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

OMB No 1545-0052

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

R. W. FAIR FOUNDATION
P. O. BOX 689
TYLER, TX 75710A Employer identification number
75-6015270B Telephone number (see the instructions)
903-592-3811C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐G Check all that apply: ☐ Initial return ☐ Initial Return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name changeH Check type of organization. ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, column (c), line 16) ☐ \$ 9,354,587.
J Accounting method ☐ Cash ☒ Accrual
☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses

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

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE	1 Contributions, gifts, grants, etc., received (att sch)				
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	13.	13.		
	4 Dividends and interest from securities	135,020.	135,020.		
	5a Gross rents	47,978.	47,978.		
	b Net rental income or (loss)	37,563.			
	6a Net gain/(loss) from sale of assets not on line 10	156,708.			
	b Gross sales price for all assets on line 6a	1,235,916.			
	7 Capital gain net income (from Part IV, line 2).		156,708.		
	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/(loss) (att sch)					
11 Other income (attach schedule)	SEE STATEMENT 1	105,264.	105,264.		
12 Total. Add lines 1 through 11		444,983.	444,983.	0.	
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc	2,710.	2,710.		
	14 Other employee salaries and wages	18,033.	17,533.	500.	
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	SEE ST 2	1,905.	1,905.	
	b Accounting fees (attach sch)	SEE ST 3	14,414.	14,414.	
	c Other prof fees (attach sch)	SEE ST 4	48,018.	48,018.	
	17 Interest				
	18 Taxes (attach schedule) (see instrs)	SEE ST 5	20,082.	12,406.	40.
	19 Depreciation (attach sch) and depletion		3,855.	3,855.	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	SEE STATEMENT 6	9,318.	9,318.	
	25 Contributions, gifts, grants paid PART XV		118,335.	110,159.	540.
26 Total expenses and disbursements. Add lines 24 and 25		270,450.		270,450.	
27 Subtract line 26 from line 12:		388,785.	110,159.	0.	
a Excess of revenue over expenses and disbursements		56,198.			
b Net investment income (if negative, enter -0-)			334,824.		
c Adjusted net income (if negative, enter -0-)			0.		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	348,398.	36,900.	36,900.
	2 Savings and temporary cash investments	360,798.	173,372.	173,372.
	3 Accounts receivable			
	Less: allowance for doubtful accounts	24,166.		
	4 Pledges receivable			
	Less: allowance for doubtful accounts	23,736.	24,166.	24,166.
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch.)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	8,349,659.	8,660,788.	8,660,788.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis	285,907.		
LIABILITIES	Less: accumulated depreciation (attach schedule) SEE STMT 7	48,347.	241,415.	237,560.
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)	14,504.	14,504.	221,801.
	14 Land, buildings, and equipment: basis			
	Less: accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	9,338,510.	9,147,290.	9,354,587.
	17 Accounts payable and accrued expenses	16,351.	5,132.	
	18 Grants payable			
	19 Deferred revenue			
FUND ASSETS	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	16,351.	5,132.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	9,322,159.	9,142,158.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
NET ASSETS	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	9,322,159.	9,142,158.	
	31 Total liabilities and net assets/fund balances (see instructions)	9,338,510.	9,147,290.	

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	9,322,159.
2 Enter amount from Part I, line 27a.	2	56,198.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	9,378,357.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 8	5	236,199.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	9,142,158.

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 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1 a SEE STATEMENT 9			
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			

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss).

If gain, also enter in Part I, line 7
If (loss), enter -0- in Part I, line 7

2

156,708.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):

If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0-
in Part I, line 8

3

7,467.

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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	3,043,006.	9,483,136.	0.320886
2009	423,840.	8,333,885.	0.050857
2008	286,140.	9,842,324.	0.029072
2007	518,119.	11,261,813.	0.046007
2006	452,540.	10,450,527.	0.043303

2 Total of line 1, column (d)

2

0.490125

3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3

0.098025

4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5

4

9,426,712.

5 Multiply line 4 by line 3

5

924,053.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

3,348.

7 Add lines 5 and 6

7

927,401.

8 Enter qualifying distributions from Part XII, line 4

8

270,990.

