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

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

2010

For calendar year 2010, or tax year beginning **June 1**, 2010, and ending **May 31**, 20**11**

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 Hartman Foundation, Inc		A Employer identification number 58-2471439
Number and street (or P O box number if mail is not delivered to street address) 3345 Bee Cave Road	Room/suite 203	B Telephone number (see page 10 of the instructions) 512-997-7826
City or town, state, and ZIP code Austin, TX 78746		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1 Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,800,019	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	500,000			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	2,185	2,185	2,185	
	4 Dividends and interest from securities	29,636	29,636	29,636	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(10,081)			
	b Gross sales price for all assets on line 6a 225,140				
	7 Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)					
11 Other income (attach schedule) Schedule 1	70,775		12,326		
12 Total. Add lines 1 through 11	592,515	31,821	44,147		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages	263,747			263,747
	15 Pension plans, employee benefits	43,006			41,802
	16a Legal fees (attach schedule) Schedule 1	600			600
	b Accounting fees (attach schedule) schedule	5,391			5,391
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) Excise Tax	289			2,237
	19 Depreciation (attach schedule) and depletion Sch 1	639			
	20 Occupancy	7,498		554	6,944
	21 Travel, conferences, and meetings	3,877		1,089	2,788
	22 Printing and publications	867		867	
	23 Other expenses (attach schedule) Schedule 1	34,475	2,923	12,739	21,736
	24 Total operating and administrative expenses. Add lines 13 through 23	360,389	2,923	15,249	345,245
	25 Contributions, gifts, grants paid	1,577,777			912,777
26 Total expenses and disbursements. Add lines 24 and 25	1,938,166	2,923	15,249	1,258,022	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	(1,345,651)				
b Net investment income (if negative, enter -0-)		28,898			
c Adjusted net income (if negative, enter -0-)			28,898		

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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 instructions)			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing	12,672	15,040	15,040
	2	Savings and temporary cash investments	887,001	192,981	192,981
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ 300,000			
		Less allowance for doubtful accounts ▶ 0		300,000	300,000
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S. and state government obligations (attach schedule) schedule 2	311,650	103,340	103,340
	b	Investments—corporate stock (attach schedule) schedule 2	1,402,968	1,682,593	1,682,593
	c	Investments—corporate bonds (attach schedule) schedule 2	493,734	493,734	493,734
	11	Investments—land, buildings, and equipment basis ▶			
	Less: accumulated depreciation (attach schedule) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)				
14	Land, buildings, and equipment basis ▶ 3,197				
	Less accumulated depreciation (attach schedule) ▶ 1,598	2,238	1,599	1,599	
15	Other assets (describe ▶ See Schedule 2)	14,369	10,732	10,732	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	3,124,632	2,800,019	2,800,019	
Liabilities	17	Accounts payable and accrued expenses	9,241	74,146	
	18	Grants payable	100,000	765,000	
	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)	109,241	839,146	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>				
	24	Unrestricted	3,015,391	1,960,873	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see page 17 of the instructions)	3,015,391	1,960,873		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	3,124,632	2,800,019		

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	3,015,391
2	Enter amount from Part I, line 27a	2	(1,345,651)
3	Other increases not included in line 2 (itemize) ▶ Investment Market Value Adjustment	3	291,133
4	Add lines 1, 2, and 3	4	1,960,873
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	1,960,873

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	FHLB, 3.625%, 12/17/2010	P	2/12/2008	12/17/2010
b	FHLMC, 4.75%, 1/18/2011	P	10/5/2007	1/18/2011
c	Atlantic Trust Arden Fund	P	Various	2/10/2011
d	Atlantic Trust Capital Gain Distributions			
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 100,000		102,142	(2,142)
b 100,000		100,645	(645)
c 25,140		33,980	(8,840)
d			1,546
e			

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

(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			(2,142)
b			(645)
c			(8,840)
d			1,546
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	(10,081)
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	0

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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	576,766	2,860,114	2017
2008	1,177,472	3,328,896	3537
2007	1,075,847	4,652,090	2313
2006	1,039,795	5,491,754	1893
2005	1,078,438	4,677,786	2305

2 Total of line 1, column (d)	2	12065
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	2413
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,065,915
5 Multiply line 4 by line 3	5	739,805
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	289
7 Add lines 5 and 6	7	740,094
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 on page 18.	8	1,258,022

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	289	00
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		
3	Add lines 1 and 2	3	289	00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	289	00
6	Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,750	00
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	1,750	00
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	1,461	00
11	Enter the amount of line 10 to be. Credited to 2011 estimated tax 289 Refunded	11	1,172	00

