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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 , 2010, and ending , 20

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 **HEFLIN FAMILY FOUNDATION** **A Employer identification number** 71-6168230

Number and street (or P O box number if mail is not delivered to street address) **PO BOX 8910** **B Telephone number (see the instructions)** 501-888-2345

City or town, state, and ZIP code **LITTLE ROCK AR 72219-8910**

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ **2,253,594.** **J Accounting method** ☐ Cash ☒ Accrual ☐ Other (specify) _____

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

Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see instr.))		(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)		4,500.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temp. cash investments		356.	356.		
4 Dividends and interest from securities		40,455.	47,623.		
5a Gross rents (Net rental income or (loss) _____)					
6a Net gain/(loss) from sale of assets not on line 10		(10,210.)			
b Gross sales price for all assets on line 6a 214,594.					
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
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)		6,493.	7,168.		
12 Total. Add lines 1 through 11		41,594.	55,147.		
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)		4,500.			
c Other professional fees (attach schedule)		66.	66.		
17 Interest					
18 Taxes (attach schedule) (see instructions)		1,984.	912.		
19 Depreciation (attach sch.) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)		611.	583.		
24 Total operating and administrative expenses. Add lines 13 through 23		7,161.	1,561.		
25 Contributions, gifts, grants paid		166,750.			166,750.
26 Total exp. & disbursements. Add lines 24 and 25		173,911.	1,561.		166,750.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		(132,317.)			
b Net investment income (if neg., enter -0-)			53,586.		
c Adjusted net income (if neg., enter -0-)					

For Paperwork Reduction Act Notice, see the instructions.

BCA

US990PF1

Form 990-PF (2010)

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See inst.)

		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	234,542.	190,264.	190,264.
	3 Accounts receivable ▶ 4,273.			
	Less allowance for doubtful accts ▶		4,273.	4,273.
	4 Pledges receivable ▶			
	Less allowance for doubtful accts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	2,911.	1,839.	1,836.
	10a Investments - U S and state govt obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)	1,518,288.	1,503,506.	1,503,506.
	c Investments - corporate bonds (attach schedule)	189,359.	287,249.	287,249.
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
12 Investments - mortgage loans				
13 Investments - other (attach schedule)	257,806.	262,171.	262,171.	
14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶ OTHER ASSETS)	6,470.	4,305.	4,305.	
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	2,209,376.	2,253,607.	2,253,604.	
Liabilities	17 Accounts payable and accrued expenses		2,151.	
	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 ▶)			
23 Total liabilities (add lines 17 through 22)		2,151.		
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	2,209,376.	2,251,456.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, ck. 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 the instructions)	2,209,376.	2,251,456.	
	31 Total liabilities and net assets/fund balances (see the instructions)	2,209,376.	2,253,607.	

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	2,209,376.
2 Enter amount from Part I, line 27a	2	(132,317.)
3 Other increases not included in line 2 (itemize) ▶ INCREASE IN MARKET VALUE	3	174,397.
4 Add lines 1, 2, and 3	4	2,251,456.
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	2,251,456.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a SEE SCHEDULE ATTACHED	P	VA/RI/OUS	12/31/2010
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 214,594.		224,804.	(10,210.)
b			
c			
d			
e			

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			(10,210.)
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	(10,210.)
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beg in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009			
2008			
2007			
2006			
2005			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4 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	8	

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> & enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	1,072.
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	1,072.
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	1,072.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,911.
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	2,911.
8	Enter any penalty for underpayment of estimated tax. Check here <input 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	1,839.
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <u>1,839</u> Refunded	11	

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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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		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 <u>\$</u> (2) On foundation managers <u>\$</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <u>\$</u>		
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 the instructions) <u>AR</u>		
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV in instructions)? 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) If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	X	
14	The books are in care of ▶ JAY M HEFLIN Located at ▶ 3524 TERMINIX DR AR LITTLE ROCK Telephone no ▶ 501-888-2345 ZIP+4 ▶ 72206			
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 instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No X

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

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

		Yes	No
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 type="checkbox"/> Yes <input checked="" 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	
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?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 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 the instructions)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 __, 20 __, 20 __, 20 __		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	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 2010?	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)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see the instructions)?

