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
Gene Conley Foundation
80171000

A Employer identification number
75-2224430

Number and street (or P O box number if mail is not delivered to street address) Room/suite
P.O. Box 41629

B Telephone number
(940)766-8312

City or town, state, and ZIP code
Austin, TX 78704-9926

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 7,538,627.50

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

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

		Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received			N/A	
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	345.41	345.41		Statement 1
	4	Dividends and interest from securities	172,581.18	172,581.18		Statement 2
	5a	Gross rents	24,592.00	24,592.00		Statement 3
	b	Net rental income or (loss) 19,989.35				Statement 4
	6a	Net gain or (loss) from sale of assets not on line 10	11,446.52			
	b	Gross sales price for all assets on line 6a 282,982.05				
	7	Capital gain net income (from Part IV, line 2)		11,446.52		
	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	706,968.89	706,968.89		Statement 5
	12	Total. Add lines 1 through 11	915,934.00	915,934.00		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	110,533.28	78,399.96		32,133.32
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees Stmt 6	1,468.21	1,468.21		0.00
	b	Accounting fees Stmt 7	9,400.00	5,170.00		4,230.00
	c	Other professional fees				
	17	Interest				
	18	Taxes Stmt 8	68,493.97	60,801.09		0.00
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses Stmt 9	806.85	806.85		0.00
	24	Total operating and administrative expenses. Add lines 13 through 23	190,702.31	146,646.11		36,363.32
	25	Contributions, gifts, grants paid	323,737.00			323,737.00
	26	Total expenses and disbursements. Add lines 24 and 25	514,439.31	146,646.11		360,100.32
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	401,494.69			
	b	Net investment income (if negative, enter -0-)		769,287.89		
	c	Adjusted net income (if negative, enter -0-)			N/A	

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Form **990-PF** (2011)

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Gene Conley Foundation

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		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	152.50	24,434.47	24,434.47
	2	Savings and temporary cash investments	580,073.37	1,112,197.49	1,112,197.49
	3	Accounts receivable ▶ 6,631.85			
		Less allowance for doubtful accounts ▶	16,507.54	6,631.85	6,631.85
	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	3,250.35		
	10a	Investments - U S and state government obligations Stmt 10	139,353.04	51,896.10	58,266.00
	b	Investments - corporate stock Stmt 11	3,150,934.23	3,149,184.34	3,489,808.82
	c	Investments - corporate bonds Stmt 12	278,233.75	228,467.75	250,546.50
	11	Investments - land, buildings, and equipment basis ▶ 403,109.10			
		Less accumulated depreciation Stmt 13▶ 175.00	402,934.10	402,934.10	1,325,720.00
	12	Investments - mortgage loans			
	13	Investments - other Stmt 14	34,023.00	34,023.00	1,271,021.37
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶ Schedule 6)	1.00	1.00	1.00
	16	**Total assets** (to be completed by all filers)	4,605,462.88	5,009,770.10	7,538,627.50
Liabilities	17	Accounts payable and accrued expenses		2,812.53	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.00	2,812.53	
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	1,091,276.98	1,091,276.98	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0.00	0.00	
	29	Retained earnings, accumulated income, endowment, or other funds	3,514,185.90	3,915,680.59	
	30	**Total net assets or fund balances**	4,605,462.88	5,006,957.57	
	31	**Total liabilities and net assets/fund balances**	4,605,462.88	5,009,770.10	

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	4,605,462.88
2	Enter amount from Part I, line 27a	2	401,494.69
3	Other increases not included in line 2 (itemize) ▶	3	0.00
4	Add lines 1, 2, and 3	4	5,006,957.57
5	Decreases not included in line 2 (itemize) ▶	5	0.00
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,006,957.57

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	Long Term - Sch. 3	P	Various	Various
b	Capital Gains Dividends			
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	272,902.68		271,535.53	1,367.15
b	10,079.37			10,079.37
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				1,367.15
b				10,079.37
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 11,446.52

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	327,130.98	7,196,626.29	.045456
2009	273,129.55	6,700,579.45	.040762
2008	251,932.08	5,800,171.21	.043435
2007	221,307.29	5,443,518.68	.040655
2006	194,130.80	4,677,244.50	.041505

2	Total of line 1, column (d)	2	.211813
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	.042363
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	7,665,113.20
5	Multiply line 4 by line 3	5	324,717.19
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	7,692.88
7	Add lines 5 and 6	7	332,410.07
8	Enter qualifying distributions from Part XII, line 4	8	360,100.32

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	7,692.88
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	0.00
3 Add lines 1 and 2			3	7,692.88
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.00
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	7,692.88
6 Credits/Payments				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	4,880.35		
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	4,880.35
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	2,812.53
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11 Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶	**Refunded** ▶		11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*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.*			
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 ▶ $ 0.00 **(2)** On foundation managers ▶ $ 0.00			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.00			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
If "Yes," attach a detailed description of the activities.			
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?	5		X
If "Yes," attach the statement required by General Instruction T			
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?	7	X	
If "Yes," complete Part II, col. (c), and Part XV.			
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 ▶ Wells Fargo Bank, N.A. Telephone no ▶ (940)766-8312

Located at ▶ 2301 Kell Boulevard, Wichita Falls, TX ZIP+4 ▶ 76308-1041

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)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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** No: 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
Schedule 10	0.00	104533.28	0.00	0.00
Schedule 10	0.00	6,000.00	0.00	0.00

