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

2011

For calendar year 2011 or tax year beginning , **and ending**

Name of foundation
The Guadalupe and Lilia Martinez Foundation

A Employer identification number
74-3005930

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

Room/suite

B Telephone number
972-549-1605

City or town, state, and ZIP code
Fairview, TX 75069

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 ▶ ☐

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

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

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 36,711,370.

J Accounting method: ☒ Cash ☐ Accrual ☐ 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).)	**(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	1,647,512.		N/A	
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	221.	221.		Statement 1
	4	Dividends and interest from securities	884,994.	884,994.		Statement 2
	5a	Gross rents	3,343.	3,343.		Statement 3
	b	Net rental income or (loss) 3,343.				
	6a	Net gain or (loss) from sale of assets not on line 10	122,945.			
	b	Gross sales price for all assets on line 6a 20,807,559.				
	7	Capital gain net income (from Part IV, line 2)		122,945.		
	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	953,531.	953,531.		Statement 4
	12	**Total.** Add lines 1 through 11	3,612,546.	1,965,034.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	258,068.	258,068.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees Stmt 5	127,311.	127,311.		0.
	b	Accounting fees Stmt 6	9,225.	9,225.		0.
	c	Other professional fees Stmt 7	173,846.	173,846.		0.
	17	Interest				
	18	Taxes Stmt 8	63,021.	63,021.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	12,290.	12,290.		0.
	22	Printing and publications				
	23	Other expenses Stmt 9	162,969.	162,969.		0.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	806,730.	806,730.		0.
	25	Contributions, gifts, grants paid	1,704,163.			1,704,163.
	26	**Total expenses and disbursements.** Add lines 24 and 25	2,510,893.	806,730.		1,704,163.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	1,101,653.			
	b	**Net investment income** (if negative, enter -0-)		1,158,304.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Form **990-PF** (2011)

P 8

	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	Savings and temporary cash investments	466,753.	3,564,698.	3,564,698.
	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			
	10a	Investments - U.S. and state government obligations Stmt 10	8,443,421.	5,046,208.	5,168,794.
	b	Investments - corporate stock Stmt 11	13,903,577.	13,523,241.	13,009,072.
	c	Investments - corporate bonds Stmt 12	6,477,282.	7,518,783.	7,854,595.
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other Stmt 13	6,300,256.	6,954,319.	6,954,319.
	14	Land, buildings, and equipment: basis ▶ 190,485.			
		Less accumulated depreciation ▶ 72,793.	0.	117,692.	117,692.
	15	Other assets (describe ▶ Statement 14)	39,840.	42,200.	42,200.
	16	**Total assets** (to be completed by all filers)	35,631,129.	36,767,141.	36,711,370.
Liabilities	17	Accounts payable and accrued expenses	3,065.	408.	
	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)	3,065.	408.	
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 ▶ ☒ 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	35,628,064.	36,766,733.	
	30	**Total net assets or fund balances**	35,628,064.	36,766,733.	
	31	**Total liabilities and net assets/fund balances**	35,631,129.	36,767,141.	

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	35,628,064.
2	Enter amount from Part I, line 27a	2	1,101,653.
3	Other increases not included in line 2 (itemize) ▶ Tax-exempt interest	3	37,016.
4	Add lines 1, 2, and 3	4	36,766,733.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	36,766,733.

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				
b	See Attached Statements			
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	20,807,559.		20,684,614.	122,945.

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				
b				
c				
d				
e				122,945.

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 } 2 122,945.

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))
2010	1,726,612.	35,286,701.	.048931
2009	1,806,140.	34,169,289.	.052859
2008	1,873,800.	31,462,543.	.059557
2007	1,384,400.	25,252,377.	.054823
2006	1,304,506.	10,737,038.	.121496

2	**Total** of line 1, column (d)	2	.337666
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	.067533
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	35,589,445.
5	Multiply line 4 by line 3	5	2,403,462.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	11,583.
7	Add lines 5 and 6	7	2,415,045.
8	Enter qualifying distributions from Part XII, line 4	8	1,704,163.

