,949
HSBC Bk Plc Global	0.05	9/26/2011	172,538	864,997
IBM Corp	5.60	11/30/2039	388,000	422,738
Jackson Natl Life Global Fdg	5.38	5/8/2013	405,000	434,435
JDOT 2010 A A2	0.72	7/16/2012	940,000	940,666
JP Morgan Chase Coml Mtg	4.90	9/12/2037	980,000	1,037,936
JP Morgan Chase Coml Mtg Secs	4.82	9/12/2037	1,490,000	1,507,629
JP Morgan Chase & Co	6.40	5/15/2038	927,000	1,051,394
Kentucky Asset / Liability Commisison	3.17	4/1/2018	850,000	816,187
Lehman Bros Hldgs Inc	1.00	11/29/2049	480,000	48
Lockheed Martin Corp	4.12	3/14/2013	986,000	1,047,842
Los Angeles Calif Uni Sch Dist	5.75	7/1/2034	450,000	420,314



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Part II, Line 10c - Investments

<b>Description</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Par Value</b>	<b>Fair Market Value</b>
Marathon Oil Corp	6.00	10/1/2017	553,000	628,075
Merrill Lynch Mtg Tr	4.96	7/12/2038	219,631	223,772
Metropolitan Transportation Authority NY	5.87	11/15/2039	610,000	549,799
Midamerican Energy Hldgs Co N	5.75	4/1/2018	800,000	901,480
Morgan Stanley	6.00	4/28/2015	655,000	709,365
Morgan Stanley Group Inc	6.63	4/1/2018	393,000	426,315
NASDAQ OMX Group	5.55	1/15/2020	440,000	444,563
New York Life Global Fdg I	0.26	4/1/2011	790,000	789,755
New York State Urban Development Corp	5.77	3/15/2039	400,000	395,584
News America Hldgs Inc	8.15	10/17/2036	380,000	465,485
News Amerca Inc	6.75	1/9/2038	595,000	633,586
Norfolk Southn Corp	6.00	3/15/2105	803,000	747,031
NSTAR Elec Co	4.50	11/15/2019	358,000	371,149
NSTAR Elec Co	5.63	11/15/2017	411,000	459,773
Pepsico Inc	3.75	3/1/2014	557,000	589,468
Procter & Gamble Co	8.00	9/1/2024	398,000	528,162
Prudential Hldgs Llc	8.70	12/18/2023	525,000	625,517
Pub Svc Elec & Gas	2.70	5/1/2015	1,275,000	1,286,348
Quebec Prov Cda Mtn	6.35	1/30/2026	715,000	858,329
Rabobank Nederland	5.80	9/30/2110	600,000	548,322
Raytheon Company	4.40	2/15/2020	611,000	624,790
Royal Bank Of Canada	3.13	4/14/2015	820,000	839,934
Shell International Fin B V	5.50	3/25/2040	465,000	498,159
Simon Property Group LP	6.75	2/1/2040	902,000	1,027,225
Southwest Airlines	6.15	2/1/2024	314,154	345,569
Texas St	5.52	4/1/2039	395,000	402,260
Time Warner Cable Inc	8.25	4/1/2019	330,000	409,916
Toyota Auto Receivables Owner	0.75	5/15/2012	1,120,000	1,121,096
Union Pacific Corp	4.00	2/1/2021	420,000	413,994
Valero Energy Corp	6.13	2/1/2020	394,000	418,456
Wachovia Bk Coml Mtg Tr	5.29	12/15/2044	461,000	472,989
Wachovia Corporation	7.57	8/1/2026	1,235,000	1,410,741
Wal Mart Stores Inc	5.25	9/1/2035	313,000	314,988
Wal Mart Stores Inc	4.88	7/8/2040	460,000	438,237
West Corp Federal Credit Union	1.75	11/2/2012	701,000	713,674
XCEL Energy Inc	4.70	5/15/2020	915,000	941,993
<b>Total for Corporate Bonds:</b>			<b>60,407,997</b>	

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Part II, Line 10c - Investments

<b>Description</b>	<b>Fair Market Value</b>
<b>Mutual Funds - Fixed Income:</b>	
The PIMCO Funds:	
- Asset-Backed Securities Portfolio	1,862,638
- Emerging Markets Portfolio	2,805,105
- High Yield Portfolio	1,578,180
- International Portfolio	6,744,354
- Investment Grade Corp Portfolio	21,441,126
- Mortgage Portfolio	3,172,818
- U.S. Government Sector Portfolio	26,803,704
- Developing Local Markets Portfolio	655,009
DFA Investment Dimensions Group Inc:	
- DFA One -Year Fixed Income Portfolio	5,253,882
BlackRock Funds II:	
- BlackRock Inflation Protected Bond Porfolio	5,399,179
<b>Total for Mutual Funds - Fixed Income:</b>	<u>75,715,994</u>
<b>U.S. Limited Liability Corporation:</b>	
JP Morgan Structured Debt Fund, LLC	<u>3,696,322</u>
<b>Grand Total for All Bonds</b>	<u><u>\$ 139,820,313</u></u>

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Form 990-PF, Part II, Line 14, Land, buildings, and equipment minus accumulated depreciation

<u>Description of the Property</u>	<u>(a) Cost</u>	<u>(b) Accumulated Depreciation</u>	<u>(a)-(b)=(c) Fair Market Value</u>
Leasehold Improvements	\$ 3,518,457	1,229,455	2,289,002
Furniture	423,369	144,611	278,758
Computer	186,725	160,606	26,119
Office Equipment	78,271	48,097	30,174
Framed Prints and Photographs	12,260	7,141	5,119
<b>Total</b>	<b>\$ 4,219,082</b>	<b>1,589,910</b>	<b>2,629,172</b>