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 ▶	0.00

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	4,104,417.72
b	Average of monthly cash balances	1b	876,530.57
c	Fair market value of all other assets	1c	2,800,892.52
d	**Total** (add lines 1a, b, and c)	1d	7,781,840.81
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.00		
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	7,781,840.81
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	116,727.61
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	7,665,113.20
6	**Minimum investment return.** Enter 5% of line 5	6	383,255.66

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	383,255.66
2a	Tax on investment income for 2011 from Part VI, line 5 2a 7,692.88		
b	Income tax for 2011 (This does not include the tax from Part VI) 2b		
c	Add lines 2a and 2b	2c	7,692.88
3	Distributable amount before adjustments Subtract line 2c from line 1	3	375,562.78
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	375,562.78
6	Deduction from distributable amount (see instructions)	6	0.00
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	375,562.78

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	360,100.32
b	Program-related investments - total from Part IX-B	1b	0.00
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	360,100.32
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	7,692.88
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	352,407.44

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				375,562.78
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			323,731.76	
b Total for prior years ______ , ______ , ______		0.00		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.00			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 360,100.32				
a Applied to 2010, but not more than line 2a			323,731.76	
b Applied to undistributed income of prior years (Election required - see instructions)		0.00		
c Treated as distributions out of corpus (Election required - see instructions)	0.00			
d Applied to 2011 distributable amount				36,368.56
e Remaining amount distributed out of corpus	0.00			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.00			0.00
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.00			
b Prior years' undistributed income Subtract line 4b from line 2b		0.00		
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		0.00		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.00		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.00	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				339,194.22
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.00			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.00			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.00			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
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

See Statement 15

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Schedule 5	None	Public	Various	323,737.00
Total			▶ 3a	323,737.00
b *Approved for future payment* None				
Total			▶ 3b	0.00

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	345.41	
4 Dividends and interest from securities			14	172,581.18	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	19,989.35	
6 Net rental income or (loss) from personal property					
7 Other investment income			15	706,968.89	
8 Gain or (loss) from sales of assets other than inventory			18	11,446.52	
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)		0.00		911,331.35	0.00

13 Total. Add line 12, columns (b), (d), and (e) 13 911,331.35

(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

Gene Conley Foundation
Form 990-PF (2011) 80171000 75-2224430 Page 13

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

▶ Laurie A Sterbeek VP 5-11-12 ▶ VP

Signature of officer or trustee Date Title

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
Mac Cannedy	Mac Cannedy	5/10/12		P00123468

Firm's name ▶ Freemon, Shapard & Story
Firm's EIN ▶ 75-0706311

Firm's address ▶ 807 8th Street, 2nd Floor
Wichita Falls, TX 76301-3381
Phone no (940)322-4436

2011 DEPRECIATION AND AMORTIZATION REPORT

Farm Rental - Hardeman County, TX RENT 1

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	Land & Improvements	031687	L			402934.10			402934.10			0.00
2	Stock Tank	112189	200DB	7.00	17	175.00			175.00	175.00		0.00
	* Total 990-PF Rental Depr					403109.10		0.00	403109.10	175.00	0.00	0.00

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

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

Source	Amount
Schedule 1	345.41
Total to Form 990-PF, Part I, line 3, Column A	345.41

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Schedule 2	182,660.55	10,079.37	172,581.18
Total to Fm 990-PF, Part I, ln 4	182,660.55	10,079.37	172,581.18

Form 990-PF Rental Income Statement 3

Kind and Location of Property	Activity Number	Gross Rental Income
Farm Rental - Hardeman County, TX	1	24,592.00
Total to Form 990-PF, Part I, line 5a		24,592.00

Form 990-PF Rental Expenses Statement 4

Description	Activity Number	Amount	Total
Farm rental - Ad valorem taxes		4,017.40	
Farm rental - Insurance		256.50	
Farm rental - Other		328.75	
- SubTotal -	1		4,602.65
Total rental expenses			4,602.65
Net rental Income to Form 990-PF, Part I, line 5b			19,989.35

Form 990-PF Other Income Statement 5

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Gross oil & gas royalties - Hardeman County, Tx	706,968.89	706,968.89	
Total to Form 990-PF, Part I, line 11	706,968.89	706,968.89	

Form 990-PF Legal Fees Statement 6

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal fees - Administrative	1,468.21	1,468.21		0.00
To Fm 990-PF, Pg 1, ln 16a	1,468.21	1,468.21		0.00

Form 990-PF Accounting Fees Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting fees - Tax return preparation	5,170.00	5,170.00		0.00
Accounting fees - Charitable distribution planning	4,230.00	0.00		4,230.00
To Form 990-PF, Pg 1, ln 16b	9,400.00	5,170.00		4,230.00

Form 990-PF Taxes Statement 8

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise	7,692.88	0.00		0.00
Royalties - Gross production	32,498.95	32,498.95		0.00
Royalties - Ad valorem	22,796.13	22,796.13		0.00
Foreign	1,488.61	1,488.61		0.00
Farm Rental - Ad valorem	4,017.40	4,017.40		0.00
To Form 990-PF, Pg 1, ln 18	68,493.97	60,801.09		0.00

