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Form 990-PF

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

OMB No. 1545-0052

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply.

Initial return

Initial return of a former public charity

Final return

Amended return

Address change

Name change

Name of foundation

**ARTHUR M HEARD TRUST
C/O ADAM HEARD, CO-TTEE**

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

4 NEWCASTLE ST

Room/suite

City or town, state, and ZIP code

CONCORD NH 03301H Check type of organization. Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col. (c),
line 16) ► \$ **355,092**J Accounting method: Cash Accrual Other (specify)

(Part I, column (d) must be on cash basis.)

A Employer identification number

02-6004459

B Telephone number (see page 10 of the instructions)

617-325-7787C If exemption application is pending, check here ► D 1. Foreign organizations, check here ► 2. Foreign organizations meeting the
85% test, check here and attach computation ► E If private foundation status was terminated under
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ►

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 page 11 of the instructions))		(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 (attach schedule)					
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		13	13	13	
4 Dividends and interest from securities		8,325	8,325	8,325	
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-3,890			
b Gross sales price for all assets on line 6a	40,572				
7 Capital gain net income (from Part IV, line 2)			0		
8 Net short-term capital gain				0	
9 Income modifications					
10a Gross sales less returns & allowances					
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		4,448	8,338	8,338	
13 Compensation of officers, directors, trustees, etc.		0			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)	STMT 1	875	438		437
c Other professional fees (attach schedule)	STMT 2	1,854	1,854		
17 Interest					
18 Taxes (attach schedule) (see page 14 of the instructions)					
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)	STMT 3	450			450
24 Total operating and administrative expenses.					
Add lines 13 through 23		3,179	2,292	0	887
25 Contributions, gifts, grants paid		15,000			15,000
26 Total expenses and disbursements. Add lines 24 and 25		18,179	2,292	0	15,887
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-13,731			
b Net investment income (if negative, enter -0-)			6,046		
c Adjusted net income (if negative, enter -0-)				8,338	

2/10

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments		30,901	196
	3 Accounts receivable ►			196
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (att schedule) ►	0		
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) SEE STMT 4	203,040	218,761	244,814
	c Investments—corporate bonds (attach schedule)			
Liabilities	11 Investments—land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach sch) ►			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach sch) ►			
	15 Other assets (describe ► SEE STATEMENT 5)	100,225	101,478	110,082
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	334,166	320,435	355,092
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	334,166	320,435	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see page 17 of the instructions)	334,166	320,435	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	334,166	320,435	

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	334,166
2 Enter amount from Part I, line 27a	2	-13,731
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	320,435
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	320,435

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 SEE WORKSHEET				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	-3,890
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8		3	

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

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

 Yes No

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	15,668	307,573	0.050941
2008	18,686	364,310	0.051291
2007	18,450	411,878	0.044795
2006	18,758	392,362	0.047808
2005	18,000	380,596	0.047294
2 Total of line 1, column (d)		2	0.242129
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		3	0.048426
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5		4	333,437
5 Multiply line 4 by line 3		5	16,147
6 Enter 1% of net investment income (1% of Part I, line 27b) ...		6	60
7 Add lines 5 and 6		7	16,207
8 Enter qualifying distributions from Part XII, line 4		8	15,887

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 on page 18.

Part VI **Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

1 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 Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

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

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

6 Credits/Payments.

	6a
	6b
	6c
	6d

a 2010 estimated tax payments and 2009 overpayment credited to 2010

b Exempt foreign organizations—tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here if Form 2220 is attached

9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed**

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

11 Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ►

Part VII-A Statements Regarding Activities

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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the 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.

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

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.

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.

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

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

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?

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.

8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► **NH**

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

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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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 page 20 of the instructions) 11 **X**

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 **X**

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13 **X**

14 The books are in care of ► **ADAM HEARD**
4 NEWCASTLE STREET

Telephone no. ► **603-271-5449**

Located at ► CONCORD

NBZIP+4 ► **03301**

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

16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ► 16 **X**

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

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

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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? N/A

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? 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 page 22 of the instructions) N/A

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 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 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010) N/A

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 3b

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? 4a **X**

4b **X**

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

5a	During the year did the foundation pay or incur any amount to:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/> N/A		5b	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	<input checked="" type="checkbox"/>
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		N/A	7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
ADAM HEARD 4 NEWCASTLE ST	CONCORD NH 03301	TRUSTEE 1.00	0	0
GEOFFERY JOHNSON 53 WALWORTH SR	ROSLINDALE MA 02131	TRUSTEE 1.00	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions).
If none, enter "NONE."**