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)

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 instrs)		1	6,696.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input 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, column (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	6,696.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	6,696.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	1,097.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,097.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	48.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	5,647.	
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	11		
	Refunded		

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 Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		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 Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a 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	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

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Form 990-PF (2011)

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	X	
Website address <u>N/A</u>				
14	The books are in care of <u>RACHEL LARSON</u> Telephone no <u>903-592-3811</u>			
Located at <u>TYLER, TEXAS</u> ZIP + 4 <u>75710</u>				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			
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 <u>N/A</u>				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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20__ , 20__ , 20__ , 20__</u>		
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	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)?

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? ...

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		2,710.	0.	0.

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

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

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

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 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

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 (see instructions)

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.

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Form 990-PF (2011)

Part IX 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	8,649,010.
b	Average of monthly cash balances	1b	442,438.
c	Fair market value of all other assets (see instructions)	1c	478,818.
d	Total (add lines 1a, b, and c)	1d	9,570,266.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	9,570,266.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	143,554.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,426,712.
6	Minimum investment return. Enter 5% of line 5	6	471,336.

Part X 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	471,336.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	6,696.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	6,696.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	464,640.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	464,640.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	464,640.

Part XIII 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	270,990.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	270,990.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	270,990.

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				464,640.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years. 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010	2,164,399.			
f Total of lines 3a through e	2,164,399.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 270,990.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2011 distributable amount				270,990.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011. (If an amount appears in column (d), the same amount must be shown in column (a).)	193,650.			193,650.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	1,970,749.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	1,970,749.			
10 Analysis of line 9.				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010	1,970,749.			
e Excess from 2011				

N/A

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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(i)(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 organization 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 11

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part VII 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
<i>a Paid during the year</i> VARIOUS - SEE SCHEDULE 1 ,		PUB & GOV	GENERAL OPERATIONS - SEE SCHEDULE 1	270,450.
Total			3a	270,450.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	13.	
4	Dividends and interest from securities			14	135,020.	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property			16	37,563.	
6	Net rental income or (loss) from personal property					
7	Other investment income			15	105,264.	
8	Gain or (loss) from sales of assets other than inventory			18	156,708.	
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)				434,568.	
13	Total. Add line 12, columns (b), (d), and (e)					434,568.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

2011

FEDERAL STATEMENTS

PAGE 1

CLIENT 24910

R. W. FAIR FOUNDATION

75-6015270

5/14/12

02 25PM

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	\$ 105,264.		
TOTAL	\$ 105,264.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL EXPENSES	\$ 1,905.	\$ 1,905.		
TOTAL	\$ 1,905.	\$ 1,905.	\$ 0.	\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	\$ 14,414.	\$ 14,414.		
TOTAL	\$ 14,414.	\$ 14,414.	\$ 0.	\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKERAGE FEES	\$ 48,018.	\$ 48,018.		
TOTAL	\$ 48,018.	\$ 48,018.	\$ 0.	\$ 0.

2011

FEDERAL STATEMENTS

PAGE 2

CLIENT 24910

R. W. FAIR FOUNDATION

75-6015270

5/14/12

02:25PM

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AD VALOREM TAX-ROYALTIES	\$ 7,329.	\$ 7,329.		
EXCISE TAXES	7,636.			
FOREIGN TAXES	445.	445.		
GROSS PRODUCTION TAX	2,788.	2,788.		
PAYROLL TAXES	1,884.	1,844.		\$ 40.
TOTAL	\$ 20,082.	\$ 12,406.	\$ 0.	\$ 40.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING	\$ 415.	\$ 415.		
DUES & SUBSCRIPTIONS	500.	500.		
MISC	172.	172.		
RENTAL EXPENSES	6,560.	6,560.		
ROYALTY OTHER DEDUCTIONS	1,671.	1,671.		
TOTAL	\$ 9,318.	\$ 9,318.	\$ 0.	\$ 0.

STATEMENT 7
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
IMPROVEMENTS	\$ 69,217.	\$ 48,347.	\$ 20,870.	\$ 0.
LAND	216,690.		216,690.	237,560.
TOTAL	\$ 285,907.	\$ 48,347.	\$ 237,560.	\$ 237,560.

STATEMENT 8
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

UNREALIZED GAIN/(LOSS) ON INVESTMENTS	\$ 236,199.
TOTAL	\$ 236,199.