Form 990-PF Other Expenses Statement 9

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Farm rental - Insurance	256.50	256.50		0.00
Farm rental - Other	328.75	328.75		0.00
Miscellaneous	221.60	221.60		0.00
To Form 990-PF, Pg 1, ln 23	806.85	806.85		0.00

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
Schedule 6	X		51,896.10	58,266.00
Total U.S. Government Obligations			51,896.10	58,266.00
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			51,896.10	58,266.00

Form 990-PF Corporate Stock Statement 11

Description	Book Value	Fair Market Value
Schedule 6	3,149,184.34	3,489,808.82
Total to Form 990-PF, Part II, line 10b	3,149,184.34	3,489,808.82

Form 990-PF Corporate Bonds Statement 12

Description	Book Value	Fair Market Value
Schedule 6	228,467.75	250,546.50
Total to Form 990-PF, Part II, line 10c	228,467.75	250,546.50

Form 990-PF Depreciation of Assets Held for Investment Statement 13

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land & Improvements	402,934.10	0.00	402,934.10
Stock Tank	175.00	175.00	0.00
Total to Fm 990-PF, Part II, ln 11	403,109.10	175.00	402,934.10

Form 990-PF Other Investments Statement 14

Description	Valuation Method	Book Value	Fair Market Value
Schedule 6	FMV	34,023.00	1,271,021.37
Total to Form 990-PF, Part II, line 13		34,023.00	1,271,021.37

Form 990-PF Grant Application Submission Information Statement 15
Part XV, Lines 2a through 2d

Name and Address of Person to Whom Applications Should be Submitted

J. Scott Tucker, Vice President, Wells Fargo Bank, N.A.
2301 Kell Boulevard
Wichita Falls, TX 76308

Telephone Number

(940)766-8312

Form and Content of Applications

See copy of Grant Application which must be used(no substitutions), attached as Exhibit 15A to this statement.

Any Submission Deadlines

Annually by May 1; Awards granted mid-year.

Restrictions and Limitations on Awards

The purpose of each grant must preferably serve a substantial constituency of North Texas. Each grant must be used to render services primarily for medical care, general care, the arts, or science education of persons age 18 or younger, preferably for direct client services.

15A

WELLS FARGO

The Gene Conley Foundation
Wells Fargo Bank, N.A.
Private Client Services
P. O. Box 9129
Wichita Falls, Texas 76308
(940) 766-8312

Private Client Services
2301 Kell Boulevard
P O. Box 9129
Wichita Falls, TX 76308
940 766-8301
940 766-8303 Fax

Grant Application

***DEADLINE - MAY 1ST**: Grant Applications must be received by the Foundation by May 1st or the preceding business day if May 1st is on a weekend.* *Questions must be answered using this original form and in the spaces allocated. Continuation sheets and/or attachments will not be accepted. Computer substitutions are not acceptable.*

Please mail applications to the above address or deliver to the Gene Conley Foundation at Wells Fargo Bank, 2301 Kell Boulevard, Wichita Falls, Texas. *Faxes will not be accepted. Please provide the original and 8 copies of the application and all enclosures for a total of 9 sets. Please use only 3-hole-punched letter-size paper. Also, please do not use staples, clips, binders, folders, envelopes, etc., as all applications and enclosures will be put into a large three-ring binder.*

The purpose of each grant must preferably serve a constituency in the North Texas area. Additionally, each grant must be used to render services primarily for medical care, general care or the education of persons ages 18 or younger. *The Gene Conley Foundation prefers to provide funding for direct client services. Funding for successive years should not be assumed by grant applicants.*

Funds for grants will be distributed each year by approximately July 31st.

Successful grant applicants will be required to certify to the Foundation, in writing, that the grant was used for the purposes as stated in the Grant Application.

---

1. Legal name of organization____________________

2. Street Address____________________
City____________ State________ Zip__________
Phone number____________ Fax number____________
e-mail address____________________

3. Date organization established__________ Tax ID #__________

4. Person to contact regarding grant application:
Name____________ Title____________
Phone number____________ Fax number____________
e-mail address____________________

5. Organization's mission statement

6. Description of organization

7. Amount requested $

8. Requested funds will be used for

9. Budget information for project for which funds requested - please enclose.

10. Funds currently committed for project

11. Others requested to support project

12. Geographic area to be served with requested funds______________________

13. Population to be served by project and number of people expected to benefit from project______________________

14. How will funding for project continue beyond the grant funding?______________________

15. How will organization publicly recognize the Conley Foundation for the grant?

16. Outstanding debt $______________
Annual debt service $____________
Plans to reduce/eliminate debt ______________________

17. Endowment assets $_____________
Amount available for annual distribution $______________
Restrictions on endowment distributions ______________________

18. Enclosures with the application must include:

- Copy of 501(c)(3) letter from Internal Revenue Service
- Copy of most current IRS Form 990 (if required to file)
- List of current members of Board of Directors and corporate officers
- Copy of current year's interim financial statements, including balance sheet and income statement
- Copy of previous year's audited financial statements, including:
  - Statement of Financial Condition (Balance Sheet)
  - Statement of Resources and Expenditures (Income Statement)
- Budget information for project for which funds requested

19. Changes in Funding & Data:

Please advise the Gene Conley Foundation in writing, together with documentation, of any changes in funding or data received, from any source, toward the specific grant project. These changes must be received by June 30th or the preceding business day if June 30th is on a weekend. Such data changes may include, but are not limited to, audited financial statements and the Form 990. Please submit the original and 8 copies of any written notices and documentation, again using 3-hole punched letter-size paper.

