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# Return of Private Foundation

## or Section 4947(a)(1) Nonexempt Charitable Trust

### Treated as a Private Foundation

2009

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.

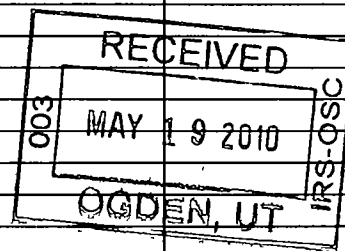
For calendar year 2009, or tax year beginning , and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>BOB L. HERD FOUNDATION</b>		A Employer identification number <b>75-2530305</b>
	Number and street (or P O box number if mail is not delivered to street address) Room/suite <b>P. O. BOX 9340</b>		B Telephone number <b>903-509-3456</b>
	City or town, state, and ZIP code <b>TYLER, TX 75711-9340</b>		C If exemption application is pending, check here <input type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>28,953,392.</b> (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 <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			

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).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		6,257.	6,257.		STATEMENT 1
4 Dividends and interest from securities		1,151,304.	1,151,304.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-1,876,621.			
b Gross sales price for all assets on line 6a <b>10,068,176.</b>					
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		-719,060.	1,157,561.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees <b>STMT 3</b>		2,625.	1,050.		1,575.
c Other professional fees					
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses <b>STMT 4</b>		228,000.	91,695.		136,305.
24 Total operating and administrative expenses. Add lines 13 through 23		230,625.	92,745.		137,880.
25 Contributions, gifts, grants paid		1,386,300.			1,386,300.
26 Total expenses and disbursements. Add lines 24 and 25		1,616,925.	92,745.		1,524,180.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-2,335,985.			
b Net investment income (if negative, enter -0-)			1,064,816.		
c Adjusted net income (if negative, enter -0-)				N/A	

SCANNED MAY 21 2010



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing		35,740.	40,115.	40,115.
	2	Savings and temporary cash investments		777,526.	153,129.	153,129.
	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				
	7	Other notes and loans receivable				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 6	21,131,775.	19,592,964.	15,583,337.
	c	Investments - corporate bonds	STMT 7	6,979,954.	5,953,662.	5,543,768.
11	Investments - land, buildings, and equipment basis					
	Less accumulated depreciation					
12	Investments - mortgage loans					
13	Investments - other	STMT 8	6,881,149.	7,201,929.	7,633,043.	
14	Land, buildings, and equipment basis					
	Less accumulated depreciation					
15	Other assets (describe)					
16	Total assets (to be completed by all filers)		35,806,144.	32,941,799.	28,953,392.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue		524,660.		
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe)				
	23	Total liabilities (add lines 17 through 22)		524,660.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		35,281,484.	32,941,799.	
30	Total net assets or fund balances		35,281,484.	32,941,799.		
31	Total liabilities and net assets/fund balances		35,806,144.	32,941,799.		

## 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	35,281,484.
2	Enter amount from Part I, line 27a	2	-2,335,985.
3	Other increases not included in line 2 (itemize)	3	0.
4	Add lines 1, 2, and 3	4	32,945,499.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 5	5	3,700.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	32,941,799.

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**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.)
<b>1a SALE OF SECURITIES - SEE STMT ATTACHED</b>		<b>VARIOUS</b>	<b>VARIOUS</b>
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)
<b>a 10,068,176.</b>		<b>11,944,797.</b>	<b>-1,876,621.</b>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (i) over col. (j), if any	
<b>a</b>			<b>-1,876,621.</b>
b			
c			
d			
e			

<b>2</b> Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	<b>2</b>	<b>-1,876,621.</b>
<b>3</b> 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). If (loss), enter -0- in Part I, line 8		<b>3</b>	<b>N/A</b>

**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 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 (col. (b) divided by col. (c))
2008	1,609,693.	30,893,074.	.052105
2007	1,279,150.	33,199,476.	.038529
2006	767,166.	25,939,731.	.029575
2005	550,804.	15,608,432.	.035289
2004	452,556.	11,519,114.	.039287

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>.194785</b>
<b>3</b> 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	<b>3</b>	<b>.038957</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	<b>4</b>	<b>26,559,128.</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>1,034,664.</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>10,648.</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>1,045,312.</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	<b>1,524,180.</b>

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.  
See the Part VI instructions.