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐**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?☐ 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**6b****b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?**7b****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 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 comp	(e) Expense account, other allowances
BOO HEFLIN	CO TRUSTEE			
5 RIBERA PLACE	1	0		
SHARON K HEFLIN	CO TRUSTEE			
1 TERMINIX DR	1	0		
JAY M HEFLIN	CO TRUSTEE			
20 VALLEY CLUB CIRCLE	1	0		
MARC W HEFLIN	CO TRUSTEE			
33 VALLEY ESTATES	1	0		

2 Compensation of five highest-paid employees (other than those included on line 1 - see 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

▶

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 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 info such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1	
2	
3	
4	

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

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

	Amount
1 NONE	
2	
All other program-related investments See instructions	
3	

Total Add lines 1 through 3



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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	1,659,425.
b	Average of monthly cash balances	1b	231,198.
c	Fair market value of all other assets (see the instructions)	1c	42,568.
d	Total (add lines 1a, b, and c)	1d	1,933,191.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,933,191.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see the instructions)	4	28,998.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,904,193.
6	Minimum investment return. Enter 5% of line 5	6	95,210.

Part XI Distributable Amount (see 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	95,210.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,072.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,072.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	94,138.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	94,138.
6	Deduction from distributable amount (see the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	94,138.

Part XII Qualifying Distributions (see 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	166,750.
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	166,750.
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 the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	166,750.

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 the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				94,138.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior yrs 20__, 20__, 20__				
3 Excess distribs carryover, if any, to 2010				
a From 2005 55,932.				
b From 2006 32,249.				
c From 2007 15,102.				
d From 2008 35,435.				
e From 2009 72,472.				
f Total of lines 3a through e	211,190.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 166,750.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see the instr)				
c Treated as distributions out of corpus (Election required - see the instructions)				
d Applied to 2010 distributable amount				94,138.
e Remaining amt distributed out of corpus	72,612.			
5 Excess distribs carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in col (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, & 4e Subtract line 5	283,802.			
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 the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see the instructions)	55,932.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	227,870.			
10 Analysis of line 9				
a Excess from 2006 32,249.				
b Excess from 2007 15,102.				
c Excess from 2008 35,435.				
d Excess from 2009 72,472.				
e Excess from 2010 72,612.				

4942(1)(5)

(4) Gross investment income

[illegible]

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

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
AMERICAN SUITE 32 78759-	BD MEMBER	501C3	HEALTH & EDUCAT	5,000.
TWENTIET 72221		501C3	CAPITAL CAMPAIG	14,000.
OUACHITA 71998	BD MEMBER	501C3	EDUCATION	40,000.
ARKANSAS BLDG A 72209		501C3	PROGRAM SUPPORT	10,000.
ARKANSAS 1 RIVERF 72118	BD MEMBER	501C3	EDUCAION	1,750.
CARTI 72215	BD MEMBER	501C3	HEALTH	10,000.
BAPTIST 7 72205	BD MEMBER	501C3	HEALTH & EDUCAT	45,000.
ARKANSAS THREE VE 72114		501C3	EDUCATION & REC	10,000.
POSITIVE 6915 GEY 72209	BD MEMBER	501C3	EDUCATION	10,000.
ARKANSAS 5600 W 1 72204	BD MEMBER	501C3	HEALTH	10,000.
COMMUNIT 72034		501C3	PROGRAM SUPPORT	5,000.
UALR TRO 2801 S U 72204		501C3	EDUCATION & REC	5,000.
BETHANY 1100 N U 72207		501C3	PROGRAM SUPPORT	1,000.
Total			3a	166,750.
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

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 the instructions)
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Schedule of Contributors

OMB No 1545-0047

► Attach to Form 990, 990-EZ, and 990-PF.

2010

Name of the organization

HEFLIN FAMILY FOUNDATION

Employer identification number

71-6168230

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

- ☐ 501(c)() (enter number) organization
- ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- ☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
- ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
- ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or Form 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or Form 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or Form 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

HEFLIN FAMILY FOUNDATION
2010
CONTRIBUTIONS MADE

DONEE	DATE	AMOUNT
BAPTIST HEALTH FOUNDATION	7/9/2010	35,000
BAPTIST HEALTH FOUNDATION	9/21/2010	10,000
AMERICAN HEART ASSOCIATION	1/20/2010	5,000
TWENTIETH CENTURY CLUB	4/7/2010	7,000
TWENTIETH CENTURY CLUB	4/21/2010	7,000
TROJAN ATHLETIC FOUNDATION	7/9/2010	5,000
ARKANSAS FOOD BANK	5/27/2010	10,000
OUACHITA BAPTIST UNIVERSITY	5/25/2010	40,000
ARKANSAS INDEPENDENT COLLEGES	5/27/2010	1,750
PARK	7/9/2010	10,000
BETHANY CHRISTIAN	7/9/2010	1,000
COMMUNITY CONNECTION	9/15/2009	5,000
ARK SPORTS HALL OF FAME	7/9/2010	10,000
ARKANSAS HOSPICE	7/9/2010	10,000
CARTI	12/28/2010	10,000
		<u>166,750</u>