The enclosed information is correct to the best of my knowledge and belief in support of this grant application which has been authorized by the Board of Directors of this organization. I also affirm that no change has occurred in the exempt status, purpose, character or method of operation of the organization subsequent to the issuance of its IRS letter advising that the applicant is a tax-exempt charitable entity.

Executive Director	Board Chairperson
Date________________________	Date________________________
Signature____________________	Signature____________________
Printed Name__________________	Printed Name__________________

Schedule 1

REVENUE AND EXPENSES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

REVENUE			
Interest on savings and cash investments·			
Wells Fargo Adv Heritage MM Fund			$ 345.41
Dividends and interest from securities -			
Sch 2			172,581 18
Gross rents· Farm Rental - Hardeman County, Texas			24,592.00
Less. Ad valorem taxes	$ 4,017.40		
Insurance	256.50		
Other	328 75	$ 4,602 65	
Net rental income		$ 19,989.35	
Net gain (loss) from sale of assets - Sch. 3			11,446.52
Other income·			
Gross oil & gas royalties - Hardeman County, Texas - Sch. 4			706,968 89
Total revenue			$ 915,934.00
EXPENSES			
Compensation of officers and directors -			
Sch 10		$ 110,533 28	
Legal fees		1,468 21	
Accounting fees		9,400.00	
Taxes·			
Excise	$ 7,692 88		
Royalties - gross production	32,498 95		
Royalties - ad valorem	22,796 13		
Foreign	1,488 61		
Farm rental - ad valorem	4,017.40	68,493.97	
Other.			
Farm rental - insurance	$ 256.50		
Farm rental - other	328.75		
Miscellaneous	221.60	806.85	
Contributions - Sch. 5		323,737.00	514,439.31
Excess of revenues over expenses			$ 401,494.69

Schedule 2

DIVIDENDS AND INTEREST FROM SECURITIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

	Totals	Ordinary Income	Long Term Capital Gain Distributions
DIVIDENDS			
Aflac	$ 516 60	$ 516.60	$
Abbott Laboratories	582.80	582.80	
Apache	72.00	72 00	
Artio Global High Income	18,163.33	14,973 59	3,189.74
Artisan International Fund	2,088.76	2,088 76	
Baker Hughes	201 00	201.00	
Bank of New York Mellon	218 40	218.40	
CB Richard Ellis Realty Trust	2,344.32	2,344.32	
CVS/Caremark	285 00	285 00	
Capital One Financial	58.00	58 00	
Carnival	325.00	325 00	
Chevron	618 00	618.00	
Comcast	399.59	399.59	
ConocoPhillips	554 40	554.40	
Cooper Industries	387.60	387 60	
Diageo PLC Spon Adr New	661 73	661.73	
Disney Walt Company Holding	218 00	218 00	
Ecolab	210 00	210.00	
Federated Treas Obl Fund	37.28	37 28	
Gateway Fund	4,047 43	4,047.43	
Harsco	209.12	209 12	
Hewlett Packard	116.80	116 80	
Intel Corp	524 20	524.20	
Iron Mountain	200.62	200 62	
Ishares Barclays Aggregate Bond Fund	6,684 61	6,524 26	160 35
Ishares Iboxx Inv Gr Corp Bd Fd	9,713.79	9,713.79	
Ishares MSCI Bric Index Fund	501 09	501.09	
Ishares Tr Cohen & Steers Realty	1,730.31	1,730 31	
Ishares MSCI Eafe	5,118 87	5,118 87	
Ishares Tr Smallcap 600 Index	1,140 27	1,140 27	
Ishares S & P 500 Index Fund	96.26	96.26	
Ivy Asset Strategy Fund CL I	3,051 29	3,051 29	
JP Morgan Chase & Co	360 00	360.00	
Johnson & Johnson	663.75	663 75	
Kraft Foods	382.80	382 80	
L-3 Communications Hldgs	303 75	303.75	
Microsoft Corp.	496.40	496.40	
Morgan Stanley	55.00	55.00	
Nestle SA Registered Shares	874 64	874 64	
Nextera Energy	473 00	473 00	
Novartis Ag	508.12	508 12	