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 ▶ ☐ and enter 1% of Part I, line 27b		1	23,166.
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	23,166.
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	23,166.
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a 42,200.		
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	42,200.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	230.
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	18,804.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 18,804. **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 2011 or the taxable year beginning in 2011 (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)*

			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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Robert J Gonzalez Telephone no. ▶ 972-549-1605

Located at ▶ 361 Pine Valley Drive, Fairview, TX ZIP+4 ▶ 75069

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 2011, 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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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 instructions)? N/A	1b		
	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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ 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 2011 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 2011)* 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 2011?	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)? N/A **5b**

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 15		258,068.	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 N/A	
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	33,705,661.
b	Average of monthly cash balances			1b	2,265,863.
c	Fair market value of all other assets			1c	159,892.
d	**Total** (add lines 1a, b, and c)			1d	36,131,416.
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	36,131,416.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	541,971.
5	**Net value of noncharitable-use assets**. Subtract line 4 from line 3. Enter here and on Part V, line 4			5	35,589,445.
6	**Minimum investment return** Enter 5% of line 5			6	1,779,472.

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	1,779,472.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	23,166.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	23,166.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,756,306.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	1,756,306.
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	1,756,306.

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	1,704,163.
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	1,704,163.
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	0.
6	**Adjusted qualifying distributions**. Subtract line 5 from line 4	6	1,704,163.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					1,756,306.
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				0.	
b Total for prior years: _____, _____, _____			0.		
3 Excess distributions carryover, if any, to 2011:					
a From 2006	779,258.				
b From 2007	1,384,400.				
c From 2008	353,382.				
d From 2009	137,480.				
e From 2010	4,440.				
f **Total** of lines 3a through e		2,658,960.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $	1,704,163.				
a Applied to 2010, 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 2011 distributable amount					1,704,163.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)		52,143.			52,143.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		2,606,817.			
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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.				0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					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 2006 not applied on line 5 or line 7		727,115.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		1,879,702.			
10 Analysis of line 9:					
a Excess from 2007	1,384,400.				
b Excess from 2008	353,382.				
c Excess from 2009	137,480.				
d Excess from 2010	4,440.				
e Excess from 2011					

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 2011, 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) 2011	(b) 2010	(c) 2009	(d) 2008	(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 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 of the person to whom applications should be addressed:

Shirley Gonzalez, 361 Pine Valley Drive, Fairview, TX 75069, 972-549-1605

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

Nature of Charity and Application of Funds

c Any submission deadlines:

Reviewed Continuously

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

Section 501(c)(3) organizations primarily, but not necessarily located in Webb and Zapata Counties, 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				
Bethany House 819 Hidalgo St Laredo, TX 78040	None	Public	Operating fund Operating fund	225,000.
Buckner Foundation 600 North Pearl St. Dallas, TX 75201	None	Public	Operating fund	50,000.
Children's Advocacy Center of Laredo - Webb County 111 N Merida Laredo, TX 78043	None	Public	Operating fund	20,000.
Dismas Ministry PO Box 070363 Milwaukee, WI 53207	None	Public	Operating fund	20,500.
Diocese of Laredo 1901 Corpus Christi St Laredo, TX 78043	None	Public	Operating fund	180,000.
Total See continuation sheet(s)			▶ 3a	1,704,163.
b Approved for future payment				
Bethany House 819 Hidalgo St Laredo, TX 78040	None	Public	Operating fund	450,000.
Laredo Community College Education Foundation West End Washington St Laredo, TX 78040-4395	None	Public	Operating fund	50,000.
The University of Texas Foundation, Inc PO Box 250 Austin, TX 787670250	None	Public	Operating fund	300,000.
Total			▶ 3b	800,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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	523000	221.			
4 Dividends and interest from securities	523000	884,994.			
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	523000	3,343.			
7 Other investment income	523000	953,531.			
8 Gain or (loss) from sales of assets other than inventory	423000	122,945.			
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)		1,965,034.		0.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 1,965,034.