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

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

► 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ►

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A	
2	
3	

All other program-related investments. See page 24 of the instructions

3	
Total. Add lines 1 through 3	►

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	322,051
b	Average of monthly cash balances	1b	16,464
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	338,515
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	338,515
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	5,078
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	333,437
6	Minimum investment return. Enter 5% of line 5	6	16,672

Part XI Distributable Amount (see page 25 of the 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	16,672
2a	Tax on investment income for 2010 from Part VI, line 5	2a	121
b	Income tax for 2010. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	121
3	Distributable amount before adjustments Subtract line 2c from line 1	3	16,551
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	16,551
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	16,551

Part XII Qualifying Distributions (see page 25 of the 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	15,887
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	15,887
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 page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	15,887

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distrbutable amount for 2010 from Part XI, line 7				16,551
2 Undistributed income, if any, as of the end of 2010: a Enter amount for 2009 only			11,693	
b Total for prior years: 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2010: a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 15,887			11,693	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distrbutable amount				4,194
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
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 page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				12,357
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9: a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or 4942(j)(5)

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

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

N/A

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.

N/A

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

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
a Paid during the year				
FEDERATED CHURCH OF SANDWICH 16 CHURCH STREET CENTER SANDWICH NH 03227	NONE	PUBLIC	IN ACCORDANCE WITH TERMS OF THE TRUST	5,000
TRUSTEES OF SANDWICH CEME PO BOX 88 CENTER SANDWICH NH 03227	NONE	PUBLIC	IN ACCORDANCE WITH THE TERMS OF THE	2,500
SANDWICH HISTORICAL SOCIETY PO BOX 106 CENTER SANDWICH NH 03227	NONE	PUBLIC	IN ACCORDANCE WITH THE TERMS OF THE	2,500
SANDWICH HOME INDUSTRIES 32 MAIN STREET CENTER SANDWICH NH 03227	NONE	PUBLIC	IN ACCORDANCE WITH THE TERMS OF THE	2,500
SAMUEL WENTWORTH LIBRARY PO BOX 146 CENTER SANDWICH NH 03227-	NONE	PUBLIC	IN ACCORDANCE WITH THE TERMS OF THE	2,500
Total			► 3a	15,000
b Approved for future payment				
N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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****5 Net rental income or (loss) from real estate:**

a Debt-financed property
 b Not debt-financed property

6 Net rental income or (loss) from personal property**7 Other investment income****8 Gain or (loss) from sales of assets other than inventory****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)**14 13****13 Total. Add line 12, columns (b), (d), and (e)****14 8,325****18 -3,890****0 4,448 0****13 4,448**

(See worksheet in line 13 instructions on page 29 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 page 29 of the instructions.)
N/A	

656 ARTHUR M HEARD TRUST
02-6004459
FYE: 12/31/2010

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MASON + RICH, PA	\$ 875	\$ 438	\$ 438	\$ 437
TOTAL	\$ 875	\$ 438	\$ 438	\$ 437

Statement 2 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT FEES - CITIZENS	\$ 1,854	\$ 1,854	\$ 1,854	\$ 1,854
TOTAL	\$ 1,854	\$ 1,854	\$ 1,854	\$ 1,854

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
NH ANNUAL FILING FEE	150			150
TRUSTEE BOND PREMIUM	300			300
TOTAL	\$ 450	\$ 0	\$ 0	\$ 450

656 ARTHUR M HEARD TRUST
02-6004459
FYE: 12/31/2010

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
COMMON STOCKS - SEE ATTACHED	\$ 203,040	\$ 218,761	COST	\$ 244,814
TOTAL	\$ 203,040	\$ 218,761		\$ 244,814

656 ARTHUR M HEARD TRUST
02-6004459
FYE: 12/31/2010

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
MUTUAL FUNDS - SEE ATTACHED	\$ 100,225	\$ 101,478	\$ 110,082
TOTAL	\$ 100,225	\$ 101,478	\$ 110,082