-2 Sch 2 - Cont'd. - Gene Conley Foundation - Year 2011

	Totals	Ordinary Income	Long Term Capital Gain Distributions
Oakmark Intl Fund	1,240.83	1,240.83	
Pimco Commodity Real Ret Strat	63,273 25	62,263.65	1,009 60
Plum Creek Timber	344.40		344.40
Procter & Gamble	308 52	308.52	
Quest Diagnostics	86.00	86 00	
Royce Pennsylvania Mut Fd	3,972 08	193.08	3,779 00
Schlumberger Ltd	120.00	120 00	
Spdr DJ Wilshire International Real	927.71	927 71	
Spdr S&P Midcap 400 ETF Trust	2,445.14	2,445 14	
T Rowe Price Short Term Bond Fund	2,272 16	2,272 16	
Target Corp.	374 00	374.00	
Templeton Global Bond Fund	18,406.22	16,809 94	1,596.28
Teva Pharmaceutical Industries	107.10	107 10	
Tractor Supply	184.90	184 90	
Travelers Companies	397 50	397 50	
United Healthgroup	294.00	294 00	
Vanguard Emerging Markets	2,323 50	2,323.50	
Vodafone Group Plc	817 43	817.43	
Totals - Dividends	$ 163,088 67	$ 153,009 30	$ 10,079.37
INTEREST			
Corporate interest:			
Berkshire Hathaway	$ 2,425 00	$ 2,425.00	$
Boeing	2,900.00	2,900 00	
Caterpillar Finl Svcs	4,387 50	4,387.50	
El Du Pont De Nemo	2,500 00	2,500.00	
Intl Lease Finance	1,437 50	1,437.50	
Totals - Corporate interest	$ 13,650 00	$ 13,650 00	$
U S. government interest:			
Federal Home Loan Bank	$ 2,437.50	$ 2,437 50	$
Federal Home Loan Mtg	984 38	984.38	
Federal National Mortgage Assn	2,500 00	2,500 00	
Totals - U.S. government interest	$ 5,921.88	$ 5,921 88	$
Totals - Interest	$ 19,571 88	$ 19,571.88	$
Totals - Dividends and interest	$ 182,660 55	$ 172,581.18	$ 10,079 37

Schedule 3

NET GAIN OR LOSS FROM SALE OF ASSETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

Description	Face/ Shares	Date Acquired	Date Sold	Sales Price	Cost or Basis	Gain/ (Loss)
Short term						
From Wells Fargo Account 80171000				$	$	$
Total - Short Term				$	$	$
Long term						
From Wells Fargo Account 80171000				$ 272,789.61	$ 271,535.53	$ 1,254.08
Class action settlement proceeds - Various				113.07		113.07
Capital gain dıstributıons - Sch. 2						10,079 37
Totals - Long term				$ 272,902 68	$ 271,535 53	$ 11,446 52
Totals - Combined				$ 272,902 68	$ 271,535.53	$ 11,446.52

Wells Fargo

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)
CONLEY, GENE FOUNDATION TR
Trust Year Ending 12/31/2011

Account Id: 80171000

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
3133XHPH9	FED HOME LN BK 4 875% 11/18/11								
Sold		11/18/11	50000	50,000.00					
Acq		08/27/08	50000	50,000 00	51,796.10 ☐	51,796.10	-1,796.10	-1,796.10	L
			Total for 11/18/2011		51,796.10	51,796.10	-1,796 10	-1,796.10	
3134A4DY7	FED HOME LN MTG CORP 5 625% 3/15/11								
Sold		03/15/11	35000	35,000.00					
Acq		08/10/07	35000	35,000.00	35,660.84 ☐	35,660 84	-660 84	-660.84	L
			Total for 3/15/2011		35,660.84	35,660 84	-660.84	-660.84	
45974VA24	INTERNATIONAL LEASE 5 750% 6/15/11								
Sold		06/15/11	50000	50,000 00					
Acq		06/15/06	50000	50,000 00	49,766.00 ☐	49,766.00	234.00	234 00	L
			Total for 6/15/2011		49,766 00	49,766 00	234 00	234.00	
462846106	IRON MOUNTAIN INC								
Sold		04/20/11	535	18,584.62					
Acq		07/08/09	535	18,584 62	14,742 89 ☐	14,742 89	3,841.73	3,841 73	L
			Total for 4/20/2011		14,742.89	14,742 89	3,841 73	3,841.73	
464285105	ISHARES GOLD TRUST								
Sold		01/31/11	5100	15 20					
Acq		01/01/01	5100	15.20	14.56 ☐	14 56	0 64	0 64	L
			Total for 1/31/2011		14 56	14 56	0 64	0 64	
464285105	ISHARES GOLD TRUST								
Sold		02/28/11	5100	12.62					
Acq		01/01/01	5100	12.62	10 94 ☐	10.94	1.68	1 68	L
			Total for 2/28/2011		10.94	10.94	1 68	1.68	
464285105	ISHARES GOLD TRUST								
Sold		03/31/11	5100	14 70					
Acq		01/01/01	5100	14.70	12.50 ☐	12.50	2.20	2.20	L
			Total for 3/31/2011		12 50	12 50	2.20	2 20	
464285105	ISHARES GOLD TRUST								
Sold		04/30/11	5100	14.80					
Acq		01/01/01	5100	14.80	11.52 ☐	11.52	3.28	3.28	L
			Total for 4/30/2011		11.52	11.52	3.28	3.28	
464285105	ISHARES GOLD TRUST								
Sold		05/31/11	5100	15 80					
Acq		01/01/01	5100	15.80	12.02 ☐	12.02	3.78	3 78	L
			Total for 5/31/2011		12.02	12 02	3.78	3 78	
464285105	ISHARES GOLD TRUST								
Sold		06/30/11	5100	15.32					
Acq		01/01/01	5100	15 32	11 81 ☐	11.81	3 51	3.51	L
			Total for 6/30/2011		11.81	11 81	3.51	3 51	