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

1a 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 instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	10,648.
c All other domestic foundations enter 2% 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	0.
3 Add lines 1 and 2		3	10,648.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	10,648.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009		6a	27,657.
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	27,657.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	17,009.
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 17,009. Refunded <input type="checkbox"/>		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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> TX		
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► JANICE THOMPSON Telephone no. ► (903) 509-3456  
 Located at ► 3901 MANHATTAN, TYLER, TX ZIP+4 ► 75701

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 N/A

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	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 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____		
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.) <u>N/A</u>	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. ► _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 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 2009.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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)?

N/A

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?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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

N/A

7b

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
BOB L. HERD	PRESIDENT			
3901 MANHATTAN				
TYLER, TX 75701	6.00	0.	0.	0.
PATSY L. HERD	VICE-PRES			
3901 MANHATTAN				
TYLER, TX 75701	15.00	0.	0.	0.
JANICE THOMPSON	SEC-TREAS			
3901 MANHATTAN				
TYLER, TX 75701	15.00	0.	0.	0.
MICHAEL HERD	DIRECTOR			
3901 MANHATTAN				
TYLER, TX 75701	5.00	0.	0.	0.

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	26,927,640.
b	Average of monthly cash balances	1b	35,942.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	26,963,582.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	26,963,582.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	404,454.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,559,128.
6	Minimum investment return. Enter 5% of line 5	6	1,327,956.

**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	1,327,956.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	10,648.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	10,648.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,317,308.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,317,308.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,317,308.

**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	1,524,180.
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,524,180.
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	5	10,648.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,513,532.

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

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

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
<b>1</b> Distributable amount for 2009 from Part XI, line 7				1,317,308.
<b>2</b> Undistributed income, if any, as of the end of 2009				
<b>a</b> Enter amount for 2008 only			1,507,431.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2009:				
<b>a</b> From 2004				
<b>b</b> From 2005				
<b>c</b> From 2006				
<b>d</b> From 2007				
<b>e</b> From 2008				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 1,524,180.				
<b>a</b> Applied to 2008, but not more than line 2a			1,507,431.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2009 distributable amount				16,749.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				1,300,559.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005				
<b>b</b> Excess from 2006				
<b>c</b> Excess from 2007				
<b>d</b> Excess from 2008				
<b>e</b> Excess from 2009				

Form 990-PF (2009)

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

N/A

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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)

**2 a** 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**

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

## 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).)

BOB L. HERD

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

**NONE**

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

JANICE THOMPSON, (903) 509-3456  
3901 MANHATTAN, TYLER, TX 75701

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

**STATEMENT 9**

**c Any submission deadlines:**

NONE

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

**NONE**

<b>Part XV</b>	<b>Supplementary Information</b> (continued)
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### 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 <b>STATEMENT 10</b>				<b>1386300.</b>
<b>Total</b>				<b>▶ 3a 1386300.</b>
b Approved for future payment  <b>NONE</b>				
<b>Total</b>				<b>▶ 3b 0.</b>




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

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

[illegible]

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

b If "Yes," complete the following schedule.		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.			
Sign Here  Paid Preparer's Use Only	Signature of officer or trustee 		Date 5-13-10
	Title PRESIDENT		Check if self-employed <input type="checkbox"/>
Preparer's signature James R. Allen c.p.a.		Date MAY 11 2010	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code STIEFEL, LYLES & ALLEN, P.C. 4710 KINSEY DR TYLER, TX 75703		EIN Phone no. (903) 581-3883	

## STATEMENT FOR FORM 990-PF, PART IV

BOB L. HERD FOUNDATION

75-2530305

## 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)
1a	0.75 SH AT&T INC	P	02/05/09	2/5/2009
b	0.88 SH ALCOA INC	P	12/04/08	5/27/2009
c	0.2 SH ARCHER-DANIELS-MIDLAND CO	P	01/08/09	1/8/2009
d	37500 SH CITIGROUP FDG INC ELKS 13.5%	P	02/25/08	3/6/2009
e	0.25 SH EMC CORP-MASS	P	02/05/09	02/05/09
f	105740 SH EMC CORP-MASS	P	02/05/09	08/03/09
g	22869 SH EXXON MOBIL CORP	P	09/04/09	11/19/09
h	1355.086 SH FRANKLIN RISING DIVIDENDS FD CLASS A	P	12/04/08	06/25/09
i	88652 SH INTEL CORP	P	05/07/09	10/14/09
j	0.875 SH NYSE EURONEXT	P	03/05/09	03/05/09
k	0.625 SH SCHLUMBERGER LTD	P	06/05/09	06/05/09
l	605.387 SH VAN KAMPEN COMSTOCK FUND CLASS A	P	09/15/08	06/25/09
m	7020.789 SH VAN KAMPEN EQUITY AND INCOME FUND CLASS A	P	09/15/08	06/25/09
n	435.834 SH VAN KAMPEN GROWTH & INCOME FUND CLASS A	P	09/15/08	06/25/09
o	350000 SH CIT GROUP INC	P	01/12/06	10/22/09

