See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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: MUSTANG FOUNDATION

A Employer identification number: 75-2815383

Number and street (or P O box number if mail is not delivered to street address): P. O. BOX 78 | Room/suite

B Telephone number: 817-556-3255

City or town, state, and ZIP code: CLEBURNE, TX 76033

C If exemption application is pending, check here ▶☐

D 1. Foreign organizations, check here ▶☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 988,364.

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	16,761.		N/A	
	2 Check ▶☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8,258.	8,258.		STATEMENT 1
	4 Dividends and interest from securities	14,396.	14,396.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,144.			
	b Gross sales price for all assets on line 6a 19,505.				
	7 Capital gain net income (from Part IV, line 2)		1,144.		
	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	<2,139.>	<2,139.>		STATEMENT 3
	12 **Total.** Add lines 1 through 11	38,420.	21,659.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 4	615.	308.		307.
	b Accounting fees STMT 5	6,761.	3,380.		3,381.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	181.	181.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	4,800.	253.		4,547.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	12,357.	4,122.		8,235.
	25 Contributions, gifts, grants paid	65,165.			65,165.
	26 **Total expenses and disbursements.** Add lines 24 and 25	77,522.	4,122.		73,400.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<39,102.>			
	b **Net investment income** (if negative, enter -0-)		17,537.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

RECEIVED SEP 26 2011 OGDEN, UT IRS-OSC E2-647

SCANNED SEP 26 2011

023501 12-07-10 LHA **For Paperwork Reduction Act Notice, see the instructions.** Form **990-PF** (2010)

13170812 784171 2141 2010.04000 MUSTANG FOUNDATION 2141___1

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		<2.>	<2.>
	2 Savings and temporary cash investments	427,648.	267,451.	268,953.
	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	1,767.	1,767.	1,767.
	10a Investments - U.S. and state government obligations STMT 9	10,000.	0.	0.
	b Investments - corporate stock STMT 10	68,349.	206,070.	246,676.
	c Investments - corporate bonds STMT 11	100,000.	100,000.	101,467.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 12	80,130.	73,425.	101,352.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 13)	151,101.	151,102.	268,151.
	16 **Total assets** (to be completed by all filers)	838,995.	799,813.	988,364.
Liabilities	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			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] 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	838,995.	799,813.	
	30 **Total net assets or fund balances**	838,995.	799,813.	
	31 **Total liabilities and net assets/fund balances**	838,995.	799,813.	

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	838,995.
2	Enter amount from Part I, line 27a	2	<39,102.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	799,893.
5	Decreases not included in line 2 (itemize) ▶ NON DEDUCTS FROM K-1'S	5	80.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	799,813.

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	1231 LOSS FROM KINDER MORGAN K-1			
b	MUN BOND-JEFFERSON CNTY		02/26/03	05/01/10
c	1231 LOSS FROM ENTERPRISE PROD K-1			
d	SOLD BP 200 SHARES		03/27/09	05/03/10
e	CD REDEMPTION-CIT BK.		05/18/09	05/28/10

	(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				<1.>
b	10,000.		10,000.	0.
c				<9.>
d	9,505.		8,351.	1,154.
e				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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				<1.>
b				0.
c				<9.>
d				1,154.
e				0.

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	1,144.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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))
2009	90,048.	715,666.	.125824
2008	65,598.	750,268.	.087433
2007	68,311.	769,810.	.088737
2006	60,445.	761,685.	.079357
2005	54,200.	768,278.	.070547

2	**Total** of line 1, column (d)	2	.451898
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	.090380
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	695,704.
5	Multiply line 4 by line 3	5	62,878.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	175.
7	Add lines 5 and 6	7	63,053.
8	Enter qualifying distributions from Part XII, line 4	8	73,400.

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 ▶ ☐ 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 ▶ [X] and enter 1% of Part I, line 27b	1	175.
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	175.
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	175.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 243.		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	243.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	68.
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 68. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	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.*	1b		X
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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*	8b	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)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

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

Website address ▶ NONE

14 The books are in care of ▶ LOWELL SMITH, JR. Telephone no. ▶817-556-3255

Located at ▶MUSTANG BUILDING, 1500 W. HENDERSON, CLEBURNE, TX ZIP+4 ▶76033

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

		Yes	No
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.

