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

2011

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2011, or tax year beginning

, 2011, and ending

, 20

Name of foundation <b>THE MONROE FOUNDATION INC.</b>		<b>A Employer identification number</b> 75-2365852
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 230	Room/suite 100	<b>B Telephone number (see instructions)</b> (432) 682-0963
City or town, state, and ZIP code MIDLAND TX 79702		<b>C</b> If exempt application is pending, check here <input type="checkbox"/>
<b>G</b> Check all that apply	<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	<input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change
<b>H</b> Check type of organization:		<b>D</b> 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 161,539	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	
		<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

## Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see instructions).)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>REVENUE</b>				
1 Contributions, gifts, grants, etc., received (attach schedule) . . . . .				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temp. cash investments				
4 Dividends and interest from securities	912	912	912	
5 a Gross rents . . . . .				
b Net rental income or (loss) . . . . .				
6 a Net gain/(loss) from sale of assets not on line 10	-1,378			
b Gross sales price for all assets on line 6a 298,478				
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain . . . . .			0	
9 Income modifications . . . . .			0	
10 a Gross sales less rtns. & allowances . . . . . 0				
b Less Cost of goods sold . . . . .				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) . . . . .				
12 Total. Add lines 1 through 11 . . . . .	-466	912	912	
<b>OPERATING &amp; ADMINISTRATIVE EXPENSES</b>				
13 Compensation of officers, directors, trustees, etc. . . . . 0				
14 Other employee salaries and wages				
15 Pension plans, employee benefits . . . . .				
16 a Legal fees (attach schedule) . . . . .				
b Accounting fees (attach schedule) . . . . .				
c Other professional fees (attach schedule)				
17 Interest . . . . .				
18 Taxes (attach schedule) (see instructions)				
19 Depreciation (attach sch.) and depletion				
20 Occupancy . . . . .				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) #1	22			
24 Total operating and administrative expenses. Add lines 13 through 23	22	0	0	0
25 Contributions, gifts, grants paid	208,250			208,250
26 Total exp. & disbursements. Add lines 24 and 25	208,272	0	0	208,250
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements . . . . .	-208,738			
b Net investment income (if neg., enter -0-)		912		
c Adjusted net income (if neg., enter -0-)			912	

For Paperwork Reduction Act Notice, see the Instructions.

Form 990-PF (2011)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See inst.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash -- non-interest-bearing .....	7,275	32,672	32,672	
	2	Savings and temporary cash investments .....		130,000	128,867	
	3	Accounts receivable ▶ Less: allowance for doubtful accts. ▶ .....				
	4	Pledges receivable ▶ Less: allowance for doubtful accts. ▶ .....				
	5	Grants receivable .....				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions) ..				
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶ .....				
	8	Inventories for sale or use .....				
	9	Prepaid expenses and deferred charges .....				
	10a	Investments -- U S and state govt. obligations (attach schedule)				
	b	Investments -- corporate stock (attach schedule) .....	246,842			
	c	Investments -- corporate bonds (attach schedule) .....				
	11	Investments -- land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶ .....				
	12	Investments -- mortgage loans .....				
	13	Investments -- other (attach schedule) .....	124,793			
	14	Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶ .....				
15	Other assets (describe ▶ .....					
16	<b>Total assets</b> (to be completed by all filers -- see the instructions. Also, see page 1, item I) .....	378,910	162,672	161,539		
LIABILITIES	17	Accounts payable and accrued expenses .....	10,500	3,000		
	18	Grants payable .....				
	19	Deferred revenue .....				
	20	Loans from officers, directors, trustees, and other disqualified persons ..				
	21	Mortgages and other notes payable (attach schedule) .....				
	22	Other liabilities (describe ▶ .....				
	23	<b>Total liabilities</b> (add lines 17 through 22) .....	10,500	3,000		
FUND ASSETS AND FUND BALANCES	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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, ck. here <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds .....	1,000	1,000		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund .....				
	29	Retained earnings, accumulated income, endowment, or other funds .....	367,410	158,672		
	30	<b>Total net assets or fund balances</b> (see the instructions) .....	368,410	159,672		
	31	<b>Total liabilities and net assets/fund balances</b> (see the inst.) .....	378,910	162,672		

## 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	368,410
2	Enter amount from Part I, line 27a .....	2	-208,738
3	Other increases not included in line 2 (itemize) ▶ .....	3	
4	Add lines 1, 2, and 3 .....	4	159,672
5	Decreases not included in line 2 (itemize) ▶ .....	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) -- Part II, column (b), line 30. ....	6	159,672