(e) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Gain or (loss) (e) plus (f) minus (g)
a	19	0	25
b	8	0	30
c	6	0	8
d	414,506	0	375,000
e	3	0	4
f	1,617,285	0	1,618,396
g	1,702,222	0	1,724,166
h	32,224	0	28,931
i	1,865,872	0	1,861,500
j	14	0	54
k	36	0	60
l	6,696	0	6,583
m	45,916	0	45,723
n	6,062	0	6,091
o	221,813	0	349,727
			-127,914

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) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			-6
b			-22
c			-2
d			39,506
e			-1
f			-1,111
g			-21,944
h			3,293
i			4,372
j			-40
k			-24
l			113
m			193
n			-29
o			-127,914

{ If gain, also enter in Part I, line 7 }

2 Capital gain net income or (net capital loss).. { if (loss), enter "-0-" in Part I, line 7 }

2

-103,616

3 Net short-term capital gain or (loss) as defined in sections 12232(5) and (6): }

If gain, also enter in Part I, line 8, column (c). }

If (loss), enter "-0-" in Part I, line 8.. }

3

## STATEMENT FOR FORM 990-PF, PART IV

BOB L. HERD FOUNDATION

75-2530305

## 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 bnck 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.)
1a	250000 SH CLEAR CHANNEL COMMUNICATIONS	P	09/21/05	05/15/09
b	20000 SH FANNIE MAE SERIES 2002-55 CLASS LQ	P	02/12/03	04/27/09
c	40000 SH FANNIE MAE SERIES 2002-55 CLASS LX	P	02/12/03	05/26/09
d	56231.439 SH FRANKLIN RISING DIVIDENDS FD CLASS A	P	01/17/07	06/25/09
e	400000 SH GTE CORP DEBS-REG	P	09/23/02	04/01/09
f	25116.19 SH VAN KAMPEN COMSTOCK FUND CLASS A	P	02/22/07	06/25/09
g	233948.147 SH VAN KAMPEN EQUITY AND INCOME FUND CLASS A	P	01/17/07	06/25/09
h	21603.423 SH VAN KAMPEN GROWTH & INCOME FUND CLASS A	P	02/22/07	06/25/09
i				
j				
k				
l				
m				
n				
o				

(e) Gross sales price minus expense of sale	(f) Depreciation allowed (or allowable)	(g) Cost or other basis	(h) Gain or (loss) (e) plus (f) minus (g)
a	250,000	0	246,405
b	20,000	0	20,600
c	40,000	0	41,200
d	1,337,184	0	2,060,961
e	400,000	0	430,160
f	277,785	0	491,418
g	1,530,021	0	2,155,041
h	300,504	0	482,713
i		0	
j		0	
k		0	
l		0	
m		0	
n		0	
o		0	

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) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			3,595
b			-600
c			-1,200
d			-723,777
e			-30,160
f			-213,633
g			-625,020
h			-182,209
i			0
j			0
k			0
l			0
m			0
n			0
o			0

{ If gain, also enter in Part I, line 7 }

2 Capital gain net income or (net capital loss)... { If (loss), enter "-0-" in Part I, line 7 }

2

-1,876,620

3 Net short-term capital gain or (loss) as defined in sections 12232(5) and (6). }

If gain, also enter in Part I, line 8, column (c) }

If (loss), enter "-0-" in Part I, line 8 .. }

3



FORM 990-PF	INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS	STATEMENT 1
SOURCE		AMOUNT
SMITH BARNEY WESTERN ASSET/CITI INSTITUTIONAL		1,759
SMITH BARNEY WESTERN ASSET MONEY MKT FD CL A		4,498
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A		6,257