Wells Fargo

Statement of Capital Gains and Losses From Sales

(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

CONLEY, GENE FOUNDATION TR

Trust Year Ending 12/31/2011

Account Id: **80171000**

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
464285105	ISHARES GOLD TRUST								
Sold		07/31/11	5100	15 80					
Acq		01/01/01	5100	15 80	10 91 ☐	10.91	4.89	4 89	L
			Total for 7/31/2011		10 91	10 91	4 89	4 89	
464285105	ISHARES GOLD TRUST								
Sold		08/31/11	5100	18 24					
Acq		01/01/01	5100	18 24	11.25 ☐	11 25	6 99	6.99	L
			Total for 8/31/2011		11 25	11 25	6.99	6 99	
464285105	ISHARES GOLD TRUST								
Sold		09/30/11	5100	18 67					
Acq		01/01/01	5100	18 67	12.45 ☐	12 45	6 22	6.22	L
			Total for 9/30/2011		12.45	12 45	6 22	6.22	
464285105	ISHARES GOLD TRUST								
Sold		10/31/11	5100	17.46					
Acq		01/01/01	5100	17 46	11 29 ☐	11 29	6 17	6 17	L
			Total for 10/31/2011		11.29	11.29	6.17	6 17	
464285105	ISHARES GOLD TRUST								
Sold		11/30/11	5100	17.52					
Acq		01/01/01	5100	17 52	11.16 ☐	11.16	6 36	6 36	L
			Total for 11/30/2011		11.16	11.16	6.36	6 36	
464285105	ISHARES GOLD TRUST								
Sold		12/31/11	5100	17 53					
Acq		01/01/01	5100	17 53	12.29 ☐	12.29	5 24	5 24	L
			Total for 12/31/2011		12.29	12.29	5 24	5 24	
502424104	L-3 COMMUNICATIONS CORP COM								
Sold		10/14/11	225	15,504 22					
Acq		07/08/09	225	15,504 22	14,427.00 ☐	14,427 00	1,077 22	1,077 22	L
			Total for 10/14/2011		14,427 00	14,427 00	1,077.22	1,077.22	
780905840	ROYCE PENNSYLVANIA MUT FD-INV 260								
Sold		12/15/11	9952 607	103,507.11					
Acq		04/16/10	9952 607	103,507.11	105,000.00 ☐	105,000.00	-1,492.89	-1,492.89	L
			Total for 12/15/2011		105,000 00	105,000 00	-1,492 89	-1,492.89	
			Total for Account: 80171000		271,535 53	271,535.53	1,254.08	1,254.08	

Total Proceeds:

272,789 61

	Fed	State
S/T Gain/Loss	0 00	0.00
L/T Gain/Loss	1,254.08	1,254.08

Schedule 4

OTHER INCOME - OIL & GAS ROYALTIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

	Income	Expenses			
Lease	Gross Sales	Gross Production Taxes	Other Taxes and Fees	Total	Net Income
C G Conley	$ 256,312 55	$ 11,901 96	$ 14,016 28	$ 25,918 24	$ 230,394 31
C G Conley A	167,913 34	7,817 74	1,306 86	9,124 60	158,788 74
C G Conley D	98,549 68	4,589 83		4,589 83	93,959 85
C G Conley B	6,366 79	293 39	529 68	823 07	5,543 72
Ms Betty	171,316 00	7,896 03	6,943 31	14,839 34	156,476 66
Lease	6,510 53				6,510 53
Totals	$ 706,968 89	$ 32,498 95	$ 22,796 13	$ 55,295 08	$ 651,673 81

Schedule 4A

COST DEPLETION

GENE CONLEY FOUNDATION - TIN 75-6032988

Year 2011

	Basis			Accumulated Depletion			
Lease	Balance 01-01-11	Acquired (Retired)	Balance 12-31-11	Reserve 01-01-11	Cost	Credits	Reserve 12-31-11
C G Conley	$ 97,153 92	$	$ 97,153 92	$ 97,153 92	$	$	$ 97,153 92
C G Conley A	8,307 72		8,307 72	8,307 72			8,307 72
C G Conley D	3,165 12		3,165 12	3,165 12			3,165 12
C G Conley B	3,944 16		3,944 16	3,944 16			3,944 16
Ms Betty #3	8,550 00		8,550 00	8,550 00			8,550 00
Totals	$ 121,120 92	$	$ 121,120 92	$ 121,120 92	$	$	$ 121,120 92

Schedule 5

CONTRIBUTIONS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

Name and Address	Purpose	Amount
First Baptist Church of Quanah 601 S Main Street Quanah, Texas 79252-4749	Kid's Connection Quanah Ministerial Alliance	$ 16,000 00 10,000 00
Northwest Texas Council Boy Scouts of America 3604 Maplewood Wichita Falls, TX 76308	Recruiting and marketing campaign Direct operations	30,000 00 7,000 00
Texas Scottish Rite Hospital for Children - Dallas 2222 Welborn Street Dallas, TX 75219	Children Prosthesis	10,000 00
ARC of Wichita County 3115 Buchanan Wichita Falls, TX 76308	Fellowship and Adventure Program	1,500 00
Big Brothers Big Sisters of North Texas 1101 Scott Ave Suite 24 Wichita Falls, TX 76301	Community based mentoring	4,000 00
Boys & Girls Clubs of Vernon, Inc P O Box 1785 Vernon, TX 76385-1785	Summer Program	30,000 00
Burkburnett Boys and Girls Club 800 County Road Burkburnett, TX 76354	Operations	15,000 00
Camp Fire USA - North Texas Council 2414 9th Street Wichita Falls, TX 76301	Special Services Program for "At Risk" Youth	20,000 00
Child Care, Inc 1000 Lamar Street Wichita Falls, TX 76301	Child care for at-risk infants and toddlers	20,000 00
Christ Home Place Ministries, Inc 1420 Twin Oaks St Wichita Falls, TX 76302	Counseling services for low income families	5,000 00
Habitat for Humanity of Wichita Falls 1206 Lamar Wichita Falls, TX 76301	Habitat House built with WFISD Carrigan Students	5,000 00
Inheritance Adoptions 624 Indiana, Suite 308 Wichita Falls, TX 76301	Birth Parent Program	2,500.00
Nonprofit Management Center of Wichita Falls 2301 Kell Blvd Suite 218 Wichita Falls, TX 76308	Community Services Project for Teenagers	4,000 00
North Texas Area United Way P O Box 660 Wichita Falls, TX 76307	Project Back to School	5,000 00