## THE WALLACE FOUNDATION

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Form 990-PF, Part II, Line 15, Other Assets

<u>Description</u>	<u>Col. (a) Per Books Beginning of Year</u>	<u>Col.(b) Per Books End of Year</u>	<u>Col. (c) Fair Market Value End of Year</u>
Accrued investment income	1,628,295	1,669,208	1,669,208
Excise tax receivable	1,072,419	-	-
Other receivables	144,103	533	533
<b>Total Other Assets</b>	<b>\$ 2,844,817</b>	<b>1,669,741</b>	<b>1,669,741</b>

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Form 990-PF, Part II, Line 22, Other Liabilities

<u>Description</u>	<u>Col. (a) Per Books Beginning of Year</u>	<u>Col.(b) Per Books End of Year</u>
Deferred Federal Excise Tax	1,041,948	3,842,747
Landlord incentives	<u>2,084,109</u>	<u>2,010,390</u>
<b>Total Other Liabilities</b>	<b><u>\$ 3,126,057</u></b>	<b><u>5,853,137</u></b>

## THE WALLACE FOUNDATION

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Form 990-PF, Part III, Line 3, Other increases not included in line 2 of Part III

Increase in unrealized appreciation in the fair value of investments held	\$	111,998,110
Less: Net change in provision for deferred Federal excise tax		(2,800,801)
	\$	<u>109,197,309</u>

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Form 990-PF, Part I, Line 19, Depreciation

Description of the Property (a)	Date Acquired (b)	Cost (c)	Depreciation Allowed in Prior Years (d)	Method Of Depreciation (e)	Rate(%) or Life (f)	Col (a) Per Books Deprn. 2010 (g)
Leasehold Improvements	2004	97,990	27,393	Straight Line	thru 2/21	\$ 6,330
	2005	3,398,139	973,084	Straight Line	thru 2/21	217,181
	2006	10,079	2,486	Straight Line	thru 2/21	671
	2007	7,113	1,222	Straight Line	thru 2/21	528
	2008	1,408	135	Straight Line	thru 2/21	120
	2009	2,903	11	Straight Line	thru 2/21	252
	2010	826	-	Straight Line	thru 2/22	42
Furniture	2005	399,033	111,265	Straight Line	thru 2/21	25,776
	2006	23,846	5,926	Straight Line	thru 2/21	1,608
	2009	490	-	Straight Line	15 years	36
Computer Equipment	2004	28,285	28,285	Straight Line	3 years	-
	2005	15,157	15,157	Straight Line	3 years	-
	2006	34,244	34,244	Straight Line	3 years	-
	2007	38,575	33,094	Straight Line	3 years	5,481
	2008	38,985	20,518	Straight Line	3 years	12,972
	2009	17,955	3,479	Straight Line	3 years	5,976
	2010	13,523	-	Straight Line	3 years	1,400
Telephone and Office Equipment	2005	9,280	8,102	Straight Line	5 years	1,178
	2008	68,737	24,983	Straight Line	5 years	13,812
	2010	255	-	Straight Line	5 years	22
Framed Prints and Photographs	2006	12,260	5,401	Straight Line	7 years	1,740
Depreciation on disposed equipment						566
<b>\$ 295,691</b>						

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Part IV, Line 1, Capital Gains and Losses for Tax on Investment Income

	Amount
Sales of Publicly Traded Securities	\$374,958,030
Cost of Publicly Traded Securities Sold	<u>364,800,917</u>
Net Capital Gains and Losses	<u>\$ 10,157,113</u>
Capital Gain Dividends:	
DFA Investment Dimensions Group Inc. -Emerging Markets Value Portfolio	2,956,290
BlackRock Funds II-BlacRock Inflation Protected Bond Porfolio	174,020
Pacific Investment Management Company Mutual Funds	<u>3,826,418</u>
<b>Subtotal</b>	<u><b>6,956,728</b></u>
Net Capital Losses on Foreign Exchange Contracts:	
Pacific Investment Management Company Mutual Funds	3,375
SSGA Prime Money Market Fund	537
Neuberger & Berman	(22)
Van Eck Global	(2,228)
Artisan Partners, L.P.	<u>(48,983)</u>
<b>Subtotal</b>	<u><b>(47,321)</b></u>
Realized Gain:	
HarbourVest VIII Cayman Buyout	20,457
PEP VI Credit I	<u>53,976</u>
	<b>74,433</b>
MBS Paydowns:	
J.P. Morgan Investment Management Co.	(1)
Income Research & Management	<u>(4,133)</u>
<b>Subtotal</b>	<u><b>(4,134)</b></u>
Realized Gains and (Losses) on K-1's of Common Trusts and Limited Partnerships:	
Amberbrook IV LLC	680,040
Amberbrook V LLC	849,126
Baupost Value Partners, L.P.-IV	6,379,668
City of London Investment Management Company Limited	(2,472,672)
Commonfund Capital Natural Resources V, L.P.	173,477
Commonfund Capital Natural Resources VI, L.P.	(94,760)
Commonfund Capital Natural Resources VII, L.P.	(58,309)
CSFB Strategic Partners III, L.P.	740,532
CS Strategic Partners IV, L.P.	884,459
Denham Commodity Partners Fund V L.P.	1,272,012
European Strategic Partners 2006 'B' L.P.	(3,579)
Farallon Capital Institutional Partners, L.P.	985,061
Gryphon International EAFE Growth Fund	3,559,395
HarbourVest Partners VII-Buyout Holding Fund, L.P.	256,583
HarbourVest Partners VII-Venture Holding Fund, L.P.	155,189