CLIENT 24910

R. W. FAIR FOUNDATION

75-6015270

5/14/12

02:25PM

STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	3000 CARNIVAL CORP	PURCHASED	VARIOUS	3/16/2011
2	1000 CARNIVAL CORP	PURCHASED	VARIOUS	3/16/2011
3	8500 CISCO SYS INC	PURCHASED	VARIOUS	3/16/2011
4	400 EXPRESS SCRIPTS INC	PURCHASED	4/30/2009	3/16/2011
5	500 FMC CORPORATION	PURCHASED	4/30/2009	3/16/2011
6	700 THERMO FISHER SCIENTIFIC	PURCHASED	7/27/2005	3/16/2011
7	5000 US BANCORP	PURCHASED	VARIOUS	3/16/2011
8	1000 NUANCE COMMUNICATIONS INC	PURCHASED	3/24/2006	5/26/2011
9	500 TEVA PHARMACEUTICAL INDS LTD	PURCHASED	8/13/2004	5/26/2011
10	800 NATIONAL INSTRUMENTS CORP	PURCHASED	8/06/2009	6/17/2011
11	100 APPLE INC	PURCHASED	3/10/2009	6/28/2011
12	3600 GUESS? INC	PURCHASED	11/02/2010	6/28/2011
13	7200 THE KROGER COMPANY	PURCHASED	11/18/2010	8/15/2011
14	300 THERMO FISHER SCIENTIFIC	PURCHASED	7/27/2005	8/15/2011
15	1500 HOME DEPOT INC	PURCHASED	VARIOUS	8/31/2011
16	500 OREILLY AUTOMOTIVE INC	PURCHASED	10/02/2008	8/31/2011
17	5000 ROBERT HALF INTL INC	PURCHASED	VARIOUS	8/31/2011
18	200 SCHLUMBERGER LTD	PURCHASED	2/05/1992	8/31/2011
19	FEDERATED TREASURY OBLIGATIONS	PURCHASED	VARIOUS	12/30/2011
20	FEDERATED TREASURY OBLIGATIONS	PURCHASED	VARIOUS	12/30/2011

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CLIENT 24910

R. W. FAIR FOUNDATION

75-6015270

5/14/12

02 25PM

STATEMENT 10
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
MEL LOVELADY 3304 S BROADWAY, STE 202 TYLER, TX 75701	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
FARIBA POURAYAN P.O. BOX 689 TYLER, TX 75710	ASST SEC/TREAS 1.00	2,710.	0.	0.
SHERRI HARRIS 1703 PEACH ST KILGORE, TX 75662	SEC/TREASURER 5.00	0.	0.	0.
HAROLD BEAIRD P.O. BOX 1830 TYLER, TX 75710	DIRECTOR 0	0.	0.	0.
ALLEN FAIR P.O. BOX 689 TYLER, TX 75710	DIRECTOR 0	0.	0.	0.
WILL A. KNIGHT P. O. BOX 71 LONDON, TX 76854	DIRECTOR 0	0.	0.	0.
JOHN R. (BOB) GARRETT PO BOX 689 TYLER, TX 75710	VICE PRESIDENT 5.00	0.	0.	0.
BARBARA KING FAIR PO BOX 689 TYLER, TX 75710	PRESIDENT 10.00	0.	0.	0.
TOTAL		\$ 2,710.	\$ 0.	\$ 0.

STATEMENT 11
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME: BARBARA FAIR
CARE OF:
STREET ADDRESS: P.O. BOX 689
CITY, STATE, ZIP CODE: TYLER, TX 75701
TELEPHONE:
FORM AND CONTENT: LETTER
SUBMISSION DEADLINES: NONE
RESTRICTIONS ON AWARDS: NONE

SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011

	<u>2011</u>
<u>CASH CONTRIBUTIONS</u>	
<u>COMMUNITY SERVICES AND OTHER ACTIVITIES</u>	
American Cancer Society, Inc. 1301 S. Broadway Ave Tyler, TX 75701	\$ 3,000
American Heart Association 1125 Judson Rd., Ste. 150 Longview, Tx. 75601	500
Arthritis Foundation 4300 MacArthur, Suite 245 Dallas, TX 75209-6524	500
Boy Scouts of America 1331 East Fifth Street Tyler, Tx. 75701	5,000
Boys & Girls Club of Smith County, Inc. 325 S. Broadway Ave. Tyler, TX 75702	1,000
Cancer Foundation for Life, Inc P.O. Box 130849 Tyler, TX 75713	5,000
Cystic Fibrosis Foundation 122 S. College Ave. Tyler, TX 75702	1,000
East Texas Crisis Center P.O. Box 7060 Tyler, TX 75711	1,000
East Texas Area Council of Boy Scouts 1331 East 5th Street Tyler, TX 75701	200
East Texas Food Bank P.O. Box 6974 Tyler, TX 75711	1,000
Humane Society of East Texas 4111 University Blvd. Tyler, TX 75701	1,000

SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011

2011

CASH CONTRIBUTIONS - CONT'D

COMMUNITY SERVICES AND OTHER ACTIVITIES - CONT'D

Meals on Wheels Ministry, Inc. 3001 Robertson Road Tyler, TX 75701	\$ 2,500
PATH - People Attempting to Help 402 W. Front Street Tyler, TX 75702	10,000
The Salvation Army 633 N. Broadway Tyler, TX 75702	5,000
Texas Chest Foundation P. O Box 6554 Tyler, TX 75711	1,000
Tyler Aids Services, Inc. 410 S. Chilton Ave. Tyler, TX 75702-8016	1,000
Tyler Police Foundation 711 West Ferguson Tyler, Tx. 75702	500
United Way of Tyler/Smith Co 4000 South Park Dr. Tyler, Tx. 75703	7,500
Young Men's Christian Association of Tyler 225 South Vine Ave. Tyler, TX 75702	2,000
Total Community Services	<u>\$ 48,700</u>

CHURCH & RELIGIOUS ACTIVITIES

Christian Men's Job Corps of Tyler GABC Outreach Center 200 N. Beckham Ave. Tyler, TX 75702	\$ 4,000
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**SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011**

2011

CASH CONTRIBUTIONS - CONT'D

CHURCH & RELIGIOUS ACTIVITIES - CONT'D

Hide-A-Way Lake Com. Church 1500 Lake Park Circle Hideaway, Tx. 75771	\$ 1,000
Iglesia Evangelica Monte Sinai 3027 Chandler St Tyler, TX 75702	5,000
Lakeview Methodist Conference Center 400 Private Road 6036 Palestine, TX 75801	3,000
Marvin United Methodist Church 300 W. Erwin St Tyler, TX 75702	25,000
Pleasant Retreat United Methodist 417 County Road 1143 Tyler, TX 75704	1,000
Saint Paul Children's Foundation, Inc. P.O. Box 1238 Tyler, TX 75710	20,000
Total Church and Religious Activities	<u>\$ 59,000</u>

EDUCATIONAL ACTIVITIES

Friends of the Tyler Public Library 201 South College Tyler, TX 75702	\$ 1,000
Lindale ISD Education Foundation P.O. Box 370 Lindale, TX 75771	1,000
Literacy Council of Tyler 1530 S. Southwest Loop 323 #20 Tyler, TX 75701	3,000

**SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011**

	<u>2011</u>
<u>CASH CONTRIBUTIONS - CONT'D</u>	
<u>EDUCATIONAL ACTIVITIES - CONT'D</u>	
Stephen F. Austin St Univ. Fdn P O Box 6092 SFA Nacogdoches, Tx. 75962	\$ 25,000
Tyler ISD Foundation 315 N. Broadway, Suite 402 Tyler, TX 75702	1,500
Tyler Junior College Foundation P O Box 9020 Tyler, Tx. 75711-9020	16,000
University of Texas Health Science Center @ Tyler 11937 US Highway 271 Tyler, TX 75708	50,500
Total Educational Activities	<u>\$ 98,000</u>
<u>MISCELLANEOUS CONTRIBUTIONS</u>	
Bethesda Heath Clinic 409 W. Ferguson St. Tyler, TX 75702	\$ 3,000
CASA for Kids of East Texas, Inc. 318 E. Fifth St. Tyler, TX 75701	500
Country for Our Country P.O. Box 4340 Tyler, TX 75712	5,000
East Texas State Fair Association 2112 West Front Street Tyler, TX 75702	10,000
The First Tee of Greater Tyler 2000 W. Front Street Tyler, TX 75702	10,000

SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011

2011

CASH CONTRIBUTIONS - CONT'D

MISCELLANEOUS CONTRIBUTIONS - CONT'D

Gladney Center 26300 John Ryan Drive Ft. Worth, Tx. 76132	\$ 5,000
Heart of Tyler, Inc. 110 N. College Tyler, TX 75702	1,000
Historic Aviation Memorial Museum 150 Airport Dr. #2-7 Tyler, TX 75704	1,000
Junior Achievement Worldwide 2737 S Broadway, Suite 207 Tyler, TX 75701	500
Junior League of Tyler 1919 South Donnybrook Tyler, Tx. 75701	2,500
Lindale Volunteer Fire Department 208 East Hubbard Street Lindale, TX 75771-3397	1,000
National Lung Cancer Partnership 1 Point Place, Suite 200 Madison, WI 53719	750
Smith County Volunteer Firemens Association 106 East Elm, Room 406 Tyler, TX 75702	5,000
Tyler Day Nursery 2901 West Gentry Parkway Tyler, TX 75702	1,000
Tyler Economic Dev. Council P O Box 2004 Tyler, Tx. 75710	16,000

**SCHEDULE #1
R.W. FAIR FOUNDATION
75-6015270
CONTRIBUTIONS FOR THE YEAR 2011**

	<u>2011</u>
<u>CASH CONTRIBUTIONS - CONT'D</u>	
<u>MISCELLANEOUS CONTRIBUTIONS - CONT'D</u>	
Tyler Museum of Art 1300 South Mahon Ave Tyler, TX. 75701	\$ 1,500
Tyler Rose Museum 420 Rose Park Drive Tyler, TX 75702	1,000
	<hr/>
Total Miscellaneous Contributions	\$ 64,750
	<hr/>
TOTAL CASH CONTRIBUTIONS	\$ 270,450
	<hr/> <hr/>

None of the donees above are related by blood, marriage or employment to any disqualified person of this Foundation.

SCHEDULE #2 - 2011 FORM 990 PF
PART II, LINE 10B - CORPORATE STOCK
75-6015270

Luther King Capital Management

000020

Period Ending: 12/31/2011

R.W. Fair Foundation

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Cash Equivalents								
SCHWAB US TREASURY				119,637.37	119,637.37	1.4	12	0.0
Total Cash Equivalents				119,637.37	119,637.37	1.4	12	0.0
Equities								
CONSUMER DISCRETIONARY								
HOME DEPOT INC	5,500	22.42	42.04	123,292.68	231,220.00	2.6	6,380	2.8
O REILLY AUTOMOTIVE INC	2,700	26.63	79.95	71,911.23	215,865.00	2.5	0	0.0
TIME WARNER INC	3,800	31.61	36.14	120,123.15	137,332.00	1.6	3,572	2.6
TRACTOR SUPPLY COMPANY	2,700	66.16	70.15	178,642.07	189,405.00	2.2	1,296	0.7
WALT DISNEY COMPANY	4,200	41.04	37.50	172,368.97	157,500.00	1.8	2,520	1.6
TOTAL CONSUMER DISCRETIONARY				666,338.10	931,322.00	10.6	13,768	1.5
CONSUMER STAPLES								
COCA-COLA COMPANY	4,400	20.70	69.97	91,101.34	307,868.00	3.5	8,272	2.7
COLGATE-PALMOLIVE CO	2,500	7.58	92.39	18,945.31	230,975.00	2.6	5,800	2.5
KIMBERLY-CLARK CORPORATION	2,700	20.21	73.56	54,572.07	198,612.00	2.3	7,560	3.8
PROCTER & GAMBLE COMPANY	3,000	9.70	66.71	29,114.05	200,130.00	2.3	6,300	3.1
WAL-MART STORES INC	3,300	45.85	59.76	151,298.35	197,208.00	2.2	4,818	2.4
TOTAL CONSUMER STAPLES				345,031.12	1,134,793.00	12.9	32,750	2.9
ENERGY								
C & J ENERGY SERVICES INC	3,400	25.85	20.93	87,880.93	71,162.00	0.8	0	0.0
CABOT OIL & GAS CORP	1,500	65.03	75.90	97,544.50	113,850.00	1.3	180	0.2
EOG RESOURCES INC	2,300	75.29	98.51	173,159.34	226,573.00	2.6	1,472	0.6
EXXON MOBIL CORPORATION	3,660	15.52	84.76	56,807.50	310,221.60	3.5	6,881	2.2
HALLIBURTON COMPANY	3,500	39.37	34.51	137,778.67	120,785.00	1.4	1,260	1.0
SCHLUMBERGER LIMITED	2,500	18.15	68.31	45,386.73	170,775.00	1.9	2,500	1.5
TOTAL ENERGY				598,557.67	1,013,366.60	11.5	12,293	1.2
FINANCIALS								
AMERICAN EXPRESS COMPANY	2,000	51.99	47.17	103,979.22	94,340.00	1.1	1,440	1.5
BANK OF AMERICA CORP	11,500	22.65	5.56	260,489.00	63,940.00	0.7	460	0.7
CULLEN FROST BANKERS INC	3,000	35.73	52.91	107,179.95	158,730.00	1.8	5,520	3.5
GOLDMAN SACHS GROUP INC	800	147.39	90.43	117,914.15	72,344.00	0.8	1,120	1.5