		Yes	No
1a During the year did the foundation (either directly or indirectly):			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b		X
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☒ 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.) N/A	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? ☐ 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	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

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)?	5b		X
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
SEE STATEMENT 14		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

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

3 Five highest-paid independent contractors for professional services. 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 ▶ 0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 DISPLAY OF ART OBJECTS IN PUBLIC PLACES	0.
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	358,521.
b	Average of monthly cash balances		1b	347,777.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	706,298.
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	706,298.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	10,594.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	695,704.
6	**Minimum investment return.** Enter 5% of line 5		6	34,785.

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	34,785.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 175.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	175.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	34,610.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	34,610.
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	34,610.

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	73,400.
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	73,400.
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	175.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	73,225.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				34,610.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005 16,346.				
b From 2006 23,033.				
c From 2007 30,494.				
d From 2008 28,655.				
e From 2009 54,645.				
f **Total** of lines 3a through e	153,173.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 73,400.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				34,610.
e Remaining amount distributed out of corpus	38,790.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	191,963.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	16,346.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	175,617.			
10 Analysis of line 9:				
a Excess from 2006 23,033.				
b Excess from 2007 30,494.				
c Excess from 2008 28,655.				
d Excess from 2009 54,645.				
e Excess from 2010 38,790.				

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 2010, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
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					

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 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).)

LOWELL SMITH JR.

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:

LOWELL SMITH JR, P. O. BOX 78, CLEBURNE, TX 76033, 817-556-3255
1500 W HENDERSON, CLEBURNE, TX 76033

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

A FORM CAN BE OBTAINED BY CONTACTING THE ORGANIZATION AT THE ABOVE ADDRESS

c Any submission deadlines:

NONE - APPLICATIONS ARE ACCEPTED AT ANY TIME.

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

NONE, ALTHOUGH IT IS CONTEMPLATED THAT SUBSTANTIALLY ALL OF THE FOUNDATION'S GRANT MAKING WILL BE IN TEXAS

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*				
SEE STATEMENT 15				
Total			▶ 3a	65,165.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
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			14	8,258.	
4 Dividends and interest from securities			14	14,396.	
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	211110	<2,752.>	14	613.	
8 Gain or (loss) from sales of assets other than inventory			14	1,144.	
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)		<2,752.>		24,411.	0.
13 **Total.** Add line 12, columns (b), (d), and (e)				13	21,659.

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

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

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

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

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

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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		

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

▶ Signature of officer or trustee | Date 9.15.11 | ▶ Title President

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
GARY L. ESTES	Gary Estes	9/8/11		

Firm's name ▶ ESTES ARMSTRONG EARLEY LLC | Firm's EIN ▶

Firm's address ▶ 907-A WEST HENDERSON CLEBURNE, TX 76033 | Phone no. 817-645-3962

Form **990-PF** (2010)

023622
04-26-11

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2010

Name of the organization	**Employer identification number**
MUSTANG FOUNDATION	75-2815383

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 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 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 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 does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **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).

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

Name of organization: MUSTANG FOUNDATION

Employer identification number: 75-2815383

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MR. & MRS. LOWELL SMITH P. O. BOX 249 RIO VISTA, TX 76093	$ 16,761.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: MUSTANG FOUNDATION