FORM 990-PF		DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT 2
SOURCE		GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
AOL TIME WARNER INC.	INTEREST	34,375		34,375
AT&T CORP	INTEREST	18,250		18,250
AT&T INC	DIVIDEND	59,858		59,858
ALCOA INC	DIVIDEND	6,057		6,057
ARCHER-DANIELS-MIDLAND CO	DIVIDEND	12,543		12,543
ANHEUSER BUSCH COS I	INTEREST	12,000		12,000
ATCHINSON TOPEKA & SANTA FE RY	INTEREST	1,584		1,584
BANKAMERICA CORP	INTEREST	13,125		13,125
CAPITAL INCOME BUILDER FUND CL A	DIVIDEND	44,470		44,470
CIT GROUP INC	INTEREST	14,408		14,408
CITIGROUP INC	INTEREST	12,090		12,090
CITIGROUP FUNDING INC 13.5% ELKS	INTEREST	5,989		5,989
CITIGROUP FUNDING INC 11.5% ELKS	INTEREST	5,925		5,925
CITIGROUP FUNDING INC 10.5% ELKS	INTEREST	28,980		28,980
CITIGROUP FUNDING INC 10.5% ELKS	INTEREST	27,160		27,160
CITIGROUP FUNDING INC 9.75% ELKS	INTEREST	21,330		21,330
CITIGROUP FUNDING INC 8% ELKS	INTEREST	70,560		70,560
CITIGROUP FUNDING INC 11.75% ELKS	INTEREST	29,740		29,740
CITIGROUP FUNDING INC 8.5% ELKS	INTEREST	6,731		6,731
CITIGROUP FUNDING INC 10% ELKS	INTEREST	6,833		6,833
CITIGROUP FUNDING INC 10.5% ELKS	INTEREST	37,440		37,440
CITIGROUP FUNDING INC 10.75% ELKS	INTEREST	37,440		37,440
CITIGROUP FUNDING INC 10% ELKS	INTEREST	33,040		33,040
CLEAR CHANNEL COMMUNICATIONS	INTEREST	5,312		5,312
DAIMLERCHRYSLER NA HLDG	INTEREST	16,250		16,250
WALT DISNEY COMPANY	INTEREST	15,500		15,500
DEERE & CO	DIVIDEND	13,769		13,769
DUKE CAPITAL CORP	INTEREST	13,750		13,750
EXXON MOBIL CORP	DIVIDEND	9,605		9,605
FANNIE MAE SERIES 2002-55 CL LQ	INTEREST	367		367
FANNIE MAE SERIES 2002-55 CL LX	INTEREST	917		917
GTE CORP DEBS-REG	INTEREST	15,020		15,020
GENERAL ELECTRIC CAP CORP	INTEREST	16,156		16,156
GINNIE MAE SERIES 2005-63 CL HE	INTEREST	27,500		27,500
GINNIE MAE SERIES 2005-60 CL HB	INTEREST	30,000		30,000
GINNIE MAE SERIES 2005-60 CL HD	INTEREST	30,000		30,000
INCOME FUND OF AMERICA CLASS A	DIVIDEND	44,084		44,084
INTEL CORP	DIVIDEND	24,823		24,823
JOHNSON CONTROLS INC	INTEREST	26,250		26,250
LIBERTY MEDIA CORP	INTEREST	14,250		14,250
LOWES COMPANIES INC	DIVIDEND	13,762		13,762
MERCK & CO INC	DIVIDEND	36,947		36,947
MORGAN STANLEY DEAN WITTER	INTEREST	18,562		18,562
NYSE EURONEXT	DIVIDEND	6,654		6,654
NUCOR CORP	DIVIDEND	62,157		62,157

SAFEWAY INC,	INTEREST	14,500		14,500
SAFEWAY INC NOTES	INTEREST	12,375		12,375
SARA LEE CORP NOTES	INTEREST	9,687		9,687
SCHLUMBERGER LTD	DIVIDEND	768		768
SPRINT CAPITAL CORP	INTEREST	20,938		20,938
TEXAS INSTRUMENTS INC	DIVIDEND	12,288		12,288
UNIVERSITY TEX UNIV REVS FING	INTEREST	10,460		10,460
VALERO ENERGY CORP-NEW	DIVIDEND	17,241		17,241
VAN KAMPEN COMSTOCK FUND	DIVIDEND	2,932		2,932
VAN KAMPEN EQUITY & INCOME FD	DIVIDEND	20,086		20,086
VAN KAMPEN GROWTH & INCOME FD	DIVIDEND	2,844		2,844
VERIZON GLOBAL FDG CORP	INTEREST	17,188		17,188
VIACOM INC NOTES	INTEREST	14,063		14,063
WEYERHAEUSER CO NOTES	INTEREST	13,900		13,900
CITIGROUP FUNDING INC 11.25% ELKS	INTEREST	471		471
TOTAL TO FORM 990-PF, PART I, LINE 4		1,151,304	-	1,151,304