(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).
	N/A

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) is based on all information of which preparer has any knowledge

Signature of officer or trustee

Date 8/3/12

Title Treasurer

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
Sylvan Biediger CPA	Syl Biediger CPA	7/27/12		P00553102

Firm's name ▶ Sembera & Biediger PC, CPA's

Firm's EIN ▶ 74-2555523

Firm's address ▶ 6800 Park Ten Blvd., Ste 217-N
San Antonio, TX 78213-4215

Phone no. (210) 736-2451

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

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization
The Guadalupe and Lilia Martinez Foundation

Employer identification number
74-3005930

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, total 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 total 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 Part I, 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.** **Schedule B (Form 990, 990-EZ, or 990-PF) (2011)**

Name of organization	Employer identification number
The Guadalupe and Lilia Martinez Foundation	74-3005930

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Guadalupe Martinez 2001 Trust 361 Pine Valley Dr Fairview, TX 75069	$ 1,647,512.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
The Guadalupe and Lilia Martinez Foundation	74-3005930

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(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	Employer identification number
The Guadalupe and Lilia Martinez Foundation	74-3005930

Part III *Exclusively* religious, charitable, etc , individual contributions to section 501(c)(7), (8), or (10) organizations that total 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) ▶ $

Use duplicate copies of Part III if additional space is needed

(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

The Guadalupe and Lilia Martinez Foundation

Continuation for 990-PF, Part IV

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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	2001 Martinez Trust	P		
b	Artisan Fds Inc	P	02/09/10	08/08/11
c	Caterpillar Finl Svcs	P	02/02/09	07/14/11
d	Fedl Home Loan bank	P	03/22/06	08/15/11
e	Fedl Home Loan bank	P	08/25/06	07/29/11
f	Genl Electric Cap Corp	P	02/02/09	05/12/11
g	Genworth Financial Inc	P	10/19/09	07/14/11
h	Hartford Mutual	P	02/09/10	06/08/11
i	Park Ave Portfolio RS	P	02/09/10	02/22/11
j	SPDR Dow Jones Indl	P	06/01/10	06/06/11
k	SPDR Series Trust Barclays Cap	P	12/09/08	02/16/11
l	SPDR Series Trust Barclays Capital Tips	P	06/02/09	02/16/11
m	Verizon New York Inc	P	11/21/06	05/12/11
n	Wells Fargo Advantage Funds Diversified Income	P	06/02/09	08/08/11
o	Artisan Fds Inc	P	10/05/10	08/08/11

	(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	543,968.			543,968.
b	158,586.		155,000.	3,586.
c	212,398.		209,000.	3,398.
d	100,000.		103,092.	-3,092.
e	250,000.		248,721.	1,279.
f	528,339.		514,650.	13,689.
g	206,588.		197,680.	8,908.
h	240,990.		222,000.	18,990.
i	42,352.		35,000.	7,352.
j	237,195.		200,037.	37,158.
k	550,915.		548,695.	2,220.
l	781,436.		742,633.	38,803.
m	262,625.		261,875.	750.
n	697,798.		654,097.	43,701.
o	1,064,478.		1,227,608.	-163,130.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				543,968.
b				3,586.
c				3,398.
d				-3,092.
e				1,279.
f				13,689.
g				8,908.
h				18,990.
i				7,352.
j				37,158.
k				2,220.
l				38,803.
m				750.
n				43,701.
o				-163,130.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	
3	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	

The Guadalupe and Lilia Martinez Foundation

Continuation for 990-PF, Part IV
74-3005930 Page 2 of 3

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	Blackrock Global Allocation Fund Inc	P	03/03/11	08/08/11
b	Franklin Income Fund Advisor	P	08/03/11	08/08/11
c	Hartford Mutual	P	08/02/10	06/08/11
d	Hartford Mutual Floating Rate	P	07/13/11	10/25/10
e	Ishares Tr MSCI Emerging Markets	P	10/05/10	02/10/11
f	Ishares Tr Russell 2000 Index	P	06/01/10	03/15/11
g	Ishares Tr Dow Jones US Energy	P	02/17/11	04/12/11
h	Ivy Fd Global Nat Res Fd	P	02/18/11	05/23/11
i	Park Ave Portfolio RS Emerging Markets	P	03/02/10	02/22/11
j	Pimco Pds Pac Invt Low Duration	P	09/21/10	01/26/11
k	Pimco Fds Pac Invt Mgmt All Asset	P	10/25/10	08/08/11
l	Principal Invst Fund Inc PFD Securities	P	08/18/10	08/08/11
m	SPDR Dow Jones Indl Average ETF	P	07/07/10	06/06/11
n	SPDR S&P Midcap 400	P	07/07/10	05/23/11
o	SPDR S&P 500 ETF Trust	P	06/01/10	03/16/11