-2 Sch 5 - Cont'd - Gene Conley Foundation - Year 2011

Name and Address	Purpose	Amount
Patsy's House Children's Advocacy Center 1411 10th Street Wichita Falls, Tx 76301	Forensic Interviewer Project	10,000 00
Salvation Army of Wichita Falls 403 7th Street Wichita Falls, Tx 76301	Summer Camp Program	8,700 00
Southside Youth Center 1205 Montgomery St Wichita Falls, Tx 76302	Scholarships to Assist Low Income Families	11,000 00
Texoma Mother & Unborn Baby Care, Inc 4218 Prothro Ave Wichita Falls, TX 76308	Providing women with pregnancy services	5,000 00
Thompson Sawyer Public Library - Quanah, Tx 403 West 3rd Street Quanah, TX 79252	Children's Reading Programs	13,450 00
Three Rivers Foundation for Arts and Sciences P O Box 79 Crowell, TX 79227	Science Teacher's/Amateur Astronomer Workshops and other Educational Programs	30,000 00
United Regional Health Care Foundation 1600 11th Street Wichita Falls, TX 76301	Equipment for Sinus, Nasal and Laryngeal Surgery related to Children	9,000 00
Vernon Regional Junior College 4400 College Drive Vernon, TX 76384	New Beginnings Programs to provide Child Care for Economically Disadvantaged Parents Attending School	15,000 00
Whispers of Hope Horse Farm 3545 Parkhills Road Wichita Falls, TX 76310	Summer Camp Program	7,100 00
Wichita County Teen Court (Boys Club of Wichita Falls) 600 Scott Street, Suite 201 Wichita Falls, TX 76301	Support of the Jr Bar program	5,487 00
Wichita Falls Area Food Bank 1230 Midwestern Parkway Wichita Falls, TX 76302	PowerPack 4 Kids Backpack Program and Kid's Café	12,000 00
Wichita Falls Ballet Theatre 3412 Buchanan Wichita Falls, TX 76308	"Afternoon with the Arts" for children of WFISD	2,000 00
Wichita Falls Faith Mission 1300 Travis Street Wichita Falls, TX 76301	Playground Equipment for Faith Refuge	10,000 00
Total		$ 323,737 00

Note
Foundation Status of recipients
All are 501(c)(3) public charities

Schedule 6

BALANCE SHEETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

		Cost	Current Value
ASSETS			
Cash - non-interest bearing		$ 24,434.47	$ 24,434 47
Savings and temporary cash investments:			
Wells Fargo Cash Money Market		1,112,197 49	1,112,197.49
Accounts receivable		6,631 85	6,631 85
Prepaid excise tax			
Investments - Securities:			
U. S & state government obligations - Sch. 7	$ 51,896.10		58,266.00
Corporate stocks and mutual funds - Sch. 8	3,149,184.34		3,489,808 82
Corporate bonds - Sch. 9	228,467 75	3,429,548.19	250,546.50
Investments - Land, buildings and equipment:			
Land & improvements	$ 402,934.10		
Stock tank	175.00		
Less: Accumulated depreciation	(175 00)	402,934.10	1,325,720.00
Investments - Other:			
Nonproducing mineral leaseholds	$ 34,023 00		12 00
Producing mineral leaseholds	121,120.92		1,271,009 37
Less: Accumulated depletion	(121,120.92)	34,023 00	
Other assets			
1/2 interest - 2 Cemetery lots		1.00	1.00
Accrued income			
Total assets		$ 5,009,770 10	$ 7,538,627 50
LIABILITIES AND EQUITY			
Liabilities:			
Accounts Payable - Excise tax		$ 2,812.53	
Equity.			
Principal fund	$ 1,091,276 98		
Retained earnings	3,915,680.59	5,006,957 57	
Total liabilities and equity		$ 5,009,770.10	

Schedule 7

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

	Rate	Maturity Date	Par Value	Cost	Current Value
U S and State Government Obligations					
Federal National Mtg Assn	5 000%	03-15-16	$ 50,000 00	$ 51,896 10	$ 58,266.00
Totals - U. S and State Government Obligations			$ 50,000 00	$ 51,896.10	$ 58,266.00