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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation. ▶ \$ <u>0</u> (2) On foundation managers. ▶ \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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? <i>If "Yes," attach a conformed copy of the changes.</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ Texas		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>	✓	
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i> Schedule 3	✓	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.lonestarreport.org</u>	13	✓	
14	The books are in care of ▶ <u>Shirley Wolfe</u> Telephone no ▶ <u>512-997-7826</u> Located at ▶ <u>3345 Bee Cave Road, Austin, TX</u> ZIP+4 ▶ <u>78746</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No ✓

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? Sch 4 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Sch 4 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of 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	✓
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 page 22 of 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	✓
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	✓

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? Sch 4 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 page 22 of the 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 page 22 of the instructions)? **5b** Yes No
 Organizations relying on a current notice regarding disaster assistance check here
- c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945–5(d)
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** Yes No
 If "Yes" to 6b, file Form 8870
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
- b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** Yes No

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Schedule 4		0	0	0

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Angela R. Morgan Malone 15450 FM 1325 #2727, Austin, TX 78728	Exec Asst 40 hours	75,378	6,080	0
William L. Lutz, Jr 1900 Scofield Ridge Pkwy #4402, Austin, TX 78727	Editor 40 hours	108,045	5,640	0
Total number of other employees paid over \$50,000				0

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 See Schedule 5	29,518
2 See Schedule 5	94,998
3 See Schedule 5	12,230
4 See Schedule 5	12,230

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	2,246,990
b	Average of monthly cash balances	1b	562,683
c	Fair market value of all other assets (see page 25 of the instructions)	1c	302,931
d	Total (add lines 1a, b, and c)	1d	3,112,604
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	3,112,604
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	46,689
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,065,915
6	Minimum investment return. Enter 5% of line 5	6	153,296

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

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

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes.		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	1,258,022
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	1,258,022
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,258,022

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

Part XIII Undistributed Income (see page 26 of the instructions)

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

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

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	28,898	113,303	166,445	177,208	485,854
b 85% of line 2a	24,563	96,308	141,478	150,627	412,976
c Qualifying distributions from Part XII, line 4 for each year listed	1,258,022	576,766	1,179,249	1,080,865	4,094,902
d Amounts included in line 2c not used directly for active conduct of exempt activities	840,047	260,159	837,818	735,637	2,673,661
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	417,975	316,607	341,431	345,228	1,421,241
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	102,197	95,337	110,963	155,070	463,567
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 page 28 of the instructions.)

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

David A Hartman, Claudette Hartman, and Douglas M. Hartman

- 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

- a** The name, address, and telephone number of the person to whom applications should be addressed:
-
- b** The form in which applications should be submitted and information and materials they should include.
-
- c** Any submission deadlines:
-
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Schedule 6				912,777
Total				912,777
b <i>Approved for future payment</i> See Schedule 7				765,000
Total				765,000

Schedule of Contributors

2010

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

Name of the organization Hartman Foundation, Inc	Employer identification number 58-2471439
--	---

Organization type (check one):

Filers of:

Section:

- | | |
|--------------------|---|
| Form 990 or 990-EZ | <input type="checkbox"/> 501(c)() (enter number) organization |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation |
| | <input type="checkbox"/> 527 political organization |
| Form 990-PF | <input checked="" type="checkbox"/> 501(c)(3) exempt private foundation |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | <input type="checkbox"/> 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)

Name of organization Hartman Foundation, Inc	Employer identification number 58-2471439
--	---

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Joe R. Long ----- 701 Brazos St. Ste 960 ----- Austin, TX 78701 -----	\$ ----- 500,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 1

	Col a Per books	Col b Net inv. Inc	Col c Adj net inc	Col d Charitable
<u>Page 1, Part I, Line 11 - Other income</u>				
Liquidating dividend (return of capital)	58,449	-	-	-
Newsletter subscription income	12,322	-	12,322	-
Miscellaneous income	4	-	4	-
	70,775	-	12,326	-

<u>Page 1, Part I, Line 16a - Legal fees</u>				
Hightower and Associates				
Legal services regarding filings on dba's	100			100
Weide and Miller, Ltd				
Retainer for legal services	500			500
	600	-	-	600

<u>Page 1, Part I, Line 16b - Accounting</u>				
Coker, Wommack & Company, P C -				
Financial statement and tax return	5,391	-	-	5,391
	5,391	-	-	5,391

<u>Page 1, Part I, Line 23 - Other expenses</u>				
Bank charges/ Investment fees	2,923	2,923	2,923	-
Computer online expense	330	-	330	-
Consulting expense	18,422	-	-	18,422
Miscellaneous	3,127	-	3,127	-
Office supplies	1,053	-	791	262
Postage & meter rental	2,734		2,575	159
Research	7		7	
Subscription, publications & dues	2,858		60	2,798
Charge card fees	638		638	
Dues	95			95
Property Tax	31		31	
Web site expense	2,181		2,181	
Advertising	76		76	
Totals	34,475	2,923	12,739	21,736