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Part IV, Line 1, Capital Gains and Losses for Tax on Investment Income

	<b>Amount</b>
Insight	256,668
JCT HRE AIV II Trust	(1,154)
OFI Institutional Emerging Markets Equity Fund	1,924,695
Pantheon USA Fund V, L.P.	774,838
Pantheon USA Fund VI, L.P.	531,649
Providence Equity Partners VI (Umbrella U.S.) L.P.	(8,210)
Providence Equity Partners VI L.P.	125
Security Capital Preferred Growth LLC	412,533
Silchester International Investors Tobacco Free International Value Equity Trust	1,582,532
The Varde Fund IX L.P.	2,248,202
Walton Street Real Estate Fund V, L.P.	(392,653)
Walton Street Real Estate Fund VI, L.P.	10,042
Wellington Trust Company, National Association Multiple Common Trust Funds Trust:	9,777,673
WTC - CTF Capital Energy Portfolio	2,541,353
<b>Total</b>	<b><u>32,964,515</u></b>
 <b>Grand Total</b>	 <b><u><u>\$ 50,101,334</u></u></b>

Note: All securities sold in 2010 were purchased by The Wallace Foundation.

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Form 990-PF, Part VIII, Line 1, Information about Officers, Directors, Trustees, Foundation Managers and their Compensation

(a)	(b)	(c)	(d)	(e)
<u>Name and address</u> <sup>1</sup>	<u>Title and Average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense acct. and other allowances</u>
Lawrence T. Babbio, Jr.	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Candace Beinecke	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Sharon W. Clark	Director of Operations Full Time - Approx. 50 hrs. per wk.	260,900 <sup>2</sup>	66,368 <sup>3</sup>	None
W. Don Cornwell	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Linda Darling-Hammond	Director Part Time - Approx. 1 hr. per wk.	None	None	None
M. Christine DeVita	Director & President Full Time - Approx. 50 hrs. per wk.	564,060 <sup>4</sup>	111,192 <sup>5</sup>	None
Susan H. Dodge	Corporate Secretary & Executive Associate Full Time - Approx. 50 hrs. per wk.	104,065	39,238	None
Mary E. Geras	Director of Finance & Assistant Treasurer Full Time - Approx. 50 hrs. per wk.	199,190	58,004	None
Augusta S. Kappner	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Kevin W. Kennedy	Chairman and Director Part Time - Approx. 1 hr. per wk.	None	None	None
Susan J. Kropf	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Peter C. Marzio (Deceased December 2010)	Director Part Time - Approx. 1 hr. per wk.	None	None	None

<sup>1</sup> Address for all Directors and Employees is: 5 Penn Plaza 7th floor, New York, NY 10001.

<sup>2</sup> Includes a payout of \$900 for 2010 deferred compensation under a Supplemental Executive Retirement Plan (SERP).

<sup>3</sup> Includes \$1,577 of 2010 deferred compensation for SERP.

<sup>4</sup> Includes a payout of \$18,060 for 2010 deferred compensation under a Supplemental Executive Retirement Plan (SERP).

<sup>5</sup> Includes \$41,015 of 2010 deferred compensation for SERP.

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Form 990-PF, Part VIII, Line 1, Information about Officers, Directors, Trustees, Foundation Managers and their Compensation

(a)	(b)	(c)	(d)	(e)
<u>Name and address</u> <sup>1</sup>	<u>Title and Average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense acct. and other allowances</u>
Ann S. Moore	Director Part Time - Approx. 1 hr. per wk.	None	None	None
Rob D. Nagel	Director of Investments & Treasurer Full Time - Approx. 50 hrs. per wk.	422,020 <sup>2</sup>	93,536 <sup>3</sup>	None
Joseph W. Polisi (Elected December 2010)	Director Part Time - Approx. 1 hr. per wk.	None	None	None

<sup>1</sup> Address for all Directors and Employees is: 5 Penn Plaza 7th floor, New York, NY 10001.

<sup>2</sup> Includes a payout of \$10,020 for 2010 deferred compensation under a Supplemental Executive Retirement Plan (SERP).

<sup>3</sup> Includes \$19,496 of 2010 deferred compensation for SERP.

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Form 990-PF, Part VIII, Line 2, Compensation of Five Highest Paid Employees

(a)	(b)	(c)	(d)	(e)
<u>Name and address</u> <sup>1</sup>	<u>Title and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account and other allowances</u>
Edward Pauly	Director of Evaluation Full Time - Approx. 50 hrs. per wk.	259,575 <sup>2</sup>	73,999 <sup>3</sup>	None
Richard D. Laine	Director of Education Full Time - Approx. 50 hrs. per wk.	223,480	67,615	None
Nancy Devine	Director of Communities Full Time - Approx. 50 hrs. per wk.	220,290	60,961	None
Daniel Windham	Director of Arts Full Time - Approx. 50 hrs. per wk.	217,485	59,895	None
Lucas Held	Director of Communication Full Time - Approx. 50 hrs. per wk.	199,740	57,332	None

<sup>1</sup> Address for all Employees is: 5 Penn Plaza 7th floor, New York, NY 10001.

