Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ **Go to www.irs.gov/Form990PF for instructions and the latest information.**

OMB No. 1545-0052

2020

Open to Public Inspection

For calendar year 2020, or tax year beginning 01-01-2020 , and ending 12-31-2020

Name of foundation
Town Branch Foundation

A Employer identification number
82-3575662

Number and street (or P.O. box number if mail is not delivered to street address)
PO BOX 1860

Room/suite

B Telephone number (see instructions)
(479) 464-1570

City or town, state or province, country, and ZIP or foreign postal code
BENTONVILLE, AR 71712

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here............ ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ... ▶ ☐

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), *line 16)* ▶$ 618,468,823

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here .... ▶ ☐

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	11,298,721	11,298,721		
	5a	Gross rents	17,641	17,641		
	b	Net rental income or (loss) 17,641				
	6a	Net gain or (loss) from sale of assets not on line 10	3,623,007			
	b	Gross sales price for all assets on line 6a 95,184,879				
	7	Capital gain net income (from Part IV, line 2)		3,623,007		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances 0				
	b	Less: Cost of goods sold 0				
	c	Gross profit or (loss) (attach schedule)	0			
	11	Other income (attach schedule)	234,083	234,083	0	
	12	**Total.** Add lines 1 through 11	15,173,452	15,173,452	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	22,931	0	0	22,931
	b	Accounting fees (attach schedule)	2,533	2,533	0	0
	c	Other professional fees (attach schedule)	789,187	374,962	0	414,225
	17	Interest	0	0		
	18	Taxes (attach schedule) (see instructions)	789,944	621,253	0	18,691
	19	Depreciation (attach schedule) and depletion	37,799	0	0	
	20	Occupancy				
	21	Travel, conferences, and meetings	76			76
	22	Printing and publications				
	23	Other expenses (attach schedule)	3,894	3	0	3,891
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,646,364	998,751	0	459,814
	25	Contributions, gifts, grants paid	14,142,040			14,142,040
	26	**Total expenses and disbursements.** Add lines 24 and 25	15,788,404	998,751	0	14,601,854
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-614,952			
	b	**Net investment income** (if negative, enter -0-)		14,174,701		
	c	**Adjusted net income** (if negative, enter -0-)			0	

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

			Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	191,795	204,730	204,730
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ 0			
		Less: allowance for doubtful accounts ▶	124,617	0	0
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶		0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶ 33,337			
		Less: allowance for doubtful accounts ▶ 0	400,000	33,337	33,337
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	0	0	0
	c	Investments—corporate bonds (attach schedule)	0		0
	11	Investments—land, buildings, and equipment: basis ▶ 0			
		Less: accumulated depreciation (attach schedule) ▶ 0	0		0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	499,028,950	491,266,538	607,076,446
	14	Land, buildings, and equipment: basis ▶ 11,184,524			
		Less: accumulated depreciation (attach schedule) ▶ 37,800	3,520,919	11,146,724	11,150,517
	15	Other assets (describe ▶)	3,793	3,793	3,793
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	503,270,074	502,655,122	618,468,823
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)			
	23	**Total liabilities**(add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow FASB ASC 958, check here ▶ ☐ and complete lines 24, 25, 29 and 30.**			
	24	Net assets without donor restrictions			
	25	Net assets with donor restrictions			
		Foundations that do not follow FASB ASC 958, check here ▶ ☐ and complete lines 26 through 30.			
	26	Capital stock, trust principal, or current funds			
	27	Paid-in or capital surplus, or land, bldg., and equipment fund			
	28	Retained earnings, accumulated income, endowment, or other funds	503,270,074	502,655,122	
	29	**Total net assets or fund balances** (see instructions)	503,270,074	502,655,122	
	30	**Total liabilities and net assets/fund balances** (see instructions)	503,270,074	502,655,122	

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 29 (must agree with end-of-year figure reported on prior year's return)	1	503,270,074
2	Enter amount from Part I, line 27a	2	-614,952
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	502,655,122
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 29.	6	502,655,122

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 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a	Northern Trust Cash Account	P		
b	Northern EAFE Account	P		
c	Northern R1000 Account	P		
d	NT Cash Equitization Account	P		
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	47,000,015		45,945,551	1,054,464
b	24,566,988		23,846,494	720,494
c	21,590,283		20,270,591	1,319,692
d	2,027,593		1,499,236	528,357
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) **or** Losses (from col.(h))
a			0	1,054,464
b			0	720,494
c			0	1,319,692
d			0	528,357
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	3,623,007
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	0