HEFLIN FAMILY FOUNDATION

2010

INVESTMENTS SOLD - BOOK BASIS

QUANTITY	DESCRIPTION	How Acquired P=Purchased D=Donated	DATE ACQUIRED	DATE SOLD	SALES PRICE	ORIGINAL COST BASIS	GAIN (LOSS)
29,000	MORGAN STANLEY 4 3/4%	P	3/16/2009	3/3/2010	29,487 75	23,567 75	5,920 00
5,000	MS/STRS (MBJ)	P	3/23/2005	3/30/2010	30,056 00	50,000 00	(19,944.00)
6,300	PUTNAM MASTER INT INC TR SBI	P	6/30/2008	4/7/2010	37,951 28	39,232 16	(1,280 88)
7,200	PUTNAM PREMIER INCOME TR SBI	P	6/30/2008	5/6/2010	44,332 74	44,653.83	(321 09)
694	SATURN GLDMN SACH 6%	P	3/24/2003	11/3/2010	17,350 00	17,350 00	-
2,000	WELLS FARGO 8%	P	12/18/2007	8/18/2010	55,416 09	50,000 00	5,416 09
					-		-
					-		-
					-		-
					214,594	224,804	(10,210)

US 990**Other Income****2010**

Description	Revenue and expenses per books	Investment income	Adjusted net income
LOSS FROM PARTNERSHIP K-1	(675.)		
FROM 20-3929653	7,168.	7,168.	
	6,493.	7,168.	

Detail Sheet

2010

Name: HEFLIN FAMILY FOUNDATION

ID: 71-6168230

Description: OTHER EXPENSES

[illegible]

HEFLIN FAMILY FOUNDATION
INVESTMENT BALANCES AT YEAR END
12/31/2010

INVESTMENTS

PREFERRED STOCK:

WELLS FARGO 8%	-	51,400
	<u>-</u>	<u>51,400</u>

COMMON STOCKS:

BLACK ROCK LTD DURATION	32,600	29,320
DUKE ENERGY CORP	17,810	17,210
MERCK & CO	36,040	36,540
MS/STRS (MBJ) 8%	-	30,627
PUTNAM MASTER INT INC TR	-	37,989
PUTNAM PREMIER INCOME TR	-	44,136
WALMART STORES, INC	118,646	117,590
	<u>205,096</u>	<u>313,412</u>
TOTAL CORPORATE STOCK	<u>205,096</u>	<u>364,812</u>

CORPORATE BONDS:

MORGAN STANLEY	29,571	29,167
VERIZON COMMUNICATIONS	27,473	26,089
ALTRIA GROUP INC	32,980	30,904
CATERPILLAR INC	29,602	28,059
BAC CAPITAL TR 5 63%	49,714	48,300
10NC3Y STEP UP, BY MS	49,785	
GENERAL MOTORS, DUE 05/15/48	7,950	5,100
SATURNS 6 000%, DUE 02/15/33	7,424	21,740
WELLS FARGO & CO 7 98% 3/15/18	52,750	
	<u>287,249</u>	<u>189,359</u>

MUTUAL FUNDS:

AMERICAN EUROPACIFIC GRW A	38,060	34,788
AMERICAN FUNDAMENTAL INV A	123,815	108,561
AMERICAN GR FD OF AMERICA A	578,673	515,389
AMERICAN NEW PERSPECTIVE A	557,862	494,738
	<u>1,298,410</u>	<u>1,153,476</u>

OTHER INVESTMENTS:

AIP ABSRT	<u>223,632</u>	<u>215,238</u>
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TOTAL AT MORGAN STANLEY

<u>2,014,387</u>	<u>1,922,885</u>
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RIDGEWOOD ENERGY - P FUND

38,539	42,568
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GRAND TOTAL

<u>2,052,926</u>	<u>1,965,453</u>
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US 990

Investments - Other
990-PF: Page 2, Line 13

2010

Description	Basis of valuation	Book value	FMV
RIDGEWOOD ENERGY P FUND, LLC	TAX BASIS	38,539.	38,539.
AIP ABSRT INVESTMENT	TAX	223,632.	223,632.
		262,171.	262,171.

Detail Sheet

2010

Name: HEFLIN FAMILY FOUNDATION

ID: 71-6168230

Description: OTHER ASSETS 2009

[illegible]

Detail Sheet

2010

Name: HEFLIN FAMILY FOUNDATION

ID: 71-6168230

Description: OTHER ASSETS - 2010

[illegible]

Detail Sheet

2010

Name: HEFLIN FAMILY FOUNDATION

ID 71-6168230

Description: OTHER PAYABLES

[illegible]

US 990

Other Increases

2010

Description	Amount
INCREASE IN MARKET VALUE OF INVESTMENTS	174,384.
	174,384.