Employer identification number: 75-2815383

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization: MUSTANG FOUNDATION

Employer identification number: 75-2815383

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** Complete columns (a) through (e) and the following line entry For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once See instructions.) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CAPITAL ONE BANK CD	5,200.
COLONIAL SAVINGS	2,550.
DN CIT BANK	312.
LPL FINANCIAL	9.
WELLS FARGO 7390260117	10.
WELLS FARGO MONEY MARKET	177.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	8,258.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ENERGY TRANS DIV FROM K-1	3.	0.	3.
ENERGY TRANS INT FROM K-1	3.	0.	3.
ENTERPRISE PROD INT FROM K-1	4.	0.	4.
JEFFERSON CNTY MUN BOND	275.	0.	275.
JOHN HANCOCK LIFE BOND	2,500.	0.	2,500.
KINDER MORGAN DIV FROM K-1	13.	0.	13.
KINDER MORGAN-INT FROM K-1	33.	0.	33.
LPL-AMER ELEC PWR	264.	0.	264.
LPL-AT&T	126.	0.	126.
LPL-BB&T	120.	0.	120.
LPL-BP	168.	0.	168.
LPL-CONOCOPHILLIPS	430.	0.	430.
LPL-CONSOLIDATED EDISON	357.	0.	357.
LPL-DUPONT	164.	0.	164.
LPL-EXELON	315.	0.	315.
LPL-EXXONMOBIL	264.	0.	264.
LPL-GEN ELEC CAP CORP	2,725.	0.	2,725.
LPL-NORFOLK SOUTHERN	216.	0.	216.
LPL-PFIZER	108.	0.	108.
LPL-PLUM CREEK TIMBER	252.	0.	252.
LPL-PUBLIC SERVICE	308.	0.	308.
LPL-ROYALDUTCHSHELL	1,344.	0.	1,344.
LPL-SOUTHERN CO	273.	0.	273.
LPL-WELLS FARGO & CO	120.	0.	120.
PLAINS ALL AMER PIPELINE DIV FROM K-1	5.	0.	5.
PLAINS ALL AMER PIPELINE INTV FROM K-1	1.	0.	1.
VANGUARD GNMA MUTUAL FUND	2,981.	0.	2,981.
WELLS FARGO-AT&T	126.	0.	126.
WELLS FARGO-CONAGRA	46.	0.	46.

WELLS FARGO-CONOCOPHILLIPS	110.	0.	110.
WELLS FARGO-EXXON MOBIL DIV	348.	0.	348.
WELLS FARGO-GENERAL MILLS	84.	0.	84.
WELLS FARGO-GNMA 587103	342.	0.	342.
WELLS FARGO-GNMA 587103 ABP ADJ	<32.>	0.	<32.>
TOTAL TO FM 990-PF, PART I, LN 4	14,396.	0.	14,396.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
CHESAPEAKE-GROSS ROYALTIES	652.	652.	
CHESAPEAKE-PROD TAXES	<21.>	<21.>	
KINDER MORGAN ENERGY PTRS-ORD	<1,662.>	<1,662.>	
KINDER MORGAN ENERGY PTRS-INVEST INT	<18.>	<18.>	
KINDER MORGAN ENERGY PTRS-IDC	<69.>	<69.>	
ENTERPRISE PROD ORD FROM K-1	<454.>	<454.>	
ENERGY TRANSFER ORD FROM K-1	<374.>	<374.>	
PLAINS ALL AMER PTRS-ORD FROM K-1	<193.>	<193.>	
TOTAL TO FORM 990-PF, PART I, LINE 11	<2,139.>	<2,139.>	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
THOMPSON & KNIGHT LLP-LEGAL FEE RELATED TO ADVICE	615.	308.		307.
REGARDING CHARITABLE & INVESTMENT ACTIVITIES.	0.	0.		0.
TO FM 990-PF, PG 1, LN 16A	615.	308.		307.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ESTES ARMSTRONG EARLEY LLC	6,761.	3,380.		3,381.
TO FORM 990-PF, PG 1, LN 16B	6,761.	3,380.		3,381.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX WITHHELD FROM DIVIDENDS	161.	161.		0.
FOREIGN TAX WITHHELD FROM K-1'S	5.	5.		0.
PROPERTY TAXES - GAS WELLS	15.	15.		0.
TO FORM 990-PF, PG 1, LN 18	181.	181.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE-D & O	2,650.	0.		2,650.
STORAGE BUILDING RENTAL	1,047.	0.		1,047.
WELLS FARGO BANK FEES	226.	226.		0.
HARRIS METHODIST HEALTH FOUND	850.	0.		850.
GNMA POOL INVESTMENT EXP	27.	27.		0.
TO FORM 990-PF, PG 1, LN 23	4,800.	253.		4,547.

