

Form **990-PF****Return of Private Foundation**

or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2016Department of the Treasury
Internal Revenue Service

- Do not enter social security numbers on this form as it may be made public.
► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation BLUE AND YOU FOUNDATION FOR A HEALTHIER ARKANSAS			A Employer identification number 71-0862108	
Number and street (or P.O. box number if mail is not delivered to street address) 320 WEST CAPITOL AVE		Room/suite	B Telephone number (see instructions) 501-378-2586	
City or town, state or province, country and ZIP or foreign postal code LITTLE ROCK AR 72201		C If exemption application is pending, check here <input type="checkbox"/>		
Foreign country name Foreign province/state/country Foreign postal code		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test check here and attach computation <input type="checkbox"/>		
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		E If private foundation status was terminated under section 507(b)(1)(A), 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		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 52,585,679		J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		

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 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)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	1,114,575	1,114,575		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	7,354,360			
	b Gross sales price for all assets on line 6a 16,383,449				
	7 Capital gain net income (from Part IV, line 2)		1,164,567		
	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) Stmt 1	15,429				
12 Total. Add lines 1 through 11	8,484,364	2,279,142	13,086		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	187,881			
	14 Other employee salaries and wages	47,429			
	15 Pension plans, employee benefits	45,669			
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 2	11,581			
	c Other professional fees (attach schedule) Stmt 3	138,609	138,609		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 4	108,791	18,669		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) Stmt 5	35,396	8		
	24 Total operating and administrative expenses. Add lines 13 through 23	575,356	157,286	0	0
	25 Contributions, gifts, grants paid	2,728,307			2,728,307
26 Total expenses and disbursements. Add lines 24 and 25	3,303,663	157,286	0	2,728,307	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	5,180,701				
b Net investment income (if negative, enter -0-)		2,121,856			
c Adjusted net income (if negative, enter -0-)			13,086		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2016)

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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		84,545	20,965	20,965
	2	Savings and temporary cash investments		347,495	552,023	552,023
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶		171,531	213,031	213,031
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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			6,000	6,000
	10a	Investments—U S and state government obligations (attach schedule) <i>Stm</i>		8,234,807	2,495,675	2,495,675
	b	Investments—corporate stock (attach schedule) <i>Stm</i>		26,947,549	34,402,646	34,402,646
	c	Investments—corporate bonds (attach schedule) <i>Stm</i>		11,536,329	14,895,339	14,895,339
	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 ▶				
		Less: accumulated depreciation (attach schedule) ▶				
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item i)		47,322,256	52,585,679	52,585,679
Liabilities	17	Accounts payable and accrued expenses		51,981	72,674	
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ DEFERRED TAX LIABILITY)		91,972	154,001	
	23	Total liabilities (add lines 17 through 22)		143,953	226,675	
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		47,178,303	52,359,004	
	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 instructions)		47,178,303	52,359,004	
	31	Total liabilities and net assets/fund balances (see instructions)		47,322,256	52,585,679	

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	47,178,303
2	Enter amount from Part I, line 27a	2	5,180,701
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	52,359,004
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	52,359,004

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement 7			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

(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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	1,164,567
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 instructions). If (loss), enter -0- in Part I, line 8 }	3	1,502

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.

(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))
2015	3,075,447	53,089,305	0.057930
2014	2,779,131	55,822,634	0.049785
2013	2,676,203	53,892,647	0.049658
2012	2,257,846	52,430,745	0.043063
2011	2,003,296	41,118,268	0.048720

2 Total of line 1, column (d)	2	0.249156
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.049831
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	50,686,638
5 Multiply line 4 by line 3	5	2,525,766
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	21,219
7 Add lines 5 and 6	7	2,546,985
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	2,728,307

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	21,219	
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	21,219	
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	21,219	
6	Credits/Payments			
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	31,800	
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	31,800	
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	0	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	10,581	
11	Enter the amount of line 10 to be. Credited to 2017 estimated tax <input type="checkbox"/> 10,581 Refunded <input type="checkbox"/> 0	11	0	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ARKANSAS		
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? <i>If "No," attach explanation</i>	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► WWW.BLUEANDYOUFOUNDATIONARKANSAS.ORG	13	X
14 The books are in care of ► ARKANSAS BLUE CROSS BLUE SHIELD Telephone no ► (501) 378-2586 Located at ► 601 GAINES ST LITTLE ROCK AR ZIP+4 ► 72201		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15		
16 At any time during calendar year 2016, 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 the instructions for exceptions and filing requirements for FinCEN Form 114. 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <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 instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2016 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 2016)	3b	N/A
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 2016?	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 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ 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? ☐ 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? ☐ Yes ☒ No

5b

N/A

6b

X

7b

N/A

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 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 Attached Statement 8	00	0		
	00	0		
	00	0		
	00	0		
	00	0		

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services** (see 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 NONE	
2	
3	
4	

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

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

	Amount
1 NONE	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	▶ 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	51,415,323
b	Average of monthly cash balances	1b	43,193
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	51,458,516
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	51,458,516
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	4	771,878
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	50,686,638
6	Minimum investment return. Enter 5% of line 5	6	2,534,332