	(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	1,358,060.		1,488,199.	-130,139.
b	1,363,622.		1,533,486.	-169,864.
c	951,859.		975,000.	-23,141.
d	150,000.		148,480.	1,520.
e	329,158.		325,860.	3,298.
f	624,406.		538,341.	86,065.
g	98,176.		100,084.	-1,908.
h	425,095.		450,000.	-24,905.
i	79,330.		72,601.	6,729.
j	256,430.		261,854.	-5,424.
k	1,440,894.		1,480,000.	-39,106.
l	1,702,262.		1,798,016.	-95,754.
m	1,213,716.		1,237,265.	-23,549.
n	705,803.		597,275.	108,528.
o	668,221.		574,946.	93,275.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				-130,139.
b				-169,864.
c				-23,141.
d				1,520.
e				3,298.
f				86,065.
g				-1,908.
h				-24,905.
i				6,729.
j				-5,424.
k				-39,106.
l				-95,754.
m				-23,549.
n				108,528.
o				93,275.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 } 2

3 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

The Guadalupe and Lilia Martinez Foundation

Continuation for 990-PF, Part IV
74-3005930 Page 3 of 3

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	SPDR Series Trust Dow Jones Mid Cap ETF	P	06/29/11	08/08/11
b	Templeton Global Invt Tr Glbl Bd	P	10/25/10	03/04/11
c	Vanguard Total Stock Market ETF	P	03/24/11	06/06/11
d	Wells Fargo Advantage Funds Diversified Income	P	09/01/10	08/08/11
e	Wisdomtree Trust International Largecap	P	12/01/10	03/15/11
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(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	524,390.		645,165.	-120,775.
b	806,171.		809,723.	-3,552.
c	731,085.		751,225.	-20,140.
d	1,204,872.		1,284,020.	-79,148.
e	296,341.		292,986.	3,355.
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				-120,775.
b				-3,552.
c				-20,140.
d				-79,148.
e				3,355.
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

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	122,945.
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

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Martinez 2001 Trust	221.
Total to Form 990-PF, Part I, line 3, Column A	221.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
CB Richard Ellis Realty Trust	11,982.	0.	11,982.
CNL Lifestyle	0.	0.	0.
Grubb & Ellis HC Trust	29,789.	0.	29,789.
Hines Reit	173.	0.	173.
Inland	19,525.	0.	19,525.
Linsco/Private Ledger	790,150.	0.	790,150.
Martinez 2001 Trust	12,492.	0.	12,492.
Wells	19,529.	0.	19,529.
Zapata Bankshares	1,354.	0.	1,354.
Total to Fm 990-PF, Part I, ln 4	884,994.	0.	884,994.

Form 990-PF Rental Income Statement 3

Kind and Location of Property	Activity Number	Gross Rental Income
Rental - Zapata Bankshares	2	3,343.
Total to Form 990-PF, Part I, line 5a		3,343.

Form 990-PF Other Income Statement 4

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Royalties - Martinez 2001 Trust	863,435.	863,435.	
Farming - Martinez 2001 Trust	-91,776.	-91,776.	
Ord Inc - Zapata Bankshares Inc	181,872.	181,872.	
Total to Form 990-PF, Part I, line 11	953,531.	953,531.	

Form 990-PF Legal Fees Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal fees	127,311.	127,311.		0.
To Fm 990-PF, Pg 1, ln 16a	127,311.	127,311.		0.

Form 990-PF Accounting Fees Statement 6

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting fees	9,225.	9,225.		0.
To Form 990-PF, Pg 1, ln 16b	9,225.	9,225.		0.