FOOTNOTES STATEMENT 8

*** SCHLORSHIPS ARE AWARDED TO INDIVIDUALS PURSUANT
TO A PROGRAM APPROVED BY THE INTERNAL REVENUE SERVICE
UNDER SECTION 4945(G)

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
JEFFERSON CNTY		X	0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BB&T	6,838.	5,258.
BP PLC	0.	0.
CONOCOPHILLIPS	16,852.	27,240.
DU PONT	4,463.	4,988.
EXXON MOBIL CORP	25,082.	36,560.
ROYAL DUTCH SHELL - 400 SHARES	18,722.	26,712.
WELLS FARGO & CO NEW	16,955.	18,594.
AT&T	16,344.	17,628.
AMERICAN ELECTRIC	9,433.	10,794.
CONAGRA FOODS	4,421.	4,516.
CONSOLIDATED EDISON	12,811.	14,871.
EXELON	11,609.	12,492.
GENERAL MILLS	11,030.	10,677.
NORFOLK SOUTHERN	16,675.	18,846.
PFIZER	4,635.	5,253.
PLUM CREEK TIMBER	11,171.	11,235.
PUBLIC SERVICE	9,084.	9,543.
SOUTHERN COMPANY	9,945.	11,469.
TOTAL TO FORM 990-PF, PART II, LINE 10B	206,070.	246,676.

FORM 990-PF CORPORATE BONDS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
GENERAL ELECTRIC CAPITAL CORP	50,000.	48,602.
JOHN HANCOCK LIFE INS 5.0%	50,000.	52,865.
TOTAL TO FORM 990-PF, PART II, LINE 10C	100,000.	101,467.

FORM 990-PF OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ENERGY TRANSFER PTRS LP	COST	5,234.	10,364.
ENTERPRISE PRODUCTS PTRS LP	COST	2,638.	8,322.
GOVT MORT SECURITY - GNMA POOL	COST	4,869.	5,204.
KINDER MORGAN ENERGY PTRS LP	COST	4,780.	14,052.
MUTUAL FUND-VANGUARD GNMA	COST	50,000.	50,852.
PLAINS ALL AMERICAN PIPELINE LP	COST	5,904.	12,558.
TOTAL TO FORM 990-PF, PART II, LINE 13		73,425.	101,352.

FORM 990-PF OTHER ASSETS STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ARTWORK & COLLECTIBLES	145,600.	145,601.	262,650.
INTELLECTUAL PROPERTY-NOMINAL VALUE	1.	1.	1.
ROYALTY INTEREST	5,500.	5,500.	5,500.
TO FORM 990-PF, PART II, LINE 15	151,101.	151,102.	268,151.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
LOWELL SMITH JR. P O BOX 249 RIO VISTA, TX 76093	TRUSTEE & PRESIDENT 5.00	0.	0.	0.
SUE ANN SMITH P O BOX 149 PEASTER, TX 76485	TRUSTEE 0.50	0.	0.	0.
SUE DENTON 4401 BRIARHAVEN ROAD FORT WORTH, TX 76109	TRUSTEE 0.50	0.	0.	0.
WADE WALLACE 1214 WESTLAKE ROAD CLEBURNE, TX 76033	TRUSTEE 0.50	0.	0.	0.
MIKE LEHRMANN 810 HYDE PARK BLVD CLEBURNE, TX 76033	TRUSTEE 0.50	0.	0.	0.
PAM WATSON 406 MEADOW VIEW CLEBURNE, TX 76033	SECRETARY/TREASURER 5.00	0.	0.	0.
MARILYN S. KING 1608 STONEGATE CLEBURNE, TX 76033	TRUSTEE 0.50	0.	0.	0.
PAMELA L. SMITH P. O. BOX 670669 DALLAS, TX 75367	TRUSTEE 0.50	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 15

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AMERICAN CANCER SOCIETY C/O OPELA 1620 HYDE PARK CLEBURNE, TX 76033	N/A RELAY FOR LIFE FUND RAISER FOR CANCER	PUBLIC CHARITY	250.
AMERICAN RED CROSS P O BOX 4002018 DES MOINES, IA 50340-2018	N/A EMERGENCY AID	PUBLIC CHARITY	350.
ATHENA SOCIETY P O BOX 3123 BURLESON, TX 76097	N/A FUND RAISER FOR CLINICAL SERVICES FOR CANCER PATIENT	PUBLIC CHARITY	250.
BAYLOR UNIVERSITY ONE BEAR PLACE WACO, TX 76798	N/A SCHOLARSHIP-SARAH GIST***SEE STATEMENT 8	COLLEGE	1,000.
BRAZOS CHAMBER ORCHESTRA P O BOX 287 KEENE, TX 76059	N/A OPERATING FUNDS FOR COMMUNITY GROUP	PUBLIC CHARITY	750.
CAMPFIRE USA 815 N MAIN CLEBURNE, TX 76033	N/A TESUYA COUNSIL CAMP SCHOLARSHIP	PUBLIC CHARITY	165.
CASA OF JOHNSON COUNTY ONE S WALNUT, SUITE 65 CLEBURNE, TX 76033	N/A PLACEMENT ASSIST FOR ABUSED CHILDREN	PUBLIC CHARITY	1,000.
CHILDREN'S ADVOCACY CENTER OF JOHNSON CO. 910 N GRANBURY ST CLEBURNE, TX 76033	N/A FUND RAISER FOR ABUSED/ABANDONED CHILDREN	PUBLIC CHARITY	4,150.