Schedule 8

INVESTMENT IN MUTUAL FUNDS AND CORPORATE STOCK

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

	Shares	Cost	Current Value
Corporate stock:			
Comcast	925	$ 15,488.12	$ 21,931 75
Target	340	14,544.14	17,414 80
Tractor Supply	430	10,490.65	30,164.50
Walt Disney	545	13,548.93	20,437 50
CVS/Caremark	570	17,779 84	23,244 60
Kraft Foods	330	10,120 74	12,328.80
Procter & Gamble	150	9,448 22	10,006 50
Apache	120	12,715.75	10,869 60
Baker Hughes	335	16,049.38	16,294.40
Chevron	200	14,672 64	21,280 00
Conocophillips	210	8,216.92	15,302 70
Aflac	420	17,362.20	18,169 20
Bank New York Mellon	455	16,884 74	9,059 05
Berkshire Hathaway	170	13,453.80	12,971.00
Capital One Financial	290	12,733 52	12,264 10
JPMorgan Chase & Co	450	16,488.09	14,962.50
Morgan Stanley	275	8,147.95	4,160.75
Travelers Companies	250	11,605 93	14,792.50
Abbott Labs	310	14,309 04	17,431 30
Johnson & Johnson	295	16,562 85	19,346 10
Quest Diagnostics	215	12,063.26	12,482 90
Thermo Fisher Scientific	160	8,472 61	7,195 20
Unitedhealth Group	480	11,610.34	24,326 40
Harsco	255	6,896.83	5,247 90
Apple	115	14,133 63	46,575 00
EMC Corp Mass	700	8,762.95	15,078 00
Fiserv	250	11,042 05	14,685 00
Hewlett Packard	365	13,398.18	9,402.40
Intel	670	10,698 69	16,247.50
Microsoft	730	21,998.81	18,950 80
Visa	165	10,063 31	16,752.45

- Sch. 8 - Cont'd. - Gene Conley Foundation - Year 2011

	Shares	Cost	Current Value
Ecolab	300	12,513.56	17,343.00
Nextera Energy	215	11,697 83	13,089.20
Carnival	325	7,916.42	10,608 00
Cooper Industries PLC	340	9,847 73	18,411.00
Diageo PLC	255	14,944 84	22,292 10
Nestle SA Registered Shares	420	15,808.80	24,238 20
Novartis AG	215	8,560 52	12,291 55
Schlumberger Ltd	125	6,733.05	8,538.75
Teva Pharmaceutical Industries	120	7,490.23	4,843 20
Vodafone Group Plc	490	9,127.92	13,734 70
Totals - Corporate Stocks		$ 504,405 01	$ 654,764 90
Mutual Funds			
Artio Global High Income	19,868	$ 210,000 00	$ 184,768 22
Ishares Barclays Aggregate Bond Fund	1,915	196,851 59	211,128 75
Ishares Iboxx $ Investment Grade	1,945	196,718 68	221,263 20
TRowe Price Short Term Bond Fund	20,576	100,000 00	98,971.19
Templeton Global Bond Fund	20,748	236,120 48	256,654.28
Ishares S & P 500 Index Fund	125	15,261.19	15,745 00
Ishares Tr SmallCap 600 Index Fund	1,630	68,344 00	111,329 00
Royce Premier Fund W	5,716	102,710 91	106,140 33
SPDR S&P Midcap 400 ETF Trust	1,427	140,681.65	227,592 23
Artisan International Fund	7,396	150,000.00	146,671.60
Ishares MSCI Bric Index Fund	540	25,212 55	19,585 80
Ishares MSCI Eafe	2,750	145,503.77	136,207 50
Oakmark Funds - The Oakmark Intl Fund	8,274	150,000.01	136,927.75
Vanguard Emerging Markets	2,265	80,902.51	86,545.65
Gateway Fund	8,203	209,999 99	216,480 47
Ishares Gold Trust	5,100	42,108.94	77,673 00
Ivy Asset Strategy Fund	9,182	210,000.00	206,143 42
Plum Creek Timber	205	5,739.69	7,494 80
CB Richard Ellis Realty Trust	9,783	76,000 54	97,826 09
Ishares Tr Cohen & Steers Realty Majors Index Fund	830	27,621 37	58,282.60
Pimco Commodity Real Return	29,120	235,000.00	190,446.09
Spdr DJ Wilshire International Real Estate	665	20,001.46	21,166 95
Totals - Mutual Funds		$ 2,644,779.33	$ 2,835,043 92
Totals - Combined		$ 3,149,184 34	$ 3,489,808.82

Schedule 9

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

	Rate	Maturity Date	Par Value	Cost	Current Value
Coporate Bonds:					
Berkshire Hathaway Fin	4 850%	01-15-15	$ 50,000 00	$ 50,244.50	$ 55,387.00
Boeing Cap	5.800%	01-15-13	50,000.00	50,282.00	52,679.50
Caterpillar Fin Serv	5.850%	09-01-17	75,000.00	77,396.25	89,364.00
E I Du Pont De Nemours	5.000%	07-15-13	50,000.00	50,545.00	53,116 00
Totals - Corporate Bonds			$ 225,000 00	$ 228,467 75	$ 250,546.50

Schedule 10

LIST OF OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS AND THEIR COMPENSATION

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2011

Name and Address	Title & Average Hours Devoted to Position	Compensation
Wells Fargo Bank, N A 2301 Kell Boulevard Wichita Falls, Texas 76308	Trustee 5 Hrs/Wk	$ 104,533 28
Mac Cannedy 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Bill Daniel 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Mike Elyea 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Steve McSpadden 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Terry Pence 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Barry Plaxco 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Rhonda Poirot 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
David Ramsey 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Joseph N Sherrill, Jr 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Chris Travelstead 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	600 00
Total		$ 110,533 28