<u>Page 1, Part I, Line 19 - Depreciation</u>						
Description	Date Acq	Cost	Method/Life	Acc. Depr	C/Y Depr	Exp
Dell Computer	12/10/2008	3,197	SL 5 yrs	959		639

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 2

Page 2, Line 10 - Investments

	Beg. of Year Book Value	End of Year Book Value	End of Year FMV
US and state gov. obligations			
FHLB 3.625% 12/17/10	101,750	-	-
FHLMC 4 75% 1/18/11	102,704	-	-
US Treasury Note -4.875% 2/15/12	107,196	103,340	103,340
	<u>311,650</u>	<u>103,340</u>	<u>103,340</u>
Corporate stock			
AT Invesco Disciplined Equity Fund	582,266	723,029	723,029
AT Dodge & Cox Stock Fund	228,421	287,372	287,372
AT Arden Fund	42,022	-	-
AT Tweedy Browne Global Value	100,657	123,260	123,260
AT First Eagle Overseas Fund	119,468	149,244	149,244
AT Harbor International	102,719	141,693	141,693
Llano Estarado Winery	131,000	131,000	131,000
AT Dodge & Cox International	96,415	126,995	126,995
	<u>1,402,968</u>	<u>1,682,593</u>	<u>1,682,593</u>
Corporate bonds			
Net Lease Private Reit VI	493,734	493,734	493,734
	<u>493,734</u>	<u>493,734</u>	<u>493,734</u>
<u>Page 2, Part II, Line 15 - Other assets</u>			
Receivable-miscellaneous	729	400	400
Accrued interest receivable	13,640	8,928	8,928
Accrued interest purchased	-	1,404	1,404
Total	<u>14,368</u>	<u>10,732</u>	<u>10,732</u>

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 3

Page 4, Line 10 - Name and Address of Substantial Contributor

Joe R. Long
701 Brazos St, Ste 960
Austin, TX 78701

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 4

Page 5, Part VII-B, Line 1(a)(3)

During the tax year, Burnet & Brockton Joint Venture furnished the Hartman Foundation with facilities free of charge. Burnet & Brockton Joint Venture is a partnership of which a substantial contributor is a partner.

Page 5, Part VII-B, Line 1(a)(4)

Hartman Foundation, Inc. reimburses the travel expenses of a disqualified person (foundation manager) for the performance of services necessary for carrying out the exempt function of the Foundation. The reimbursement is based on actual receipts for actual costs incurred that are reasonable and necessary for travel related to the exempt function. The Foundation does not pay compensation for the services rendered by the disqualified person.

Page 6, Part VII-B, Line 5(a)(3)

During the tax year, Hartman Foundation, Inc. has made expenditures for scholarships to individuals. These scholarships are awarded on an objective and nondiscriminatory basis and are used at an educational institution. Full disclosure of the Foundation's grant-making procedures were disclosed to the IRS in Form 8718 filed with its exemption application.

Page 6, Part VIII - Officers, Directors, etc.

Name and address	Title	Compensation	Employee plan Contributions	Expense Account
David A. Hartman 8105 Hickory Creek Dr. Austin, TX 78735	Chair/Dir	-	-	-
Douglas M. Hartman 6501 Soter Parkway Austin, TX 76735	Pres/Dir	-	-	-
Claudette L. Hartman 8105 Hickory Creek Dr Austin, TX 78735	VP/Dir	-	-	-
Shirley Wolfe 8900 Pepper Rock Dr Austin, TX 78717	Sec/Treas	-	-	-
John E. Hartman 13845 Hadley Overland Park, KS 66223	Director	-	-	-
Wayne P. Hartman 12881 Park Dr Austin, TX 78732	Director	-	-	-

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 5

Page 7, Part IX-A Summary of Direct Charitable Activities

Lone Star Report

The Lone Star Report is a weekly newsletter devoted exclusively to coverage of Texas politics and government. Each issue of LSR combines breaking news stories, exclusive investigations, original research on Texas public policy, in-depth analysis of current political development, lively commentary from the like of nationally syndicated columnist William Murchison, and the latest Capitol Intelligence. Our readers include all of Texas' statewide elected officials, top lobbyists and association executives, corporate government affairs representatives, leaders of both major parties, grassroots political activists, business and community leaders, and ordinary people with an interest in Capitol news beyond what their local newspapers provide. Qualifying distributions for this ongoing project during the tax year ending 5/31/2011 were a net of **\$298,518**.

Scholarship Program

Scholarship recipients must agree to acquire a Teacher's Certificate and teach at the secondary level in a Texas school (public or private) of their choice for five years upon graduation. The recipients must carry a full-time 15-hour per semester course load and maintain a "B" Grade Point Average, with a minimum acceptable grade of C or better in all courses taken. Qualifying distributions for this project during the tax year ending 5/31/2011 totaled **\$94,998**.