**Part IV Capital Gains and Losses for Tax on Investment Income**

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

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

(i) 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			

2 Capital gain net income or (net capital loss) . . . . .	<div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>	2	-1,378
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see the instructions) . . . . . If (loss), enter -0- in Part I, line 8 . . . . .		3	-1,378

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? . . . ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beg. in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	95,596	28,668	3.334589
2009	48,200	2,517	19.149781
2008	171,741	142,059	1.208941
2007	27,268	139,040	0.196116
2006	72,472	77,695	0.932776

2 Total of line 1, column (d) . . . . .	2	24.822203
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	4.964441
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5. . . . .	4	11,721
5 Multiply line 4 by line 3 . . . . .	5	58,188
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	6	9
7 Add lines 5 and 6 . . . . .	7	58,197
8 Enter qualifying distributions from Part XII, line 4 . . . . .	8	208,250

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 the instructions)**

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary -- see inst.)		1	9
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
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	9
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0
5 <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-		5	9
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
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		0
8 Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 <b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9		9
10 <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10		
11 Enter the amount of line 10 to be: <b>Credited to 2012 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		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 <b>Form 1120-POL</b> for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0 (2) On foundation managers <input type="checkbox"/> \$ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		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?		X
7 Did the foundation have at least \$5,000 in assets at any time during the yr? If "Yes," complete Part II, col (c), & Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <input type="checkbox"/> 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		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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) . . . . .	11		X
12	Did the foundation 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		
Website address ▶ N/A				
14	The books are in care of ▶ See attachment #3	Telephone no ▶		
	Located at ▶	ZIP+4 ▶		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -- Check here . . . . . ▶	15		
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	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No	
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . .	1b		X
	Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>			
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? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	If "Yes," list the years ▶ 20 __, 20 __, 20 __, 20 __			
b	Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement -- see instructions) . . . . .	2b		X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 __, 20 __, 20 __, 20 __			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 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) . . . . .	3b		X
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)? (see instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d)

**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No  
If "Yes" to 6b, file Form 8870**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and avg 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 (see the instructions). If none, enter "NONE."

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

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

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See the instructions.	
3	
<b>Total.</b> Add lines 1 through 3 . . . . . ▶	



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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	
<b>b</b>	Average of monthly cash balances	<b>1b</b>	11,900
<b>c</b>	Fair market value of all other assets (see the instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	11,900
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	11,900
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see the instructions)	<b>4</b>	179
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4.	<b>5</b>	11,721
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	586

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

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	586
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	9
<b>b</b>	Income tax for 2011 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	9
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	577
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	577
<b>6</b>	Deduction from distributable amount (see the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	577

**Part XII Qualifying Distributions** (see the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes.		
<b>a</b>	Expenses, contributions, gifts, etc. -- total from Part I, column (d), line 26	<b>1a</b>	208,250
<b>b</b>	Program-related investments -- total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	208,250
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see the instructions)	<b>5</b>	9
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	208,241

**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 the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7 . . . . .				577
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only . . . . .				
<b>b</b> Total for prior years 20 __, 20 __, 20 __ . . . . .				
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006 . . . . .	46,182			
<b>b</b> From 2007 . . . . .	42,783			
<b>c</b> From 2008 . . . . .	68,621			
<b>d</b> From 2009 . . . . .	48,074			
<b>e</b> From 2010 . . . . .	94,171			
<b>f</b> Total of lines 3a through e . . . . .	299,831			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ► \$ 208,250				
<b>a</b> Applied to 2010, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required -- see the instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required -- see the instructions)				
<b>d</b> Applied to 2011 distributable amount, . . . . .				
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	299,831			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount -- see the instructions . . . . .				
<b>e</b> Undistributed income for 2010. Subtract line 4a from line 2a Taxable amount -- see the instructions . . . . .				
<b>f</b> Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012 . . . . .				577
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7 (see the instructions) . . . . .				
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	299,831			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2007 . . . . .	42,783			
<b>b</b> Excess from 2008 . . . . .	68,621			
<b>c</b> Excess from 2009 . . . . .	48,074			
<b>d</b> Excess from 2010 . . . . .	50,140			
<b>e</b> Excess from 2011 . . . . .				