<sup>2</sup> Includes a payout of \$825 for 2010 deferred compensation under a Supplemental Executive Retirement Plan (SERP).

<sup>3</sup> Includes \$2,050 of 2010 deferred compensation for SERP.

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Form 990-PF, Part VIII-Line 3, Five Highest Paid Independent Contractors for Professional Services

Name and Address	Type of Service	Compensation
Fiscal Management Associates, LLC 70 W. 36 <sup>th</sup> St., 15 <sup>th</sup> Floor New York, NY 10018	Financial Management Assistance to Grantees	\$ 1,066,526
Wellington Trust Company NA 75 State Street Boston, MA 02109	Investment Management	842,658
Silchester 780 Third Avenue, 42nd Street New York, NY 10017	Investment Management	517,305
Neuberger Berman LLC 605 Third Avenue New York, NY 10158	Investment Management	456,574
S. Radoff Associates 4481 Douglas Avenue Bronx NY 10471	Technical Assistance to Grantees	371,600

SCHOOL LEADERSHIP -- Our goal is to lift the quality of leadership by principals and other key school figures so they can better improve teaching and learning in their schools.		Paid 2010	Future Payments Approved in 2010
1. DEVELOP INNOVATION SITES -- These grants provide consolidated state-district support to help grantees link state and district policies affecting leadership training, standards and conditions.	Organization / IRS name, if different (City, State)*		
	ILLINOIS STATE UNIVERSITY/THE BOARD OF TRUSTEES OF ILLINOIS STATE UNIVERSITY (Normal, IL)	1,000,000	
	JEFFERSON COUNTY PUBLIC SCHOOLS (Louisville, KY)	950,000	
	MASSACHUSETTS DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (Malden, MA)	500,000	
	STATE OF LOUISIANA OFFICE OF THE GOVERNOR (Baton Rouge, LA)	275,000	
	STATE OF NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION (Santa Fe, NM)	850,000	
	THE UNIVERSITY OF THE STATE OF NEW YORK/THE UNIVERSITY OF THE STATE OF NEW YORK REGENTS RESEARCH FUND (Albany, NY)	850,000	
2. DEVELOP AND SHARE KNOWLEDGE -- These grants support the dissemination of ideas and information learned through Wallace's research efforts and work in states and districts.			
	AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS, INC. (Arlington, VA) -- To organize forums and brief publications to support leadership preparation program faculty and their institutions in thinking through the implications of Wallace knowledge.	75,000	
	COUNCIL OF CHIEF STATE SCHOOL OFFICERS, INC. (Washington, DC) -- To share Wallace knowledge on education leadership with state chiefs through speaking engagements and other means.	200,000	
	THE EDUCATION TRUST, INC. (Washington, DC) -- To assist in knowledge dissemination through conferences and other means to bring greater national focus to education leadership.	75,000	
	NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION (Alexandria, VA) -- To share Wallace knowledge on education leadership and after-school learning with state board members through speaking engagements and other means.	100,000	
	NATIONAL CONFERENCE OF STATE LEGISLATURES (Denver, CO) -- To share Wallace knowledge on education leadership with state legislators and policy advisers through means including speaking engagements and publications.	265,000	
	NATIONAL GOVERNORS ASSOCIATION CENTER FOR BEST PRACTICES (Washington, DC) -- To share Wallace knowledge on education leadership with governors and policy advisers through means including policy forums.	200,000	
	UNIVERSITY COUNCIL FOR EDUCATIONAL ADMINISTRATION (Austin, TX) -- To organize forums and brief publications to support leadership preparation program faculty and their institutions in thinking through the implications of Wallace knowledge.	75,000	
OTHER EDUCATION PROJECTS			
	THE FUND FOR PUBLIC SCHOOLS, INC. (New York, NY) -- Matching grant for federal investing in Innovation grant. To further develop, refine and expand School of One's pilot program, which uses an innovative, adaptive and individually-tailored computer technology to teach math to middle school students.	212,500	212,500
	HARVARD UNIVERSITY / President and Fellows of Harvard College (Cambridge, MA) -- To create the Wallace Fellowship Endowment Fund at the Harvard Graduate School of Education.	7,500,000	

Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
<b>JAMES B. HUNT, JR. INSTITUTE FOR EDUCATIONAL LEADERSHIP AND POLICY FOUNDATION</b> (Durham, NC) – To provide partial support for a governors' education symposium in 2011 focusing on education policy.	100,000	-
<b>KIPP FOUNDATION</b> (San Francisco, CA) – Matching grant for federal investing in Innovation grant. To support scaling up KIPP's effective leadership development model.	200,000	1,800,000
<b>AFTER SCHOOL</b> -- Our goal is to improve the quality and accessibility of city out-of-school time (OST) programs so that children and teens, especially those with the highest needs, attend often enough to benefit.		
<b>1. DEVELOP INNOVATION SITES</b> -- These grants support efforts to develop and test coordinated, citywide approaches to increasing participation in high-quality after-school learning opportunities for children and teens.		
<b>AFTER SCHOOL MATTERS, INC.</b> (Chicago, IL) -- To expand the capabilities of the OST project's information technology system and to expand an effort to improve the quality of OST programs.	1,000,000	-
<b>PROVIDENCE AFTER SCHOOL ALLIANCE</b> (Providence, RI) -- To develop OST activities that reinforce what children are learning in school, and to help improve administrative management of OST program operators.	550,000	-
<b>STRENGTHENING FINANCIAL MANAGEMENT</b> -- This effort seeks to strengthen the financial management capabilities of nonprofit organizations that provide high-quality after-school programs to children and teens in Chicago, and to study and recommend how funder/nonprofit contracting procedures and policies could be improved.		
<b>AFTER SCHOOL MATTERS, INC.</b> (Chicago, IL)	40,000	-
<b>ALBANY PARK COMMUNITY CENTER INC.</b> (Chicago, IL)	20,000	-
<b>ALTERNATIVES INCORPORATED</b> (Chicago, IL)	75,000	-
<b>ASSOCIATION HOUSE OF CHICAGO</b> (Chicago, IL)	75,000	-
<b>BETTER BOYS FOUNDATION</b> (Chicago, IL)	20,000	-
<b>BIG BROTHERS BIG SISTERS OF METROPOLITAN CHICAGO</b> (Chicago, IL)	40,000	-
<b>BUILD INCORPORATED</b> (Chicago, IL)	20,000	-
<b>CAROLE ROBERTSON CENTER FOR LEARNING</b> (Chicago, IL)	40,000	-
<b>CASA CENTRAL SOCIAL SERVICES CORPORATION</b> (Chicago, IL)	20,000	-
<b>CENTER ON HALSTED</b> (Chicago, IL)	75,000	-
<b>CHICAGO YOUTH CENTERS</b> (Chicago, IL)	20,000	-
<b>CHINESE AMERICAN SERVICE LEAGUE INC.</b> (Chicago, IL)	20,000	-
<b>ERIE NEIGHBORHOOD HOUSE</b> (Chicago, IL)	40,000	-
<b>GADS HILL CENTER</b> (Chicago, IL)	40,000	-
<b>GIRL SCOUTS OF GREATER CHICAGO AND NORTHWEST INDIANA, INC.</b> (Chicago, IL)	40,000	-
<b>GIRLS IN THE GAME</b> (Chicago, IL)	40,000	-
<b>HOWARD AREA COMMUNITY CENTER</b> (Chicago, IL)	40,000	-
<b>INSTITUTE FOR LATINO PROGRESS</b> (Chicago, IL)	75,000	-
<b>LATIN WOMEN IN ACTION</b> (Chicago, IL)	20,000	-
<b>LOGAN SQUARE NEIGHBORHOOD ASSOCIATION INC.</b> (Chicago, IL)	20,000	-

Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
METROPOLITAN FAMILY SERVICES (Chicago, IL)	75,000	
NEIGHBORHOOD BOYS & GIRLS CLUB (Chicago, IL)	20,000	
SGA YOUTH & FAMILY SERVICES, NFP (Chicago, IL)	20,000	
SOUTH SHORE DRILL TEAM & PERFORMING ARTS ENSEMBLE (Chicago, IL)	20,000	
SOUTHWEST YOUTH SERVICES COLLABORATIVE (Chicago, IL)	40,000	
YOUTH GUIDANCE (Chicago, IL)		
DONORS FORUM (Chicago, IL)- To establish a Chicago policy forum of government, philanthropic and nonprofit leaders to analyze and recommend improvements in funding policies, practices and conditions that affect the performance of nonprofit organizations in that city.	350,000	
<b>2. DEVELOP AND SHARE KNOWLEDGE</b> -- These grants are designed to fill key knowledge gaps and to share the lessons being learned through Wallace's grantee work and research efforts.		
<b>NATIONAL LEAGUE OF CITIES INSTITUTE</b> (Washington, DC) -- To promote the spread of useful, reliable knowledge, information and tools that will help city leaders to build systems that support high-quality OST services.	125,000	
<b>NATIONAL LEAGUE OF CITIES INSTITUTE</b> (Washington, DC) -- To conduct research on OST systems in U.S. cities and assist Wallace with planning.	100,000	
<b>THE PENNSYLVANIA STATE UNIVERSITY</b> (University Park, PA) -- To support an innovative effort to address behavior problems that arise in many youth-serving programs.	50,000	
<b>PUBLIC/PRIVATE VENTURES</b> (Philadelphia, PA) -- To conduct a study about the effectiveness of financial management training for OST providers.	250,000	
<b>SUMMER AND EXTENDED LEARNING TIME</b> -- This initiative seeks to enable city children to boost their school achievement by spending more time learning both over the summer and during the school year.		
<b>1. DEVELOP INNOVATION SITES</b> -- In 2011, Wallace plans to help selected city school districts begin to test on a wide scale approaches to summer learning that have been effective on a small scale.		
<b>MDRC</b> (New York, NY) -- To support the design and site development of a summer learning demonstration project in urban school districts.	450,000	150,000
<b>2. DEVELOP AND SHARE KNOWLEDGE</b> -- These grants are designed to identify and fill key knowledge gaps and to support the dissemination of ideas and information learned through Wallace's research efforts and work with grantees.		
<b>EXTENDED LEARNING TIME</b>		
<b>ACADEMY FOR EDUCATIONAL DEVELOPMENT, INC.</b> (Washington, DC) -- To survey leaders in public education and city government on their understanding of emerging education issues.	45,000	
<b>ACADEMY FOR EDUCATIONAL DEVELOPMENT, INC.</b> (Washington, DC) -- To assist Wallace in planning a conference of leading thinkers to explore the topic of reimagining the school day and its link to school improvement.	232,000	18,000
<b>CHILD TRENDS, INC.</b> (Washington, DC) -- To support a literature review on extended learning time programs.	150,000	
<b>NATIONAL CENTER ON TIME &amp; LEARNING</b> / Massachusetts 2020 Foundation Inc. (Boston, MA) -- To help the organization serve as an effective voice for extended learning time through its communications' efforts, knowledge development and development of strategic partnerships.	250,000	



Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
<b>SUMMER LEARNING</b>		
<b>AFTERSCHOOL ALLIANCE</b> (Washington, DC) -- To develop and disseminate a report -- based on data collected from the America After 3PM survey -- on the supply of and demand for summer enrichment programs for youngsters nationwide.	92,000	
<b>NATIONAL SUMMER LEARNING ASSOCIATION INC.</b> (Baltimore, MD) -- To support ongoing communications activity and development of NSLA's organizational strategic plan and communications plan.	350,000	
<b>BRAND CORPORATION</b> (Santa Monica, CA) -- To produce a report examining what's known about summer learning programs, their effectiveness and their costs.	570,000	65,000
<b>SUPPORT PREMIER PROVIDERS</b> -- These grants support "premier providers" -- that is, multiple-city or multiple-district organizations that have demonstrated they use extra learning time in ways that result in learning gains -- so that they can refine and expand their programming to meet demand for high-quality services.		
<b>BUILDING EDUCATED LEADERS FOR LIFE / The B.E.L.L. Foundation, Inc.</b> (Dorchester, MA) -- To provide general operating support to execute the organization's strategic plan.	1,800,000	2,200,000
<b>HIGHER ACHIEVEMENT</b> (Washington, DC) -- To provide general operating support to execute the group's strategic plan, and expand an ongoing program evaluation by Public/Private Ventures to assess the impact of after-school and summer program components.	1,600,000	1,400,000
<b>HORIZONS NATIONAL STUDENT ENRICHMENT PROGRAM INC.</b> (Norwalk, CT) -- To provide general operating support to refine and execute its business plan.	300,000	
<b>OTHER SUMMER AND EXTENDED LEARNING TIME PROJECTS</b>		
<b>HARVARD UNIVERSITY / President and Fellows of Harvard College</b> (Cambridge, MA) -- Matching grant -- for federal Investing in Innovation grant. To support Project READS.	830,000	1,170,000
<b>AUDIENCE DEVELOPMENT FOR THE ARTS</b> -- This initiative seeks to support innovative ways for getting more people more deeply involved in the arts so they may reap the rewards of engaging with art.		
<b>1. DEVELOP INNOVATION SITES</b> -- The WALLACE EXCELLENCE AWARDS program supports exemplary arts organizations in selected cities to test practices for building participation in the arts. Grants also support community foundations and other organizations in those cities to help disseminate useful information and ideas about arts participation.		
<b>ALONZO KING'S LINES BALLET / Alonzo Kings LINES Ballet</b> San Francisco Dance Center (San Francisco, CA)	50,000	
<b>ANNENBERG CENTER FOR THE PERFORMING ARTS / Trustees of the University of Pennsylvania</b> (Philadelphia, PA)	50,000	
<b>ARDEN THEATRE COMPANY</b> (Philadelphia, PA)	50,000	
<b>BOSTON FOUNDATION</b> (Boston, MA)	50,000	
<b>BOSTON LYRIC OPERA COMPANY</b> (Boston, MA)	35,000	
<b>CENTER FOR ASIAN AMERICAN MEDIA</b> (San Francisco, CA)	50,000	

Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
THE CHAMBER ORCHESTRA OF PHILADELPHIA / Concerto Solists of Philadelphia (Philadelphia, PA)	210,000	
THE CHICAGO COMMUNITY TRUST / The Chicago Community Foundation (Chicago, IL)	50,000	
THE CLAY STUDIO (Philadelphia, PA)	50,000	
THE TEMPORARY JEWISH MUSEUM (San Francisco, CA)	50,000	
CORPORATION OF THE FINE ARTS MUSEUMS (San Francisco, CA)		
EXPERIENCE MUSIC PROJECT/SCIENCE FICTION MUSEUM AND HALL OF FAME / Experience Learning Community (Seattle, WA)	285,000	
GARFIELD PARK CONSERVATORY ALLIANCE (Chicago, IL)	25,000	
ISABELLA STEWART GARDNER MUSEUM, INC. (Boston, MA)	25,000	
MACPHAIL CENTER FOR MUSIC (Minneapolis, MN)	200,000	
THE MINNEAPOLIS INSTITUTE OF ARTS / The Minneapolis Society of Fine Arts (Minneapolis, MN)	200,000	
MINNESOTA COMMUNITY FOUNDATION (Saint Paul, MN)	400,000	
THE MINNESOTA OPERA (Minneapolis, MN)	200,000	
MINNESOTA ORCHESTRA / Minnesota Orchestral Association (Minneapolis, MN)	200,000	
MIXED BLOOD THEATRE COMPANY (Minneapolis, MN)	50,000	
NORTHERN CLAY CENTER (Minneapolis, MN)	100,000	
ODC / Oberlin Dance Collective (San Francisco, CA)	50,000	
ON THE BOARDS (Seattle, WA)	185,000	
ONE REEL (Seattle, WA)	150,000	
OPERA COMPANY OF PHILADELPHIA (Philadelphia, PA)	50,000	
ORDWAY CENTER FOR THE PERFORMING ARTS (Saint Paul, MN)	200,000	
PACIFIC NORTHWEST BALLET / Pacific Northwest Ballet Association (Seattle, WA)	100,000	
THE PHILADELPHIA FOUNDATION (Philadelphia, PA)	200,000	
PHILADELPHIA LIVE ARTS FESTIVAL & PHILLY FRINGE / Philadelphia Fringe Festival (Philadelphia, PA)	50,000	
THE PHILADELPHIA ORCHESTRA ASSOCIATION (Philadelphia, PA)	50,000	
PHILADELPHIA THEATRE COMPANY (Philadelphia, PA)	125,000	
THE SAINT PAUL CHAMBER ORCHESTRA SOCIETY (Saint Paul, MN)	200,000	
SAMUEL S. FLEISHER ART MEMORIAL (Philadelphia, PA)	50,000	
SAN FRANCISCO FOUNDATION (San Francisco, CA)	370,000	
SAN FRANCISCO GIRLS CHORUS, INC. (San Francisco, CA)	50,000	
SAN FRANCISCO JAZZ ORGANIZATION (SFJAZZ) (San Francisco, CA)	150,000	
SAN FRANCISCO MUSEUM OF MODERN ART (San Francisco, CA)	50,000	
SAN FRANCISCO OPERA ASSOCIATION (San Francisco, CA)	50,000	
SEATTLE ART MUSEUM (Seattle, WA)	200,000	
SEATTLE OPERA (Seattle, WA)	315,000	
SEATTLE REPERTORY THEATRE (Seattle, WA)	115,000	
SEATTLE YOUTH SYMPHONY ORCHESTRAS (Seattle, WA)	125,000	
SIFF (Seattle, WA)	370,000	
WASHINGTON STATE ARTS COMMISSION (Olympia, WA)	400,000	

Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
THE WILMA THEATER (Philadelphia, PA)	50,000	-
WORLD ARTS WEST (San Francisco, CA)	50,000	-
YERBA BUENA CENTER FOR THE ARTS (San Francisco, CA)	50,000	-
<b>ARTS EDUCATION --</b> This initiative seeks to improve, expand and equitably distribute arts education for city children both in and outside of school.		
<b>1. DEVELOP INNOVATION SITES --</b> These grants help efforts in selected cities to plan or develop approaches to lifting the quality and availability of arts education.		
<b>BIG THOUGHT</b> (Dallas, TX) -- To promote Thriving Minds' efforts to introduce innovations in improving the quality of arts instruction in and out of school in Dallas.	3,400,000	-
<b>EDVESTORS INCORPORATED</b> (Boston, MA) -- To develop plans to expand and improve public school arts education in Boston public schools.	700,000	-
<b>THE PHILADELPHIA EDUCATION FUND</b> (Philadelphia, PA) -- To support a coordinated arts learning effort in Philadelphia, The Philadelphia Arts for Children and Youth initiative, in collaboration with the William Penn Foundation.	200,000	-
<b>2. DEVELOP AND SHARE KNOWLEDGE</b>		
<b>COUNCIL OF CHIEF STATE SCHOOL OFFICERS, INC.</b> (Washington, DC) -- To plan and facilitate a meeting in early 2011 of representatives from school districts participating in Wallace's arts learning initiative.	45,000	-
<b>FOUNDATIONWIDE GRANTS -- COMMUNICATIONS</b>		
<b>EDITORIAL PROJECTS IN EDUCATION, INC.</b> (Bethesda, MD) -- To provide support for Education Week's coverage of issues in school leadership, after school and arts learning.	1,000,000	-
<b>LEARNING FORWARD</b> / National Staff Development Council (Dallas, TX) -- To assist in knowledge dissemination through conferences and other means to bring greater national focus to school leadership, after school and summer learning.	100,000	-
<b>LEARNING MATTERS, INC.</b> (New York, NY) -- To support coverage of Wallace's areas of interest: education leadership, after school, arts learning, and summer and extended learning time.	350,000	-
<b>NATIONAL PUBLIC RADIO, INC.</b> (Washington, DC) -- To support coverage of the arts, education and after school and to continue to broaden awareness of The Wallace Foundation through on-air and podcast acknowledgements.	1,500,000	-
<b>FOUNDATIONWIDE -- SERVICES TO THE FIELD</b>		
<b>THE CENTER FOR EFFECTIVE PHILANTHROPY, INC.</b> (Cambridge, MA) -- For general support of this nonprofit organization focused on the development of comparative data to assist higher-performing funders and to support the Wallace grantee perception survey.	100,000	-