FORM 990-PF	ACCOUNTING FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STIEFEL AND LYLES, P.C.	2,625	1,050	0	1,575
TO FORM 990-PF, PART I, LN 16b	2,625	1,050	0	1,575

FORM 990-PF	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATIVE REIMBURSEMENT	228,000	91,695	0	136,305
TO FORM 990-PF, PART I, LN 23	228,000	91,695	-	136,305

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES			STATEMENT 5
DESCRIPTION				AMOUNT
NONDEDUCTIBLE PORTION OF DONATION				3,700
TO FORM 990-PF, PART III, LN 5				3,700

FORM 990-PF	CORPORATE STOCK	STATEMENT 6	
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
48665 SH AT&T INC	1,620,685	1,364,080	
30214 SH ALCOA INC	1,046,015	487,050	
22399 ARCHER-DANIELS-MIDLAND CO	852,778	701,313	
24588 SH DEERE & CO	1,820,100	1,329,965	
39320 SH LOWES COMPANIES INC	1,215,100	919,695	
48614 SH MERCK & CO INC NEW	1,861,240	1,776,356	
5545 SH NYSE EURONEXT	342,805	140,288	
44398 SH NUCOR CORP	2,570,987	2,071,167	
3659 SH SCHLUMBERGER LTD	350,644	238,164	
27307 SH TEXAS INSTRUMENTS INC	956,230	711,620	
38314 SH VALERO ENERGY CORP-NEW	1,856,380	641,759	
200000 SH CITIGROUP FUNDING INC 10.0% ELKS (SCHLUMBERGER)	2,000,000	1,990,800	
160000 SH CITIGROUP FUNDING INC 11.0% ELKS (GNRL ELECTRIC)	1,600,000	1,678,080	
150000 SH CITIGROUP FUNDING INC 11.0% ELKS (DOW CHEMICAL)	1,500,000	1,533,000	
TOTAL TO FORM 990-PF, PART II, LINE 10b END OF YEAR	19,592,964	15,583,337	

FORM 990-PF	CORPORATE BONDS	STATEMENT 7	
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
200000 ANHEUSER BUSCH	213,774	210,898	
500000 AOL TIME WARNER INC	577,990	547,370	
250000 A T & T CORP	298,917	275,268	
20000 ATCHISON TOPEKA & SANTA FE RY	23,669	20,656	
250000 BANKAMERICA CORP	266,197	251,562	
248000 CITIGROUP INC	249,250	233,767	
250000 DAIMLERCHRYSLER NA HLDG GLOBAL	276,625	274,060	
250000 DUKE CAPITAL CORP	260,895	262,837	
275000 GENERAL ELEC CAP CORP	300,215	294,627	
500000 JOHNSON CONTROLS INC	508,135	524,705	
275000 LEHMAN BROTHERS HOLD	274,821	53,625	
250000 LIBERTY MEDIA CORP	264,215	238,125	
275000 MORGAN STANLEY DEAN WITTER	312,436	291,357	
250000 SAFEWAY INC	272,543	270,010	
250000 SAFEWAY INC NOTES	250,988	256,585	
250000 SARA LEE CORP NOTES	228,145	255,615	
250000 SPRINT CAPITAL CORP	309,272	258,750	
250000 VERIZON GLOBAL FDG CORP	294,448	276,780	
250000 VIACOM INC NOTES	253,142	261,318	
250000 WALT DISNEY COMPANY	283,505	279,917	
200000 WEYERHAEUSER CO NOTES	234,480	205,936	
TOTAL TO FORM 990-PF, PART II, LINE 10c END OF YEAR	5,953,662	5,543,768	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 8	
DESCRIPTION		BOOK VALUE	FAIR MARKET VALUE
300000 GINNIE MAE SERIES 2002-88 CL KB		9,000	-
500000 GINNIE MAE SERIES 2005-60 CL HB		513,559	502,766
500000 GINNIE MAE SERIES 2005-60 CL HD		524,063	531,575
500000 GINNIE MAE SERIES 2005-63 CL HE		512,187	510,965
41756.144 SH CAPITAL INCOME BUILDERS FUND CL A		1,750,000	1,999,702
133587.786 SH INCOME FUND OF AMERICA CL A		1,750,000	2,069,275
2000000 SH UNIVERSITY TEX UNIV REVS FING TXBLE		2,143,120	2,018,760
TOTAL TO FORM 990-PF, PART II, LINE 13 END OF YEAR		7,201,929	7,633,043

FORM 990-PF	PART XV, LINE 2B APPLICATION REQUIREMENTS	STATEMENT 9
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DESCRIPTION

APPLICTIONS SHOULD BE MADE IN WRITING WITH A COPY OF THE ORGANIZATION'S  
DETERMINATION LETTER FOR SEC. 501(C)(3) STATUS.