CHRISTMAS IN ACTION-GREATER CLEBURNE INC. P O BOX 983 CLEBURNE, TX 76033	N/A RENOVATE HOUSING FOR THE NEEDY	PUBLIC CHARITY	1,000.
CLEBURNE ATHLETIC BOOSTER CLUB P O BOX 966 CLEBURNE, TX 76033	N/A FUNDS FOR YOUTH ATHLETIC PROGRAMS	PUBLIC CHARITY	500.
CLEBURNE CHAMBER OF COMMERCE FOUNDATION 1511 W HENDERSON ST CLEBURNE, TX 76033	N/A WHISTLE STOP SCHOLARSHIP	PUBLIC CHARITY	1,000.
CLEBURNE HIGH SCHOOL PROJECT CELEBRATION 1501 HARLIN DRIVE CLEBURNE, TX 76033	N/A SPONSOR COMMUNITY YOUTH ACTIVITIES	SCHOOL	100.
CLEBURNE ISD 505 N RIDGEWAY CLEBURNE, TX 76033	N/A JESSE FANTROY SCHOLARSHIP-TRENTON CARLETON ***SEE ST	SCHOOL DISTRICT	1,000.
CLEBURNE ISD 505 N RIDGEWAY CLEBURNE, TX 76033	N/A COMMUNITY EDUCATION PROGRAM	SCHOOL	1,000.
CLEBURNE ISD 505 N RIDGEWAY CLEBURNE, TX 76033	N/A TEAM HIGH SCHOOL	SCHOOL DISTRICT	200.
CLEBURNE ISD 505 N RIDGEWAY CLEBURNE, TX 76033	LIGHT SIGN	SCHOOL	1,000.
CLEBURNE ROTARY CLUB FOUNDATION, INC. P O BOX 1261 CLEBURNE, TX 76033	N/A L.SMITH CAREER & TECH SCHOLORSHIPS ***SEE STMNT 8	N/A - INDIVIDUAL	6,000.
COMMUNITY PARTNERS OF JOHNSON COUNTY 1501 NORTH ROBINSON CLEBURNE, TX 76031	N/A RAINBOW ROOM FUND RAISER	PUBLIC CHARITY	250.

EAST CLBURNE COMMUNITY CENTER P O BOX 356 CLEBURNE, TX 76033	N/A CHILDREN'S COMMUNITY CENTER OPERATING FUNDS	PUBLIC CHARITY	2,000.
GOODFELLOWS P O BOX 1411 CLEBURNE, TX 76033	N/A FOOD & CLOTHING FOR NEEDY	PUBLIC CHARITY	2,000.
H.O.P.E. INC. P O BOX 969 KEENE, TX 76059	N/A HEALING OUTREACH PROFESSIONAL ENDEAVOR-FREE MEDICAL	PUBLIC CHARITY	1,500.
HILL COLLEGE DEV FOUNDATION 1505 W HENDERSON CLEBURNE, TX 76033	N/A DEWEY JAMES SCHOLARSHIP ***SEE STATEMENT 8	COLLEGE	2,000.
HILL COLLEGE 2112 MAYFIELD PKWY CLEBURNE, TX 76033	N/A NURSING PROGRAM SCHOLARSHIPS ***SEE STATEMENT 8	COLLEGE	5,000.
HILL COLLEGE 2112 MAYFIELD PKWY CLEBURNE, TX 76033	N/A BOOTS N SUITS BALL SPONSOR	COLLEGE	5,000.
JOHNSON CO ART GUILD P O BOX 1134 CLEBURNE, TX 76033	N/A MARY PARVIN SCHOLARSHP ***SEE STATEMENT 8	PUBLIC CHARITY	500.
JOHNSON CO CHILD WELFARE 1406 SECURITY DRIVE CLEBURNE, TX 76031	N/A OPERATING FUNDS FOR ABUSED & NEGLECTED CHILDREN'S PR	PUBLIC CHARITY	300.
JOHNSON CO HERITAGE FOUNDATION P O BOX 771 CLEBURNE, TX 76033	N/A PRESERVATION OF LOCAL HISTORICAL SITES	PUBLIC CHARITY	500.
JOHNSON COUNTY FAMILY CRISIS CENTER 1915 N WILHITE ST CLEBURNE, TX 76031	N/A ASSISTANCE FOR FOOD, UTILITIES, RENT, HOUSING, ETC	PUBLIC CHARITY	250.