Form 990-PF Other Professional Fees Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment fees	173,846.	173,846.		0.
To Form 990-PF, Pg 1, ln 16c	173,846.	173,846.		0.

Form 990-PF Taxes Statement 8

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax	42,210.	42,210.		0.
Payroll tax	20,811.	20,811.		0.
To Form 990-PF, Pg 1, ln 18	63,021.	63,021.		0.

Form 990-PF Other Expenses Statement 9

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Administrative expenses	120,000.	120,000.		0.
Property management	36,300.	36,300.		0.
Office expense	6,669.	6,669.		0.
To Form 990-PF, Pg 1, ln 23	162,969.	162,969.		0.

Form 990-PF U.S. and State/City Government Obligations Statement 10

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
FHLB	X		0.	0.
FHLB	X		0.	0.
FNMA	X		175,413.	184,100.
Federal Home Ln Mtg Corp	X		492,430.	506,250.
Federal Home Ln Mtg Corp 31283KLF3	X		0.	0.
Federal Home Ln Mtg Corp	X		364,889.	377,932.
Federal National Mtg Assn	X		100,485.	112,006.
Federal National Mtg Assn 31407HV45	X		176,170.	185,778.
Government National Mtg Assn 36200FWD6	X		268,668.	305,350.
Government National Mtg Assn 36290QXZ3	X		341,054.	401,239.
Federal Home Ln Mtg Corp 3128PLPJ5	X		185,123.	178,371.

Federal Home Ln Mtg Corp 31393QZK1	X	37,179.	45,173.
Federal Home Ln Mtg Corp 31395J2S4	X	289,896.	279,335.
Federal Home Ln Mtg Corp 31397WZS7	X	0.	0.
Fedl Natl Mtg Assn 31392CHD9	X	550,588.	510,269.
Fedl Natl Mtg Assn 31393BQ32	X	33,838.	36,716.
Fedl Natl Mtg Assn 31394DS92	X	306,457.	301,068.
Fedl Natl Mtg Assn 31394DTR1	X	278,539.	268,975.
Fedl Natl Mtg Assn 31402Q3J8	X	433,545.	451,126.
Government National Mtg Assn 36296RFF9	X	473,430.	489,055.
Federal Home Ln Mtg Corp 3128M1RB7	X	127,250.	126,742.
Federal National Mtg Assn 31404WTV8	X	411,254.	409,309.
Total U.S. Government Obligations		5,046,208.	5,168,794.
Total State and Municipal Government Obligations			
Total to Form 990-PF, Part II, line 10a		5,046,208.	5,168,794.

Form 990-PF Corporate Stock Statement 11

Description	Book Value	Fair Market Value
SPDR Series Trust Barclays Cap Agg	0.	0.
Zapata National Bank	1,533,656.	1,533,656.
SPDR Series Trust Barclays Cap Tips	0.	0.
Wells Fargo Diversified Income Builder	0.	0.
Pimco Fds Pac Invt Mgm Low Duration	613,751.	595,750.
Artisan Fds Inc Mid Cap Value	0.	0.
Hartford Mutual Fds Capital Appreciation	0.	0.
Hartford Mutual Fds Floating Rate	2,628,397.	2,548,333.
Ishares Emerging Markets Index	0.	0.
Ishares Russell 2000 Index	0.	0.
Park Ave Emerging Markets	0.	0.
Pimco Fds Pac Invt Mgm All Asset	0.	0.
Pimco Fds Pac Invt Mgm Commodity Real Return	1,713,455.	1,302,257.
Principal Investment Fd Pfd Securities	0.	0.
Spdr Dow Jones Industrial	0.	0.
Spdr S&P Midcap 400 ETF	0.	0.
Spdr S&P 500 ETF	0.	0.
Templeton Global Invt Global Bd Fd	0.	0.
Wisdomtree Trust International Largecap	0.	0.
RS Investment Trust Low Durati	7,033,982.	7,029,076.
Total to Form 990-PF, Part II, line 10b	13,523,241.	13,009,072.