FORM 990-PF		GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR		STATEMENT 10
RECIPIENT NAME & ADDRESS	RELATIONSHIP	STATUS	PURPOSE	AMOUNT
ABILENE BEN RICHEY BOYS RANCH PO BOX 6839 ABILENE, TX 79608	N/A	PUBLIC CHARITY	PROVIDE CARE & CHRISTIAN FAMILY MODEL FOR TROUBLED BOYS	1,000
ALBANY VFD 216 MAIN STREET ALBANY, TX 76430	N/A	PUBLIC CHARITY	RURAL VOLUN- TEER FIRE DEPT ASSISTANCE	1,000
AMERICAN CANCER SOCIETY 1301 S BROADWAY TYLER, TX 75701	N/A	PUBLIC CHARITY	MEDICAL RESEARCH	6,700
AMERICAN HEART ASSN EAST TEXAS REGION P.O. BOX 529 LONGVIEW, TX 75606-0529	N/A	PUBLIC CHARITY	MEDICAL RESEARCH	25,000
AMERICAN RED CROSS 320 EAST RIECK ROAD TYLER TX 75703	N/A	PUBLIC CHARITY	EMERGENCY PREPAREDNESS/ DISASTER RELIEF	10,000
ATHENS SAMARITANS, INC DBA LABOR OF LOVE P.O. BOX 350 ATHENS, TX 75751	N/A	PUBLIC CHARITY	PROVIDE FREE HOME REPAIRS TO LOW INCOME FAMILIES	5,000
AZLEWAY BOYS RANCH 15892 CR 26 TYLER, TX 75707	N/A	PUBLIC CHARITY	HOME, EDUCATION & TREATMENT FOR BOYS & AT-RISK CHILDREN	5,000
BAIRD VFD PO BOX 1013 BAIRD, TX 79504	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	5,000
CAL FARLEY'S BOYS RANCH P.O. BOX 1890 AMARILLO, TX 79174	N/A	PUBLIC CHARITY	RESIDENTIAL & COMMUNITY BASED SERVICES FOR CHILDREN & FAMILIES	1,000

CAMP TYLER FOUNDATION PO BOX 1916 WHITEHOUSE, TX 75791	N/A	PUBLIC CHARITY	PROVIDE CHILD- REN OUTDOOR LEARNING OPPORTUNITIES	25,000
CARTER BLOODCARE 815 S. BAXTER AVE. TYLER TX 75701	N/A	PUBLIC CHARITY	COLLECTION & DISTRIBUTION OF BLOOD FOR MEDICAL CENTERS	5,000
CHILDREN'S VILLAGE P.O. BOX 6564 TYLER, TX 75711-6564	N/A	PUBLIC CHARITY	SERVICES FOR ABUSED, NEGLECTED & DISTURBED CHILDREN	5,000
CLOTHES CLOSET COMMUNITY MISSION 425 N PINE STREET BAIRD, TX 79504	N/A	PUBLIC CHARITY	PROVIDE FOOD AND CLOTHING FOR THE NEEDY	10,000
CYSTIC FIBROSIS FOUNDATION NORTHEAST TEXAS CHAPTER 305 S BROADWAY, STE 1000 TYLER, TX 75702	N/A	PUBLIC CHARITY	MEDICAL RESEARC AND EDUCATION/ IMPROVE QUALITY OF LIFE	5,000
EAST TEXAS COMMUNITIES FND 315 N BROADWAY TYLER, TX 75702	N/A	PUBLIC CHARITY	TEXAS TECH UNIVERSITY SCHOLARSHIP	15,000
EAST TEXAS CRISIS CENTER P.O. BOX 7060 TYLER, TX 75711	N/A	PUBLIC CHARITY	ASSIST VICTIMS OF FAMILY & OTHER VIOLENT CRIMES	125,000
EAST TEXAS GEOLOGICAL SOCIETY 1808 EVERGLADES DR TYLER, TX 75703	N/A	PUBLIC CHARITY	SOCIETY FOR EDUCATION & NET- WORKING OF O&G PROFESSIONALS	500
EAST TEXAS SYMPHONY PO BOX 6323 TYLER, TX 75711	N/A	PUBLIC CHARITY	CULTURAL ENRICHMENT	500
HABITAT FOR HUMANITY 324 E. LOCUST STREET TYLER, TX 75702	N/A	PUBLIC CHARITY	CONSTRUCTION OF HOUSING FOR THE NEEDY	5,000
HISTORIC AVIATION MEMORIAL MUSEUM 150 AIRPORT DR TYLER, TX 75704	N/A	PUBLIC CHARITY	HISTORICAL EDUCATION	5,000
HOSPICE OF EAST TEXAS 4111 UNIVERSITY BLVD TYLER, TX 75701	N/A	PUBLIC CHARITY	CARE AND COMFORT OF THE TERMINALLY ILL & THEIR FAMILIES	5,000