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

SECTION 4940(e) REPEALED ON DECEMBER 20, 2019 - DO NOT COMPLETE

1 Reserved

(a) Reserved	(b) Reserved	(c) Reserved	(d) Reserved

2	Reserved	2	
3	Reserved.	3	
4	Reserved	4	
5	Reserved	5	
6	Reserved	6	
7	Reserved	7	
8	Reserved , ...	8	

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary–see instructions)			
b	Reserved		1	197,028
c	All other domestic foundations enter 1.39% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3	Add lines 1 and 2		3	197,028
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	197,028
6	Credits/Payments:			
a	2020 estimated tax payments and 2019 overpayment credited to 2020	6a 243,704		
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	243,704
8	Enter any **penalty** for underpayment of estimated tax. Check here ☑ if Form 2220 is attached.		8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	46,676
11	Enter the amount of line 10 to be: **Credited to 2021 estimated tax** ▶ 46,676	**Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? (see Instructions for definition).	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(2)** On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DE, AR			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
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 2020 or the taxable year beginning in 2020? See the instructions for Part XIV. If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		No

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions.	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶

14 The books are in care of ▶ TIM KEITH Telephone no. ▶ (479) 464-1570

Located at ▶ PO BOX 1860 BENTONVILLE AR ZIP+4 ▶ 72712

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —check here ▶ ☐

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

			Yes	No
16	At any time during calendar year 2020, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes", enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2020?	1c		No
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 2020, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2020? ☐ Yes ☑ No If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2020 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2020.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2020?	4b		No

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

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions ☑ Yes ☐ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☑ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If "Yes", did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		
8	Is the foundation subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment during the year? ☐ Yes ☑ No			

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
Robert A Smith PO BOX 1860 BENTONVILLE, AR 71712	TREASURER 2.000	0	0	0
BUDDY D PHILPOT PO BOX 1860 BENTONVILLE, AR 71712	SECRETARY 2.000	0	0	0
JIM C WALTON PO BOX 1860 BENTONVILLE, AR 71712	DIRECTOR CO-PRESIDENT 2.000	0	0	0
Lynne Walton PO BOX 1860 BENTONVILLE, AR 71712	DIRECTOR CO-PRESIDENT 2.000	0	0	0

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

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances

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

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
WALTON ENTERPRISES LLC PO BOX 2030 BENTONVILLE,AR 72712	MANAGEMENT SERVICES	566,659
NORTHERN TRUST 50 SOUTH LASALLE STREET CHICAGO,IL 60603	INVESTMENTS	165,068

Total number of others receiving over $50,000 for professional services. . . . . ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	504,399,057
b	Average of monthly cash balances	1b	29,790,672
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	534,189,729
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	534,189,729
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	8,012,846
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	526,176,883
6	**Minimum investment return.** Enter 5% of line 5	6	26,308,844

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	26,308,844
2a	Tax on investment income for 2020 from Part VI, line 5 — 2a: 197,028		
b	Income tax for 2020. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	197,028
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	26,111,816
4	Recoveries of amounts treated as qualifying distributions	4	366,663
5	Add lines 3 and 4	5	26,478,479
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	26,478,479

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	14,601,854
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	7,663,605
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	22,265,459
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	22,265,459

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 2019	(c) 2019	(d) 2020
1 Distributable amount for 2020 from Part XI, line 7				26,478,479
2 Undistributed income, if any, as of the end of 2020:				
a Enter amount for 2019 only.			6,925,387	
b Total for prior years: 20___, 20___, 2016		0		
3 Excess distributions carryover, if any, to 2020:				
a From 2015. 0				
b From 2016. 0				
c From 2017. 0				
d From 2018. 0				
e From 2019. 0				
f **Total** of lines 3a through e.	0			
4 Qualifying distributions for 2020 from Part XII, line 4: ▶ $ 22,265,459				
a Applied to 2019, but not more than line 2a			6,925,387	
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 2020 distributable amount				15,340,072
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2020. *(If an amount appears in column (d), the same amount must be shown in column (a).)*				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				
d Subtract line 6c from line 6b. Taxable amount —see instructions		0		
e Undistributed income for 2019. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2021. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				11,138,407
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0			
8 Excess distributions carryover from 2015 not applied on line 5 or line 7 (see instructions) . . .	0			
9 **Excess distributions carryover to 2021.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2016 0				
b Excess from 2017 0				
c Excess from 2018. . . . 0				
d Excess from 2019 0				
e Excess from 2020 0				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2020, enter the date of the ruling

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

	Tax year (a) 2020	Prior 3 years (b) 2019	(c) 2018	(d) 2017	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: **a** "Assets" alternative test—enter: **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

JIM C WALTON

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.