Form 990-PF Corporate Bonds Statement 12

Description	Book Value	Fair Market Value
Verizon NY	0.	0.
Alcoa Inc	214,455.	266,590.
American Express Corp	295,847.	362,526.
General Electric Cap Corp	0.	0.
Genworth Financial Inc	0.	0.
Goldman Sachs Group Inc	285,315.	294,177.
Lincoln Natl Corp	208,728.	225,346.
Philip Morris International Inc	332,760.	337,512.
Prologis Note	230,259.	242,398.
Prudential Financial Inc	237,824.	260,053.
UBS AG Stamford Branch	280,992.	312,315.
Verizon Communications Inc Note	307,405.	316,569.
AT&T Inc	503,255.	538,935.
Caterpillar Financial Services	0.	0.
Caterpillar Financial Services	316,461.	327,033.
Caterpillar Financial Services	264,355.	320,198.
ConocoPhillips	303,106.	324,006.
General Electric Cap Corp	254,800.	279,338.
General Electric Cap Corp	509,030.	523,130.
Ford Motor Credit	255,627.	272,118.
Genworth Financial Inc	251,788.	238,575.
Genworth Financial Inc	240,000.	229,438.
Gannett Co Inc	537,776.	535,625.
Genworth Financial Inc	497,000.	494,375.
Old Republic International Corp	251,375.	249,688.
Regions Financial Corp	478,125.	488,750.
Royal Bk Scotland Group	462,500.	415,900.
Total to Form 990-PF, Part II, line 10c	7,518,783.	7,854,595.

Form 990-PF Other Investments Statement 13

Description	Valuation Method	Book Value	Fair Market Value
Wells Real Estate Investment Trust II	COST	875,510.	875,510.
Inland American Real Estate Trust	COST	894,121.	894,121.
CNL Lifestyle Properties, Inc	COST	792,704.	792,704.
Healthcare Trust of America	COST	847,479.	847,479.
CB Richard Ellis Real Estate Tr	COST	421,120.	421,120.
Hines Reit	COST	902,728.	902,728.
Cole Credit Property Trust II	COST	1,235,872.	1,235,872.
Cole Credit Property Trust III	COST	984,785.	984,785.
Total to Form 990-PF, Part II, line 13		6,954,319.	6,954,319.

Form 990-PF Other Assets Statement 14

Description	Beginning of Yr Book Value	End of Year Book Value	Fair Market Value
Federal Tax Deposits	39,840.	42,200.	42,200.
To Form 990-PF, Part II, line 15	39,840.	42,200.	42,200.

Form 990-PF Part VIII - List of Officers, Directors Trustees and Foundation Managers Statement 15