JUNIOR LEAGUE OF TYLER, INC. 1919 S. DONNYBROOK TYLER, TX 75701	N/A	PUBLIC CHARITY	PROMOTE VOLUNTEERISM & COMMUNITY IMPROVEMENTS	25,000
KIRKSVILLE COLLEGE OF OSTEOPATHIC MEDICINE 800 W JEFFERSON ST KIRKSVILLE, MO 63501	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	10,000
LITERACY COUNCIL OF TYLER PO BOX 6662 TYLER, TX 75711	N/A	PUBLIC CHARITY	IMPROVEMENT OF ADULT LITERACY SKILLS	2,000
M D ANDERSON CANCER CENTER 1515 HOLCOMBE BLVD HOUSTON, TX 77030	N/A	PUBLIC CHARITY	MEDICAL RESEARCH	11,000
MARVIN METHODIST CHURCH 300 W. ERWIN TYLER, TX 75702	N/A	PUBLIC CHARITY	RELIGIOUS	42,000
MEALS ON WHEELS 1915 GARDEN VALLEY RD TYLER TX 75702	N/A	PUBLIC CHARITY	MEALS FOR THE ELDERLY AND THE NEEDY	5,000
METHODIST HOME 1111 HERRING AVE WACO, TX 76708	N/A	PUBLIC CHARITY	COMPREHENSIVE PROGRAM OF CHILD CARE	2,000
MORAN VFD P O BOX 155 MORAN, TX 76464	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	2,000
OKLAHOMA STATE UNIVERSITY FND PO BOX 1749 STILLWATER, OK 74076-1749	N/A	PUBLIC CHARITY	EDUCATIONAL	500
PARENT SERVICES CENTER INC PO BOX 6807 TYLER, TX 75711-6807	N/A	PUBLIC CHARITY	PROMOTE PRO- GRAMS TO IMPROVE PARENTING SKILLS AND FAMILY LIFE	1,000

PARENTS ANONYMOUS OF TYLER 717 WEST HOUSTON TYLER, TX 75702	N/A	PUBLIC CHARITY	PROGRAMS TO END CHILD ABUSE & STRENGTHEN FAMILIES	500
PATH 324 W FRONT ST TYLER, TX 75702	N/A	PUBLIC CHARITY	EMERGENCY ASSISTANCE AND IMPROVEMENT OF LIFE FOR NEEDY	15,000
REGIONAL EAST TEXAS FOOD BANK PO BOX 6974 TYLER, TX 75711	N/A	PUBLIC CHARITY	PROVIDE FOOD, SUPPORT & EDUCA- TION TO NEEDY	10,000
ROCKIN' C RANCH 5300 CR 325 LINDALE TX 75771	N/A	PUBLIC CHARITY	CHRISTIAN CAMP AND RETREAT/ PROMOTE OUT- DOOR EDUCATION	5,000
SALVATION ARMY PO DRAWER 2050 TYLER, TX 75710	N/A	PUBLIC CHARITY	FOOD AND SHELTER FOR THE NEEDY	10,000
SCRIPPS FOUNDATION P O BOX 2669 LA JOLLA, CA 92038-2669	N/A	PUBLIC CHARITY	PROMOTES QUALITY PATIENT CARE, SERVICES & CLINICAL RESEARCH	2,000
SHACKELFORD COUNTY COMMUNITY RESOURCE CENTER P O BOX 876 ALBANY, TX 76430	N/A	PUBLIC CHARITY	PROVIDES FOOD, HEALTH EDUCATION & HUMAN SERVICES	5,000
SHACKELFORD CO. RURAL FIRE DEPT. 623 RAILROAD ST. ALBANY, TX 76430	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	1,000
SHERIFFS' ASSOC OF TEXAS 1601 S IH35 AUSTIN, TX 78741-2503	N/A	PUBLIC CHARITY	PROVIDE OFFICER TRAINING AND EDUCATION SUPPORT FOR THEIR CHILDREN	500
SHRINERS HOSPITAL FOR CHILDREN P.O. BOX 1510 RANSON WV 25438-4510	N/A	PUBLIC CHARITY	PEDIATRIC SPECIALTY CARE	5,000
SMITH CO SHERIFF'S K-9 UNIT P O BOX 90 TYLER, TX 75710	N/A	PUBLIC CHARITY	SUPPORT OF K-9 PROGRAM	5,000
TEXAS CHEST FOUNDATION P.O. BOX 6554 TYLER, TX 75711	N/A	PUBLIC CHARITY	ASTHMA CAMP FOR CHILDREN	2,000