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	2,534,332
2a	Tax on investment income for 2016 from Part VI, line 5	2a	21,219
b	Income tax for 2016 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	21,219
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,513,113
4	Recoveries of amounts treated as qualifying distributions	4	13,086
5	Add lines 3 and 4	5	2,526,199
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,526,199

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	2,728,307
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	2,728,307
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 instructions)	5	21,219
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,707,088

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				2,526,199
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			2,393,238	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2016				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ 2,728,307				
a Applied to 2015, but not more than line 2a			2,393,238	
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2016 distributable amount				335,069
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2016 (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	0			
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 instructions				
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				2,191,130
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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

N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2016	(b) 2015	(c) 2014	(d) 2013	
				0
b 85% of line 2a				0
c Qualifying distributions from Part XII, line 4 for each year listed				0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				0
3 Complete 3a, b, or c for the alternative test relied upon				
a "Assets" alternative test—enter				
(1) Value of all assets				0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0
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)				0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				0
(3) Largest amount of support from an exempt organization				0
(4) Gross investment income				0

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 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))

NONE

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 or e-mail address of the person to whom applications should be addressed

PATRICK O'SULLIVAN 320 WEST CAPITOL SUITE 200 LITTLE ROCK, AR 72201 (501) 378-3300

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

SEE ATTACHED STATEMENT 9

c Any submission deadlines.

SEE ATTACHED STATEMENT 10

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

SEE ATTACHED STATEMENT 10

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> SEE ATTACHED STATEMENT 11				2,728,307
Total			▶ 3a	2,728,307
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Sheet 1

Part I, Line 11 (990-PF) - Other Income

		15,429	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	REFUNDS	13,086	0	
2	MISC INCOME	2,343	0	

Sheet 2

Part I, Line 16b (990-PF) - Accounting Fees

11,581

0

0

0

Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	AUDIT & TAX FEES	11,581			0

Sheet 3

Part I, Line 16c (990-PF) - Other Professional Fees

		138,609	138,609	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	PORTFOLIO MANAGER FEES	138,609	138,609		0

Stmnt 4

Part I, Line 18 (990-PF) - Taxes

		108,791	18,669	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	OTHER TAXES	10			
2	PROPERTY TAXES	48			
3	FOREIGN WITHHOLDING TAX	18,669	18,669		
4	EXCISE TAX	28,035			
5	DEFERRED EXCISE TAX	62,029			

Stmnt 5

Part I, Line 23 (990-PF) - Other Expenses

		35 396	8	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	MISC	32,719	0		
2	CORPORATE DUES	500	0		
3	BANK FEES	8	8		
4	PRINTING & POSTAGE	2,169	0		

Sheet 7

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

Amount													
Long Term CG Distributions		0											
Short Term CG Distributions		0	16,383,449	0	0	15,218,882	1,164,567	0	0	0	1,164,567		
Description of Property Sold	CUSIP #	Acquisition Method	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Adjustments	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adjusted Basis	-Gains Minus Excess FMV Over Adj Basis or Losses
1 HEWLETT PACKARD ENTERPRISE CORP	42824C109	P	7/26/2012	5/31/2016	350,863			187,517	163,346	0	0	0	163,346
2 LEXMARK INTERNATIONAL CL A CORP	529771107	P	7/25/2012	10/28/2016	722,045			423,542	298,503	0	0	0	298,503
3 LEXMARK INTERNATIONAL INC	529772AE5	P	5/30/2012	12/31/2016	255,000			264,576	-9,576	0	0	0	-9,576
4 UNITED STATES TREASURY	912796HX0	P	12/17/2015	6/16/2016	7,998,562			7,997,632	930	0	0	0	930
5 UNITED STATES TREASURY	912796JY6	P	6/16/2016	12/15/2016	5,998,789			5,998,217	572	0	0	0	572
6 VALERO ENERGY ORD	91913Y100	P	10/22/2008	1/15/2016	985,845			245,054	740,791	0	0	0	740,791
7 AUSTRALIA (COMMONWEALTH)	Q0819AEU0	P	1/21/2011	6/3/2016	72,345			102,344	-29,999	0	0	0	-29,999

Enter information on Detail - Part I, Line 6

STMT 8

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

							137.881		34.532		0		
	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account	Explanator
1	PATRICK O'SULLIVAN		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		DIRECTOR	30.00	187,881	34,532		
2	ROBERT CABE		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		CHAIRMAN	0.25	0			
3	SCOTT WINTER		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		TREASURER	0.25	0			
4	LEE DOUGLASS		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		SECRETARY	0.25	0			
5	SUSAN BRITTAIN		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER	0.25	0			
6	ROB BROTHERS		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER	0.25	0			
7	JIM KELLEY		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER	0.25	0			
8	TOMMY MAY		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER	0.25	0			
9	DAN NABHOLZ		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER	0.25	0			
10	SHERMAN TATE		320 W CAPITOL SUITE 200	LITTLE ROCK	AR	72201		BOARD MEMBER		0			