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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
American Enterprise Institute for Public Policy Research 1789 Massachusetts Avenue NW Washington, D C 20036		P C	General Operating Support	100,000
Arkansas Childrens Foundation 1 Childrens Way Little Rock, A R 72202		P C	Injury Prevention Campaign	5,000
Cato Institute 1000 Massachusetts Avenue NW Washington, D C 20001		P C	General Operating Support	75,000
Centers for Youth and Families Inc P O Box 251970 Little Rock, A R 72225		P C	Residential children's treatment program	15,500
City Connections Inc 2418 Forest Creek Drive Little Rock, A R 72211		P C	Networking nonprofits	5,000
Cookson Hills Christian School Inc 60416 Highway 10 Kansas, O K 74347		P C	General Operating Support	40,000
Crystal Bridges Museum of American Art Inc 600 Museum Way Bentonville, A R 72712		P C	The Momentary Endowment	11,500,000
Exodus Life 3700A W 65th Street Little Rock, A R 72209		P C	The Exodus Project	12,000
Grayson County College Foundation 6101 Grayson Drive Denison, T X 75020		P C	Manufacturing programs	9,375
Grayson County Shelter 331 W Morton Denison, T X 75020		P C	Shelter and food for the homeless	9,375
Habitat for Humanity of Grayson County 901 N Grand Avenue Sherman, T X 75090		P C	Build homes for families in need	9,375
Heritage Foundation 214 Massachusetts Ave NE Washington, D C 20002		P C	General Operating Support	5,000
Home Hospice of Grayson County 505 W Center Street Sherman, T X 75090		P C	Specialized care for the terminally ill	9,375
Institute for Humane Studies George Mason University Vernon Smit h Hall 1st FL 3434 Washington Blvd Arlington, V A 22201		P C	General Operating Support	40,000
National Tax Limitation Foundation 1700 Eureka Rd Ste 150-A Roseville, C A 95661		P C	General Operating Support	1,000
NWA Trailblazers PO Box 2821 Bentonville, A R 72712		P C	Slaughter Pen Parking NW A Street	75,000
Redside Foundation Inc PO Box 8737 Boise, I D 83707		P C	General Operating Support	10,000
Texas A&M University-Kingsville 700 University MSC 218 Kingsville, T X 78363		G O V	2020 Caesar Kleberg Wildlife Research Institute and Invasive Grasses Research	5,000
The Board of Trustees of the Leland Stanford Junior University Development Services PO Box 20466 Stanford, C A 94309		P C	Support for the Hoover Institution	10,000
The Peel Compton Foundation 312 N Main Street Bentonville, A R 72712		P O F	General Operating Support	2,066,040
The Peel Compton Foundation 312 N Main Street Bentonville, A R 72712		P O F	Buffalo River Documentary	140,000
Total . . . . ▶ **3a**				14,142,040
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	11,298,721	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property			16	17,641	
7 Other investment income			18	234,083	
8 Gain or (loss) from sales of assets other than inventory			18	3,623,007	
9 Net income or (loss) from special events:					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		15,173,452	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 15,173,452

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee	Date: 2021-11-09	Title

May the IRS discuss this return with the preparer shown below (see instr.) ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
KENT C CROUCH				P00810750

Firm's name ▶ WALTON ENTERPRISES LLC — Firm's EIN ▶62-1665434

Firm's address ▶ PO BOX 1860 BENTONVILLE, AR 72712 — Phone no. (479) 464-1500

Additional Data

Return to Form

Software ID: 20011424
Software Version: 2020v4.0

Form 990PF - Special Condition Description:

Special Condition Description

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
nt - Accounting fees	2,533	2,533		

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TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
Speakers and Amplifiers	2020-06-19	4,161		200DB		173			
Network System	2020-07-10	5,625		200DB		234			
Refrigerator, Freezer	2020-07-10	14,069		200DB		586			
Kitchen Tables, Shelves, Carts	2020-08-14	13,162		200DB		548			
Paging and Bell Cables	2020-09-04	3,658		200DB		152			
Installation Server and Network	2020-09-04	15,125		200DB		630			
Video Surveillance	2020-09-04	3,135		200DB		131			
Work Table	2020-10-02	907		200DB		38			
Stools, Wastebaskets, Bullentin Boards	2020-10-02	9,313		200DB		388			
Phone Systems	2020-10-30	5,625		200DB		234			
Servers, Networks, and Licenses	2020-06-19	42,761		200DB		1,782			
Cameras, Licenses, Surveillance	2020-06-19	11,182		200DB		466			
Chromebooks	2020-09-04	29,158		200DB		2,430			
12600 N Kelley Ave	2020-06-10	1,980,000		NRP		24,750			
12600 N Kelley Ave	2020-06-10	2,004		NRP		25			
1501 W 73rd Avenue PB	2020-06-15	414,000		NRP		5,175			
1501 W 73rd Avenue PB	2020-06-15	4,539		NRP		57			