Border Adjusted Taxation Project

This project consists of studies in support of fundamental reform of the federal tax code for economic efficiency, simplicity, and equity. Qualifying distributions for this project during the tax year ending 5/31/2011 totaled **\$12,230**.

State Tax Reform

This project consists of an economic evaluation of Gov. Rick Perry's Texas Tax Reform Commission as well as detailed state budget analysis. Qualifying distributions for this project during the tax year ending 5/31/2011 totaled **\$12,230**.

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 6

Page 11, Part XV, Line 3a - Grants and Contributions paid during the year

<u>Recipient - Name and address</u>	<u>Relationship</u>	<u>Foundation Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
Border Adjustable Taxation (Hartman Foundation exercised expenditure responsibility)	Hartman Foundation Project	N/A	Expenditures made to research and evaluate better alternatives for tax policy reform.	10,000
State Tax Reform (Hartman Foundation exercised expenditure responsibility)	Hartman Foundation Project	N/A	Expenditures made to research and evaluate better alternatives for tax policy reform	10,000
Scholarship Program (Hartman Foundation exercised expenditure responsibility)	Hartman Foundation Project	N/A	Expenditures made for the scholarship program for selective college students committed to	77,677
Austin SDA Junior Academy 301 W Anderson Ln Austin, TX 78752	None	501(c)(3) Public	Contribution to support education	10,000
Harvard Business School Fund Soldiers Field Boston, MA 02163-9904	None	501(c)(3) Public	Contribution to support education	1,000
Bucknell University Cooley Hall, Bucknell University Lewisburg, PA 17837	None	501(c)(3) Public	Contribution to support education	2,500
Cornell University 410 Thurston Ave Ithaca, New York 14850	None	501(c)(3) Public	Contribution to support education	5,000
Case Western Reserve 10900 Euclid Ave Cleveland, OH 44106	None	501(c)(3) Public	Contribution to support education	125,000
American Youth Ballet 11728 Quivira Road Overland Park, KS 66210	None	501(c)(3) Public	Contribution to support public education and welfare	500
KC Young Matrons/Ali Kemp Education Foundation 6501 Antioch Road Shawnee Mission, Kansas 66202	None	501(c)(3) Public	Contribution to support public education and welfare	2,500
Roanoke Historical Society 1 Market Sq SE # 3 Roanoke, VA 24011	None	501(c)(3) Public	Contribution to support public education and welfare	7,500
Holy Cross Catholic Church P.O. Box 94 Betram, TX 78605	None	501(c)(3) Public	Contribution to support public welfare	5,000
Liberty Hill Independent School District P O. Box 68 Liberty Hill, TX 78642	None	501(c)(3) Public	Contribution to support education (scholarship fund)	3,000

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 6

Page 11, Part XV, Line 3a - Grants and Contributions paid during the year

<u>Recipient - Name and address</u>	<u>Relationship</u>	<u>Foundation Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
Peoples Community Clinic 2909 North IH-35 Austin, TX 78722	None	501(c)(3) Public	Contribution to support public education and welfare	1,000
National CFIDS Foundation Inc 103 Aletha Road Needham, MA 02492	None	501(c)(3) Public	Contribution to support public education and welfare	2,000
Meals on Wheels 3227 East 5th Street Austin, TX 78702	None	501(c)(3) Public	Contribution to support public education and welfare	2,000
Center for Child Protection 8509 FM 969, Building 2 Austin, Texas 78724	None	501(c)(3) Public	Contribution to support public education and welfare	500
The First Tee of Greater Austin 5501 Ed Bluestein Boulevard Austin, TX 78723	None	501(c)(3) Public	Contribution to support public education and welfare	850
The Austin Symphony 1101 Red River Austin, TX 78701	None	501(c)(3) Public	Contribution to support public education and welfare	645,000
Americans for Prosperity 2111 Wilson Blvd, Ste 350 Arlington, VA 22201	None	501(c)(3) Public	Research and educational programs	1,750
				912,777

Hartman Foundation, Inc.
Form 990-PF
EIN: 58-2471439
May 31, 2011
Schedule 7

Page 11, Part XV, Line 3b - Grants and Contributions approved for future payment

<u>Recipient - Name and address</u>	<u>Relationship</u>	<u>Foundation Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
Case Western Reserve 10900 Euclid Ave Cleveland, Oh 44106	None	501(c)(3) Public	Contribution to support education	275,000
The Austin Symphony 1101 Red River Austin, TX 78701	None	501(c)(3) Public	Contribution to support public education and welfare	490,000
				<u>765,000</u>