MEALS ON WHEELS OF JOHNSON COUNTY 106 E KILPATRICK CLEBURNE, TX 76031	N/A MEALS FOR AGED	PUBLIC CHARITY	2,700.
OPERATION BLESSING 105 GEORGE ST CLEBURNE, TX 76031	N/A FOOD & CLOTHING FOR NEEDY	PUBLIC CHARITY	5,350.
RIO VISTA ISD P O BOX 369 RIO VISTA, TX 76093	N/A SCHOOL SUPPLIES FOR NEEDY,FIELD TRIPS	SCHOOL DISTRICT	2,100.
RIO VISTA ISD P O BOX 369 RIO VISTA, TX 76093	N/A COURTNEY BOURQUIN SCHOLARSHIP ***SEE STATEMENT 8	SCHOOL DISTRICT	1,500.
RIO VISTA ISD P O BOX 369 RIO VISTA, TX 76093	N/A LORA GOLINMAN SCHOLARSHIP ***SEE STATEMENT 8	SCHOOL DISTRICT	1,500.
RIO VISTA ISD P O BOX 369 RIO VISTA, TX 76093	TY GIST SCHOLARSHIP ***SEE STATEMENT 8	SCHOOL	1,500.
SALVATION ARMY P O BOX 1985 CLEBURNE, TX 76033	N/A ASSISTANCE FOR FOOD, UTILITIES, RENT, HOUSING, ETC.	PUBLIC CHARITY	1,500.
SMITH MIDDLE SCHOOL 1710 COUNTRY CLUB RD CLEBURNE, TX 76033	N/A MEDICAL, CLOTHING & SUPLIES FOR STUDENTS	SCHOOL	3,000.
SOUTHWESTERN ADVENTIST P O BOX 567 KEENE, TX 76059	MICHAEL DENNY SCHOLARSHIP ***SEE STATEMENT 8	COLLEGE	1,000.
TEXAS HEALTH HARRIS METHODIST FOUNDATION 6100 WESTERN PL, SUITE 1001 FORT WORTH, TX 76107-4666	N/A BLACK & WHITE GALA FUND RAISER-DISTRIBUTES TO LOCAL	PUBLIC CHARITY	5,000.

VENUS ISD 100 STIDENT DRIVE VENUS, TX 76084	COLTON WILLIAMS SCHOLARSHIP ***SEE STATEMENT 8	SCHOOL	1,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			65,165.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

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

Type or print File by the extended due date for filing your return See instructions	Name of exempt organization MUSTANG FOUNDATION	Employer identification number 75-2815383
	Number, street, and room or suite no. If a P.O. box, see instructions. P. O. BOX 78	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. CLEBURNE, TX 76033	

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

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

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

- The books are in the care of ▶ LOWELL SMITH, JR. - MUSTANG BUILDING, 1500 W. HENDERSON, CLEBURNE, TX - 76033

Telephone No. ▶ 817-556-3255 FAX No. ▶ 817-556-3454

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

4 I request an additional 3-month extension of time until NOVEMBER 15, 2011

5 For calendar year 2010, or other tax year beginning _____, and ending _____.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
FOUNDATION REQUESTS AN ADDITIONAL EXTENSION OF TIME TO FILE TO FURTHER VERIFY ACCURACY OF RECENTLY ACQUIRED DATA.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 243.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 243.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0.

Signature and Verification

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

Signature ▶ Title ▶ C.P.A. Date ▶