Account Holdings Section

Investment Account Statement

January 1, 2010 - December 31, 2010

Account Holdings Schedule

Description	Quantity/ Current Price	Market Value	Tax Cost	Est. Ann. Income/ Current Yield
Fixed Income - Taxable				
Templeton Global Bond Advisor #616 CUSIP: 880208400	768.05 13.56	\$10,414.73	\$10,000.00	\$470.81 4.52%
Vanguard Admiral GNMA Fd #536 CUSIP: 922031794	1,583.19 10.74	\$17,003.43	\$15,891.86	\$582.61 3.43%
Vanguard Inflation-Protected SEC 119 CUSIP: 922031869	811.02 13.00	\$10,543.31	\$10,201.15	\$257.09 2.44%
Vanguard Intermediate-Term Bond	6,433.55 11.21	\$72,120.04	\$65,384.60	\$2,985.16 4.14%
Index Fund Signal SHS #1350 CUSIP: 921937843				
Total Fixed Income - Taxable		\$110,081.51	\$101,477.61	\$4,295.67
Equities				
Abbott Laboratories CUSIP: 002824100	100.00 47.91	\$4,791.00	\$4,651.44	\$176.00 3.67%
Advanced Micro Devices Inc. CUSIP: 007903107	200.00 8.18	\$1,636.00	\$1,691.46	\$0.00 0.00%
Affiliated Managers Group Inc CUSIP: 008252108	25.00 99.22	\$2,480.50	\$1,903.75	\$0.00 0.00%
AFLAC Inc CUSIP: 001055102	30.00 56.43	\$1,692.90	\$1,912.80	\$36.00 2.13%
ALCOA Inc CUSIP: 013817101	100.00 15.39	\$1,539.00	\$3,150.00	\$12.00 0.78%
Apple Computer Inc. CUSIP: 037833100	10.00 322.56	\$3,225.60	\$2,627.50	\$0.00 0.00%
Applied Materials Inc CUSIP: 038222105	200.00 14.05	\$2,810.00	\$3,472.00	\$56.00 1.99%
AT & T Inc CUSIP: 00206R102	100.00 29.38	\$2,938.00	\$3,070.00	\$172.00 5.85%
Bank of America Corporation CUSIP: 060505104	142.00 13.34	\$1,894.28	\$7,187.06	\$5.68 0.30%
CBS Corp New CL B CUSIP: 124857202	100.00 19.05	\$1,905.00	\$1,580.78	\$20.00 1.05%
Chevron Corp CUSIP: 166764100	75.00 91.25	\$6,843.75	\$2,962.50	\$216.00 3.16%
CISCO Systems CUSIP: 17275R102	150.00 20.23	\$3,034.50	\$4,621.87	\$0.00 0.00%

Account Holdings Section (continued)

Investment Account Statement

January 1, 2010 - December 31, 2010

Description	Quantity/ Current Price	Market Value	Tax Cost	Est. Ann. Income/ Current Yield
Columbia Acorn Fund CL Z #492 CUSIP: 197199409	497.26 30.19	\$15,012.16	\$13,313.14	\$21.88 0.15%
Danaher Corp. CUSIP: 235851102	100.00 47.17	\$4,717.00	\$1,681.25	\$8.00 0.17%
E M C Corp Mass CUSIP: 268648102	100.00 22.90	\$2,290.00	\$2,086.91	\$0.00 0.00%
Exxon Mobil Corp CUSIP: 30231G102	75.00 73.12	\$5,484.00	\$2,721.75	\$132.00 2.41%
Fidelity Advisor Ser VIII	1,305.89	\$21,259.81	\$26,199.95	\$321.25
Diversified Intl Fd Instl Clb CUSIP: 315920686	16.28			1.51%
Freeport-McMoran Copper & Gold Inc CL B CUSIP: 35671D857	20.00 120.09	\$2,401.80	\$2,362.40	\$40.00 1.66%
General Electric Co CUSIP: 369604103	150.00 18.29	\$2,743.50	\$839.11	\$84.00 3.06%
Grainger W W Inc CUSIP: 384802104	50.00 138.11	\$6,905.50	\$3,156.50	\$108.00 1.56%
Hartford Financial Svcs Group Inc CUSIP: 416515104	75.00 26.49	\$1,986.75	\$1,962.75	\$15.00 0.75%
Hershey Company CUSIP: 427866108	50.00 47.15	\$2,357.50	\$2,555.50	\$64.00 2.71%
Intel Corp CUSIP: 458140100	100.00 21.03	\$2,103.00	\$2,636.90	\$63.00 3.00%
Ipath Dj-Ubs Commodity Index TR Etn CUSIP: 06738C778	100.00 49.12	\$4,912.00	\$7,214.00	\$0.00 0.00%
iShares MSCI Emerging Mkts CUSIP: 464287234	125.00 47.64	\$5,955.25	\$5,262.18	\$80.75 1.36%
iShares Russell Midcap Value Index CUSIP: 464287473	300.00 45.01	\$13,503.00	\$13,343.00	\$263.40 1.95%
iShares S & P Midcap 400 Index Fd CUSIP: 464287507	100.00 90.69	\$9,069.00	\$7,675.55	\$95.70 1.05%
iShares S&P Small Cap Index Fd CUSIP: 464287804	100.00 68.47	\$6,847.00	\$5,889.48	\$73.70 1.08%
Johnson & Johnson CUSIP: 478160104	75.00 61.85	\$4,638.75	\$4,816.50	\$162.00 3.49%