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Maria Louisa Sandlin 1617 Galveston St Laredo, TX 78043	V-President/Director 5.00	35,000.	0.	0.
Larry Sandlin 1617 Galveston St Laredo, TX 78043	V-President/Director 5.00	35,000.	0.	0.
Shirley Gonzalez 361 Pine Valley Dr Fairview, TX 75069	President/Director 25.00	50,000.	0.	0.
Robert Gonzalez 361 Pine Valley Dr Fairview, TX 75069	Treasurer/Director 35.00	40,000.	0.	0.
Robert J Gonzalez Jr 12218 Fall River Pass Lane Humble, TX 77346	V-President/Director 15.00	35,000.	0.	0.
David M Slaughter PO Box 661 Laredo, TX 78042	Director 5.00	16,534.	0.	0.
Ana S Wasielewski 746 Cherry Blossom Lane Allen, TX 78002	Secretary/Director 10.00	30,000.	0.	0.
Patrick H Sandlin 522 Blanning Drive Dallas, TX 75218	Director 5.00	16,534.	0.	0.
Totals included on 990-PF, Page 6, Part VIII		258,068.	0.	0.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
Dr. Leo Cigarroa High School 2600 Zacatecas Laredo, TX 78045	None	Public	Operating fund	5,000.
Families for Autism Support and Awareness PO Box 440851 Laredo, TX 780440851	None	Public	Operating fund	5,000.
First United Methodist Church of Laredo 1220 McClelland Avenue Laredo, TX 78043	None	Public	Operating fund	50,000.
Imaginarium of South Texas 5300 San Dario, Suite 505 Laredo, TX 78041	None	Public	Operating fund	69,000.
Habitat for Humanity of Laredo - Webb County PO Box 440709 Laredo, TX 78044	None	Public	Operating fund	49,000.
Voz de Ninos 902 E Calton Road, Suite 106 Laredo, TX 78041	None	Public	Operating fund	28,163.
Junior Achievement of Laredo 1 West End Washington St.,P-11 Laredo, TX 78040	None	Public	Operating fund	18,000.
Juvenile Diabetes Research Foundation International 7913 McPherson, Suite 105 Laredo, TX 78045	None	Public	Operating fund	5,000.
Webb County Heritage Foundation Box 446 Laredo, TX 78042-0446	None	Public	Operating fund	30,000.
Laredo Center for the Arts 500 San Agustin Laredo, TX 78040	None	Public	Operating fund	50,000.
Total from continuation sheets				1,208,663.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
Laredo Community College Education Foundation West End Washington St Laredo, TX 780404395	None	Public	Operating fund	175,000.
Laredo Musical Theater International PO Box 450497 Laredo, TX 780450011	None	Public	Operating fund	40,000.
Laredo Philharmaonic Orchestra Box 1399 Laredo, TX 78042	None	Public	Operating fund	30,000.
Make A Wish Foundation of America 3550 N Central Ste 300 Phoenix, AZ 85012	None	Public	Operating fund	12,000.
Mercy Ministries 2500 Zacatecas St Laredo, TX 780430169	None	Public	Operating fund	100,000.
Rio Grande International Study Center West End Washington St Laredo, TX 78040	None	Public	Operating fund	75,000.
River Pierce Foundation Box 249 San Ygnacio, TX 78067	None	Public	Operating fund	38,000.
Ruth B Cowl's Rehabilitation Center 1220 Malinche Ave Laredo, TX 78043	None	Public	Operating fund	20,000.
South Tex Council on Alcohol & Drug Abuse Box 3090 Laredo, TX 78044	None	Public	Operating fund	40,000.
Texas A&M International University 5201 University Boulevard Laredo, TX 78041-1900	None	Public	Operating fund	185,000.
Total from continuation sheets				

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

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
The Laredo Animal Protective Society 2500 Gonzalez St. Laredo, TX 78040	None	Public	Operating fund	25,000.
Laredo Diploma Plus Foundation, Inc 8116 Stillmeadow Ct. Laredo, TX 78045	None	Public	Operating fund	32,000.
The Salvation Army, South Texas/Rio Grande Valley 14038 Fairway Oaks San Antonio, TX 78217	None	Public	Operating fund	10,000.
The University of Texas Foundation, Inc PO Box 250 San Antonio, TX 78767-0250	None	Public	Operating fund	100,000.
United Day School 1701 San Isidro Parkway Laredo, TX 78045	None	Public	Operating fund	7,500.
Zapata High School 2009 State Highway 16 Zapata, TX 78076	None	Public	Operating fund	10,000.
Total from continuation sheets				

Form **8868**
(Rev January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print

File by the due date for filing your return See instructions

Name of exempt organization or other filer, see instructions
The Guadalupe and Lilia Martinez Foundation

Employer identification number (EIN) or
☒ 74-3005930

Number, street, and room or suite no If a P O box, see instructions
361 Pine Valley Drive

Social security number (SSN)
☐

City, town or post office, state, and ZIP code For a foreign address, see instructions
Fairview, TX 75069

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-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	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

- The books are in the care of ▶ Robert J Gonzalez
  361 Pine Valley Drive - Fairview, TX 75069
  Telephone No ▶ 972-549-1605 FAX No ▶
- 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.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until August 15, 2012, to file the exempt organization return for the organization named above The extension is for the organization's return for.
▶ ☒ calendar year 2011 or
▶ ☐ tax year beginning ______, and ending ______

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a	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	3a	$ 42,200.
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	3b	$ 42,200.
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev 1-2012)

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01-04-12