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

<b>1a</b> 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>b</b> Check box to indicate whether the foundation is a private operating foundation described in section		4942(j)(3) or	4942(j)(5)		
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .	Tax year	Prior 3 years			(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct exempt act.					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test -- enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test -- enter 2/3 of min. investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test -- enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year -- see the instructions.)**

**1 Information Regarding Foundation Managers:**

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

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

**a** The name, address, and telephone number of the person to whom applications should be addressed:

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

**c** Any submission deadlines:

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> Paid during the year See attachment #5				
<b>Total</b>			▶ <b>3a</b>	208,250
<b>b</b> Approved for future payment				
<b>Total</b>			▶ <b>3b</b>	

**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 (See the instructions.)
	(a) Business code	(b) Amount	(c) Excl code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees & contracts from government agencies					
2 Membership dues and assessments . . . . .					
3 Interest on savings and temporary cash investments . . . . .					
4 Dividends and interest from securities . . . . .			14	912	
5 Net rental income or (loss) from real estate:					
a Debt-financed property . . . . .					
b Not debt-financed property . . . . .					
6 Net rental income or (loss) from personal property . . . . .					
7 Other investment income . . . . .					
8 Gain or (loss) from sales of assets other than inventory . . . . .					
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		912	0
13 Total. Add line 12, columns (b), (d), and (e) . . . . .				13	912

(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). (See the instructions.)

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

**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?

	Yes	No
<b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash		X
(2) Other assets		X
<b>b</b> Other transactions		
(1) Sales of assets to a noncharitable exempt organization		X
(2) Purchases of assets from a noncharitable exempt organization		X
(3) Rental of facilities, equipment, or other assets		X
(4) Reimbursement arrangements		X
(5) Loans or loan guarantees		X
(6) Performance of services or membership or fundraising solicitations		X
<b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
<b>d</b> 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.		

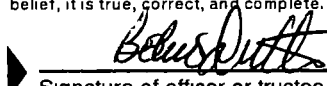
(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**2 a** 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

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.

**Sign Here**  11/14/12 Secretary

Signature of officer or trustee Date Title

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

**Paid Preparer Use Only**

Print/Type preparer's name Bob W. Dutton Preparer's signature Bob W. Dutton CPA Date 11/14/12 Check ☐ if self-employed PTIN P00103556

Firm's name DUTTON HARRIS & CO Firm's EIN 75-2458628

Firm's address PO BOX 230 Phone no (432) 682-0963

## 990 OTHER EXPENSES SCHEDULE

Attachment 1: page 1 990-PF Page 1, Part I, Line 23

Open to Public Inspection	For calendar year 2011, or tax period beginning	, and ending
Name of Organization THE MONROE FOUNDATION INC.		Employer Identification Number 75-2365852

[illegible]

**990 PART IV CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Attachment 2: page 1 - 990-PF Page 3, Part IV, line 1

Open to Public Inspection		For calendar year 2011 or tax period beginning , and ending		
Name of Organization <b>THE MONROE FOUNDATION INC.</b>				Employer Identification Number <b>75-2365852</b>

	(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 <small>P -- Purchase D -- Donation</small>	(c) Date Acquired (mo., day, yr.)	(d) Date Sold (mo., day, yr.)
1	CD BANCO POPULAR	P	12-15-2010	04-14-2011
2	CD FISRTBANK PUERTO RICO	P	12-30-2010	04-14-2011
3	CD BANCO POPULAR	P	12-15-2010	06-22-2011
4	EMPIRE NATL BANK	P	12-20-2010	07-13-2011
5	BEAL BK SSB PLANO	P	12-31-2010	07-13-2011
6	CD COMMUNITY WEST	P	01-03-2011	07-13-2011
7	CD STATE BANK OF INDIA	P	12-29-2010	07-13-2011

	(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)
1	34,935		35,000	-65
2	20,000		20,063	-63
3	15,000		15,000	
4	49,529		50,000	-471
5	79,705		80,000	-295
6	74,518		75,000	-482
7	24,791		24,793	-2

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) Gain Minus Col (k), But Not Less Than -0-) or Losses (from col (h))
	(i) FMV as of 12/31/69	(j) Adjusted Basis as of 12/31/69	(k) Excess if Col (i) Over Col (j), if Any	
1				-65
2				-63
3				
4				-471
5				-295
6				-482
7				-2



# 990 BOOKS ARE IN CARE OF

Attachment 3 - 990-PF Page 5, Part VII-A, Line 14

Open to Public Inspection	For calendar year 2011, or tax period beginning , and ending
Name of Organization THE MONROE FOUNDATION INC.	Employer Identification Number 75-2365852
Part VII-A - Line 14	

Individual Name ... BOB W. DUTTON  
or  
Business Name:

Street Address ... 218 WEST ILLINOIS #100

U.S. Address

Zip code 79701 City MIDLAND State TX  
or

Foreign Address

City .....

Province or State ....

Country .....

Postal code .....