Account Holdings Section (continued)**Investment Account Statement**

January 1, 2010 - December 31, 2010

Description	Quantity/ Current Price	Market Value	Tax Cost	Est. Ann. Income/ Current Yield
Johnson Controls Inc CUSIP: 478366107	75.00 38.20	\$2,865.00	\$1,831.75	\$48.00 1.67%
JPMorgan Chase & Co CUSIP: 46625H100	75.00 42.42	\$3,181.50	\$3,072.75	\$15.00 0.47%
M & T Bank Corp CUSIP: 55261F104	25.00 87.05	\$2,176.25	\$2,184.50	\$70.00 3.22%
McDonalds Corp. CUSIP: 580135101	50.00 76.76	\$3,838.00	\$2,560.50	\$122.00 3.18%
Metlife Inc CUSIP: 59156R108	50.00 44.44	\$2,222.00	\$2,752.00	\$37.00 1.66%
Microsoft Corp CUSIP: 594918104	75.00 27.91	\$2,093.25	\$2,152.50	\$48.00 2.29%
Nabors Industries Ltd CUSIP: G6359F103	50.00 23.46	\$1,173.00	\$2,446.50	\$0.00 0.00%
Nextera Energy Inc Com CUSIP: 65339F101	100.00 51.99	\$5,199.00	\$3,044.50	\$200.00 3.85%
Occidental Petroleum Corp. CUSIP: 674599105	40.00 98.10	\$3,924.00	\$3,520.40	\$60.80 1.55%
Oracle Systems Corp. CUSIP: 68389X105	200.00 31.30	\$6,260.00	\$2,720.00	\$40.00 0.64%
Pepsico Inc CUSIP: 713448108	50.00 65.33	\$3,266.50	\$615.10	\$96.00 2.94%
PNC Financial Services Group CUSIP: 693475105	50.00 60.72	\$3,036.00	\$589.56	\$20.00 0.66%
Procter & Gamble Co CUSIP: 742718109	75.00 64.33	\$4,824.75	\$3,964.50	\$144.53 3.00%
Qualcomm Corp CUSIP: 747525103	50.00 49.49	\$2,474.50	\$776.50	\$38.00 1.54%
Quest Diagnostic Inc CUSIP: 74834L100	50.00 53.97	\$2,698.50	\$1,670.50	\$20.00 0.74%
Schlumberger Ltd CUSIP: 806857108	25.00 83.50	\$2,087.50	\$2,652.25	\$21.00 1.01%
Select Sector SPDR TR Matls	100.00 38.41	\$3,841.00	\$3,161.74	\$117.80 3.07%
SunTrust Banks Inc. CUSIP: 867914103	50.00 29.51	\$1,475.50	\$3,164.00	\$2.00 0.14%
T Rowe Price Mid-Cap Growth Fd Inc	279.02 58.53	\$16,331.10	\$13,855.92	\$0.00 0.00%
Com CUSIP: 779556109				
Thermo Fisher Scientific Inc CUSIP: 883556102	35.00 55.36	\$1,937.60	\$1,934.45	\$0.00 0.00%

Account Holdings Section (continued)**Investment Account Statement**

January 1, 2010 - December 31, 2010

Description	Quantity/ Current Price	Market Value	Tax Cost	Est. Ann. Income/ Current Yield
TJX Companies New CUSIP: 872540109	75.00 44.39	\$3,329.25	\$2,415.00	\$45.00 1.35%
United Technologies Corp CUSIP: 913017109	50.00 78.72	\$3,936.00	\$1,665.00	\$85.00 2.16%
Wal-Mart Stores CUSIP: 931142103	75.00 53.93	\$4,044.75	\$3,921.00	\$90.75 2.24%
Walt Disney Co. CUSIP: 254687106	100.00 37.51	\$3,751.00	\$2,924.93	\$40.00 1.07%
Wells Fargo & Co New CUSIP: 949746101	75.00 30.99	\$2,324.25	\$2,340.00	\$15.00 0.64%
Western Digital Corp CUSIP: 958102105	100.00 33.90	\$3,390.00	\$2,092.74	\$0.00 0.00%
3M Co CUSIP: 88579Y101	25.00 86.30	\$2,157.50	\$2,184.50	\$52.50 2.43%
Total Equities		\$244,814.25	\$218,761.12	\$3,654.74
Cash & Cash Equivalents				
CitizensSelect Prime Money Market Fund #462 CUSIP: 177366101	120.83 1.00	\$120.83	\$120.83	\$0.08(i) 0.07%
Income Cash		\$75.74	75.74	
Total Cash & Cash Equivalents		\$196.57	\$120.83 196.57	\$0.08
Total All Assets		\$355,092.33	\$320,359.56	\$7,950.49

Market prices and income projections are from sources we believe to be reliable but are not guaranteed.

Total

320 435.30