TEXAS COLLEGE/UNCF P.O. BOX 4500 TYLER, TX 75712	N/A	PUBLIC CHARITY	EDUCATIONAL	1,000
TEXAS ENGINEERING FOUNDATION 211 E TYLER ST, STE 420 LONGVIEW, TX 75601	N/A	PUBLIC CHARITY	EDUCATIONAL PROGRAMS TO SUPPORT MATH & SCIENCE	1,000
TEXAS TECH ALUMNI ASSOC P O BOX 45001 LUBBOCK, TX 79409-5001	N/A	PUBLIC CHARITY	STUDENT SCHOLARSHIPS/FINANCIAL AID TO STAFF & FACULTY/ALUMNI NETWORKING	3,000
TEXAS TECH RED RAIDERS CLUB BOX 41081 LUBBOCK, TX 79409	N/A	PUBLIC CHARITY	PROVIDE FOR ATHLETIC SCHOLARSHIPS	18,600
TEXAS TECH UNIVERSITY FND PO BOX 42013 LUBBOCK, TX 79409-2013	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	470,000
TISD FOUNDATION PO BOX 2035 TYLER, TX 75710	N/A	PUBLIC CHARITY	PROVIDE FOR TEACHER INCENTIVES & GRANTS	2,000
TYLER CRIMESTOPPERS P.O. BOX 702 TYLER, TX 75710	N/A	PUBLIC CHARITY	PROMOTES THE REDUCTION OF CRIME BY OFFERING MONETARY REWARDS	1,000
TYLER JR. COLLEGE FOUNDATION PO BOX 9020 TYLER, TX 75711	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	202,000
TYLER POLICE FOUNDATION 711 WEST FERGUSON ST. TYLER, TX 75702	N/A	PUBLIC CHARITY	PROVIDE FUNDS FOR PROJECTS NOT COVERED BY CITY BUDGET	1,500
TYLER ROSE MUSEUM P.O. BOX 8224 TYLER, TX 75711	N/A	PUBLIC CHARITY	PRESERVE AND DISPLAY HISTORY OF TYLER'S ROSE GROWING INDUSTRY	500
TYLER-SMITH COUNTY CHILD WELFARE P.O. BOX 132494 TYLER, TX 75713	N/A	PUBLIC CHARITY	SUPPORT FOR FOSTER CHILDREN	2,000
TYLER YOUNG LIFE PO BOX 7763 TYLER, TX 75711	N/A	PUBLIC CHARITY	CHRISTIAN YOUTH SUPPORT MINISTRY	500

UNITED WAY OF ABILENE P.O. BOX 82 ABILENE, TX 79604	N/A	PUBLIC CHARITY	SUPPORT TO LOCAL AGENCIES PROVIDING HUMAN SERVICES NEEDS	20,000
UNITED WAY OF TYLER/SMITH CNTY 4000 SOUTHPARK DR., #1200 TYLER, TX 75703	N/A	PUBLIC CHARITY	SUPPORT TO LOCAL AGENCIES PROVIDING HUMAN SERVICES NEEDS	25,000
UNIVERSITY OF TEXAS AT TYLER 3900 UNIVERSITY BLVD TYLER, TX 75799	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	205,000
WEST TEXAS REHABILITATION CENTER 4601 HARTFORD ABILENE TX 79605	N/A	PUBLIC CHARITY	SERVICES FOR DISABLED	5,000
WOMEN'S SYMPHONY LEAGUE PO BOX 6823 TYLER, TX 75711	N/A	PUBLIC CHARITY	CULTURAL ENRICHMENT	1,000
TOTAL TO FORM 990-PF, PART XV, LINE 3A				<u>1,386,300</u>