Phone Number (432) 682-0963

Fax Number (432) 570-8808

# 990 CURRENT OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Attachment 4: page 1 - 990-PF Page 6, Part VIII

Open to Public Inspection	For calendar year 2011, or tax period beginning , and ending
Name of Organization THE MONROE FOUNDATION INC.	Employer Identification Number 75-2365852

(A) Name and Address	(B) Title and Average Hrs per Week	(C) Compensation (If not paid, enter 0)	(D) Cont to Employee Ben. Plans & Def. Comp.	(E) Expense Account & Other Allowances
E.R. MONROE 218 WEST ILLINOIS SUITE 100 MIDLAND, TX 79701	PRESIDENT	0	0	0
H. KATHLEEN MONROE 218 WEST ILLINOIS SUITE 100 MIDLAND, TX 79701	VICE PRESIDENT	0	0	0
BOB W. DUTTON 218 WEST ILLINOIS SUITE 100 MIDLAND, TX 79701	SECRE/TREASUR	0	0	0

# 990 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

Attachment 5: page 1 990-PF Page 11, Part XV Line 3a

Open to Public Inspection

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

Name of Organization

THE MONROE FOUNDATION INC.

Employer Identification Number

75-2365852

Recipient	If Recipient is an Individual, Show any Relationship to Any Foundation Manager or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Name and Address (home or business)				
YMCA 8355 CLIFFRIDGE AVE LA JOLLA, CA 92037	CHARITY			2,500
ST JOSEPHS FOUNDATION BARROW NEUROLOGICAL FOUNDATION 350 W THOMAS RD PHOENIX, AZ 85013	CHARITY			50,000
SCOTTSDALE HEALTHCARD FOUNDATION 10001 NORTH 92ND ST SUITE 121 SCOTTSDALE, AZ 85258	CHARITY			25,000
SOCIETY OF ST VINCENT DE PAUL PO BOX 13600 PHOENIX, AZ 85002	CHARITY			4,500
FOP 2 FOUNDATION INC LODGE 2 12851 N 19TH AVE PHOENIX, AZ 85029	CHARITY			5,000
ROCKPOINTE CHURCH 10999 E CRYSTAL FALLS LEANDER, TX 78641	CHARITY			25,000
HOSPICE OF MIDLAND ENDOWMENT PO BOX 2621 MIDLAND, TX 79702	CHARITY			20,000
MESEUM OF THE SOUTHWEST 1705 W MISSOURI AVE MIDLAND, TX 79701	CHARITY			10,000
MAKE A WISH FOUNDATION WEST TEXAS 407 N BIG SPRING SUITE 208 MIDLAND, TX 79701	CHARITY			6,000
MIDLAND CEREBRAL PALSY CENTER 802 VENTURA AVE MIDLAND, TX 79705	CHARITY			10,000
COMMUNITY & SENIOR SERVICES 3301 SINCLAIR AVE MIDLAND, TX 79707	CHARITY			10,000
MANOR PARK INC 2208 N LOOP 250 WEST MIDLAND, TX 79707	CHARITY			20,000
GIFTS OF HOPE	CHARITY			
Total:				188,000

# 990 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

Attachment 5: page 2 990-PF Page 11, Part XV Line 3a

Open to Public Inspection

For calendar year 2011, or tax period beginning

, and ending

Name of Organization

THE MONROE FOUNDATION INC.

Employer Identification Number

75-2365852

Recipient	If Recipient is an Individual, Show any Relationship to Any Foundation Manager or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Name and Address (home or business)				
400 N GARFIELD ST SUITE 100 MIDLAND, TX 79701 USWSF	CHARITY			250
11700 PRESTON RD SUITE 600, PMB 135 DALLAS, TX 75203				20,000
Total:				20,250

990 BOOKS ARE IN CARE OF

Attachment 1 - 990-PF Page 5, Part VII-A, Line 14

Open to Public Inspection	For calendar year 2011, or tax period beginning , and ending
Name of Organization THE MONROE FOUNDATION INC.	Employer Identification Number 75-2365852
Part VII-A - Line 14	

Individual Name ..... BOB W. DUTTON  
or  
Business Name:

Street Address ..... 218 WEST ILLINOIS #100

U.S. Address:

Zip code 79701 City MIDLAND State TX  
or

Foreign Address

City .....

Province or State .....

Country .....

Postal code .....

Phone Number ..... (432) 682-0963

Fax Number ..... (432) 570-8808

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box. ☒ **Part I only**
- 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](http://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.

Enter filer's identifying number, see instructions

Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>THE MONROE FOUNDATION INC.</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>75-2365852</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 230</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>MIDLAND TX 79702-</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) ☐ **04**

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 ► See attachment #1

Telephone No. ► \_\_\_\_\_ 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, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☒ calendar year 20 11 or

► ☐ tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.

**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

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

For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev 1-2012)