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Grantee's Name	Grantee's Address	Grant Date	Grant Amount	Grant Purpose	Amount Expended By Grantee	Any Diversion By Grantee?	Dates of Reports By Grantee	Date of Verification	Results of Verification
The Peel Compton Foundation	312 North Main Street Bentonville, AR 72712	2020-01-13	2,066,040	To support the general operations of The Peel Compton Foundation	2,066,040	None	8/13/2021	2021-08-13	THE GRANTEE HAS PROVIDED THE FOUNDATION WITH THE REQUIRED REPORTS. THE FOUNDATION HAS NO REASON TO DOUBT THE ACCURACY OR RELIABILITY OF THE REPORT; THEREFORE, NO FURTHER VERIFIICATION BY THE FOUNDATION IS DEEMED NECESSARY.
The Peel Compton Foundation	312 N Main Street Bentonville, AR 72712	2020-10-16	140,000	To support Peel Compton Foundation's participation with the Ozark Society Foundation to produce a conservation history of the Buffalo River.	140,000	None	08/12/2021	2021-08-12	THE GRANTEE HAS PROVIDED THE FOUNDATION WITH THE REQUIRED REPORTS. THE FOUNDATION HAS NO REASON TO DOUBT THE ACCURACY OR RELIABILITY OF THE REPORT; THEREFORE, NO FURTHER VERIFIICATION BY THE FOUNDATION IS DEEMED NECESSARY.

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
Northern Trust Account	AT COST	207,334,151	235,844,729
Northern EAFE Account	AT COST	163,910,191	201,549,045
Northern R1000 Account	AT COST	107,147,703	156,807,262
Northern Cash Equitization	AT COST	12,874,493	12,875,410

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation
EIN: 82-3575662
Software ID: 20011424
Software Version: 2020v4.0

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Land	4,663,329	0	4,663,329	4,663,329
Construction in Progress	2,428,964	0	2,428,964	2,432,757
Buildings	1,533,807	0	1,533,807	1,533,807
Speakers and Amplifiers	4,161	174	3,987	3,988
Network System	5,625	234	5,391	5,391
Refrigerator, Freezer	14,069	586	13,483	13,483
Kitchen Tables, Shelves, Carts	13,162	548	12,614	12,614
Paging and Bell Cables	3,658	152	3,506	3,505
Installation Server and Network	15,125	630	14,495	14,495
Video Surveillance	3,135	131	3,004	3,004
Work Table	907	38	869	869
Stools, Wastebaskets, Bullentin Boards	9,313	388	8,925	8,925
Phone Systems	5,625	234	5,391	5,391
Servers, Networks, and Licenses	42,761	1,782	40,979	40,979
Cameras, Licenses, Surveillance	11,182	466	10,716	10,716
Chromebooks	29,158	2,430	26,728	26,728
12600 N Kelley Ave Purchase	1,980,000	24,750	1,955,250	1,955,250
12600 N Kelley Ave Purchase	2,004	25	1,979	1,979
1501 W 73rd Avenue PB Purchase	414,000	5,175	408,825	408,825
1501 W 73rd Avenue PB Purchase	4,539	57	4,482	4,482

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Legal Fees	22,931			22,931

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DEPOSITS	3,793	3,793	3,793

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CORPORATE AGENT FEES	765			765
DELAWARE FRANCHISE TAX	625			625
INSURANCE	1,057			1,057
PASS THRU - OTHER DEDUCTIONS	3	3		
POSTAGE	135			135
REPAIRS AND MAINTENANCE	350			350
Utilities	959			959

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Other Income	234,083	234,083	

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TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Borrower's Name	Relationship to Insider	Original Amount of Loan	Balance Due	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Security Provided by Borrower	Purpose of Loan	Description of Lender Consideration	Consideration FMV
Academy of Seminole (2019-12)	None	400,000	33,337	2019-09	2021-01	$33,333 per month beginning 1/1/2020 until repaid	0 %	None	Charter School Support	Cash	33,337

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MANAGEMENT FEES	374,962	374,962		
MANAGEMENT FEES	356,765			356,765
CONSULTING FEES	57,460			57,460

TY 2020 IRS 990 e-File Render

Name: Town Branch Foundation

EIN: 82-3575662

Software ID: 20011424

Software Version: 2020v4.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	150,000			
NT- FOREIGN TAXES	621,253	621,253		
PROPERTY TAXES	18,691			18,691