Organization / IRS name, if different (City, State)*	Paid 2010	Future Payments Approved in 2010
<b>THE COMMUNICATIONS NETWORK</b> (Naperville, IL) – To support this nonprofit membership organization whose mission is to provide resources, guidance and leadership to advance the strategic practice of communications in philanthropy.	10,000	-
<b>COUNCIL OF CHIEF STATE SCHOOL OFFICERS, INC.</b> (Washington, DC) – To support the work of the Arts Education Partnership to advance arts learning for children.	25,000	-
<b>COUNCIL ON FOUNDATIONS INC.</b> (Arlington, VA) – To support this national nonprofit membership organization for grantmakers.	49,500	-
<b>THE FOUNDATION CENTER</b> (New York, NY) – To support this national clearinghouse for information on private grantmaking.	100,000	-
<b>GRANTMAKERS FOR EDUCATION</b> (Portland, OR) – For general support and for GFE to incorporate expanded learning opportunities beyond the traditional school day, including after-school and arts education, into its work.	49,500	-
<b>GRANTMAKERS IN THE ARTS</b> (Seattle, WA) – General support of this nonprofit membership organization, which brings together staff members and trustees of private and corporate foundations to discuss issues of mutual concern, share information and exchange ideas about programs in the arts and cultural field.	22,000	-
<b>INDEPENDENT SECTOR</b> (Washington, DC) – To support this nonprofit coalition of organizations for giving, volunteering and nonprofit initiatives.	10,000	-
<b>FJC</b> (New York, NY) – To support the 2010 program activities of the New York City Youth Funders Network.	2,500	-
<b>NONPROFIT COORDINATING COMMITTEE OF NEW YORK</b> (New York, NY) – To support this association of nonprofit social service, education, arts, health care and philanthropic organizations dedicated to advancing New York's nonprofit sector.	3,000	-
<b>PHILANTHROPY NEW YORK</b> (New York, NY) – For general support of the principal professional community of philanthropic foundations based in the New York City region.	24,350	-
<b>MATCHING GIFTS</b>		
Coalition for Asian American Children	2,000	
New York Choral Society	2,000	
Connection for Women and Children	1,600	
Leukemia & Lymphoma Society	100	1,000
<b>MISCELLANEOUS GRANTS—each no more than \$1,000</b>	7,750	3,044
<b>TOTALS</b>	<b>37,335,800</b>	<b>7,019,544</b>
<b>*All grantees listed in this schedule are public charities.</b>		

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to the corporation's tax return.

Name **The Wallace Foundation  
c/o Finance**

Employer identification number  
**13-6183757**

**Note:** Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

**Part I Required Annual Payment**

1	Total tax (see instructions).....	1	1,332,405.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1.....		
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method.....		
2c	Credit for federal tax paid on fuels (see instructions).....		
2d	<b>Total.</b> Add lines 2a through 2c.....	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, <b>do not</b> complete or file this form. The corporation does not owe the penalty.....	3	1,332,405.
4	Enter the tax shown on the corporation's 2009 income tax return (see instructions). <b>Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5.</b> .....	4	175,616.
5	<b>Required annual payment.</b> Enter the <b>smaller</b> of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3.....	5	175,616.

**Part II Reasons for Filing** — Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220, even if it does not owe a penalty (see instructions).

6	<input type="checkbox"/> The corporation is using the adjusted seasonal installment method.
7	<input type="checkbox"/> The corporation is using the annualized income installment method.
8	<input checked="" type="checkbox"/> The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

**Part III Figuring the Underpayment**

	(a)	(b)	(c)	(d)	
9 <b>Installment due dates.</b> Enter in columns (a) through (d) the 15th day of the 4th ( <b>Form 990 — PF filers:</b> Use 5th month), 6th, 9th, and 12th months of the corporation's tax year.....	9	5/15/10	6/15/10	9/15/10	12/15/10
10 <b>Required installments.</b> If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.....	10	43,904.	622,299.	333,101.	333,101.
11 <b>Estimated tax paid or credited for each period</b> (see instructions). For column (a) only, enter the amount from line 11 on line 15.....	11	1,100,000.	100,000.		
<b>Complete lines 12 through 18 of one column before going to the next column.</b>					
12 Enter amount, if any, from line 18 of the preceding column.....	12		1,056,096.	533,797.	200,696.
13 Add lines 11 and 12.....	13		1,156,096.	533,797.	200,696.
14 Add amounts on lines 16 and 17 of the preceding column.....	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-.....	15	1,100,000.	1,156,096.	533,797.	200,696.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-.....	16		0.	0.	
17 <b>Underpayment.</b> If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.....	17				132,405.
18 <b>Overpayment.</b> If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.....	18	1,056,096.	533,797.	200,696.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 — no penalty is owed.

**Part IV Figuring the Penalty**

		(a)	(b)	(c)	(d)
19	Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). <i>(Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)</i> . . . . .	19			5/15/11
20	Number of days from due date of installment on line 9 to the date shown on line 19 . . . . .	20			151
21	Number of days on line 20 after 4/15/2010 and before 7/1/2010 . . . . .	21			
22	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 21}}{365} \times 4\%$ . . . . .	22			
23	Number of days on line 20 after 6/30/2010 and before 10/1/2010 . . . . .	23			
24	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 23}}{365} \times 4\%$ . . . . .	24			
25	Number of days on line 20 after 9/30/2010 and before 1/1/2011 . . . . .	25			16
26	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 25}}{365} \times 4\%$ . . . . .	26			232.16
27	Number of days on line 20 after 12/31/2010 and before 4/1/2011 . . . . .	27			90
28	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 27}}{365} \times 3\%$ . . . . .	28			979.43
29	Number of days on line 20 after 3/31/2011 and before 7/1/2011 . . . . .	29			45
30	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 29}}{365} \times 0\%$ . . . . .	30			
31	Number of days on line 20 after 6/30/2011 and before 10/1/2011 . . . . .	31			
32	Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 31}}{365} \times \text{*\%}$ . . . . .	32			
33	Number of days on line 20 after 9/30/2011 and before 1/1/2012 . . . . .	33			
34	Underpayment on line 17 $\frac{\text{Number of days on line 33}}{365} \times \text{*\%}$ . . . . .	34			
35	Number of days on line 20 after 12/31/2011 and before 2/16/2012 . . . . .	35			
36	Underpayment on line 17 $\frac{\text{Number of days on line 35}}{366} \times \text{*\%}$ . . . . .	36			
37	Add lines 22, 24, 26, 28, 30, 32, 34, and 36 . . . . .	37			1,211.59
38	<b>Penalty.</b> Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns . . . . .	38			1,212.

\*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-4933 to get interest rate information.