SCHEDULE #2 - 2011 FORM 990 PF
PART II, LINE 10B - CORPORATE STOCK
75-6015270

Luther King Capital Management

000020

Period Ending: 12/31/2011

R.W. Fair Foundation

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Equities								
FINANCIALS								
JP MORGAN & COMPANY INC	5,280	31.60	33.25	166,844.00	175,560.00	2.0	5,280	3.0
PRUDENTIAL FINANCIAL INC	4,000	56.63	50.12	226,526.05	200,480.00	2.3	5,800	2.9
TOTAL FINANCIALS				982,932.37	765,394.00	8.7	19,620	2.6
HEALTHCARE								
ABBOTT LABORATORIES	3,000	44.28	56.23	132,834.90	168,690.00	1.9	5,760	3.4
CELGENE CORP	3,700	54.27	67.60	200,795.98	250,120.00	2.8	0	0.0
COVIDIEN PLC	4,000	42.82	45.01	171,290.48	180,040.00	2.0	3,600	2.0
EXPRESS SCRIPTS INC	4,000	34.82	44.69	139,266.41	178,760.00	2.0	0	0.0
TEVA PHARMACEUTICAL INDS	4,000	27.51	40.36	110,026.80	161,440.00	1.8	3,140	1.9
THERMO FISHER SCIENTIFIC	3,500	30.34	44.97	106,206.16	157,395.00	1.8	0	0.0
TOTAL HEALTH CARE				860,420.73	1,096,445.00	12.5	12,500	1.1
INDUSTRIALS								
DANAHER CORPORATION	6,000	37.39	47.04	224,367.48	282,240.00	3.2	600	0.2
EMERSON ELECTRIC COMPANY	5,000	50.09	46.59	250,445.00	232,950.00	2.6	8,000	3.4
GENERAL ELECTRIC COMPANY	11,000	10.70	17.91	117,681.81	197,010.00	2.2	7,480	3.8
ROPER INDUSTRIES INC	1,800	77.16	86.87	138,891.19	156,366.00	1.8	990	0.6
TOTAL INDUSTRIALS				731,385.48	868,566.00	9.9	17,070	2.0
INFORMATION TECHNOLOGY								
ADOBE SYSTEMS INC	4,200	30.34	28.27	127,432.64	118,734.00	1.4	0	0.0
APPLE INC	900	86.19	405.00	77,569.15	364,500.00	4.1	0	0.0
BROCADE COMMUNICATIONS	17,000	5.68	5.19	96,475.30	88,230.00	1.0	0	0.0
CIRRUS LOGIC INC	12,000	15.60	15.85	187,167.83	190,200.00	2.2	0	0.0
EMC CORPORATION	8,000	9.10	21.54	72,830.00	172,320.00	2.0	0	0.0
GOOGLE INC	300	348.16	645.90	104,446.80	193,770.00	2.2	0	0.0
INTL BUSINESS MACHINES	1,000	153.90	183.88	153,900.35	183,880.00	2.1	3,000	1.6
NATIONAL INSTRUMENTS CORP	7,450	16.67	25.95	124,193.52	193,327.50	2.2	2,980	1.5
NUANCE COMMUNICATIONS INC	10,000	13.24	25.16	132,363.42	251,600.00	2.9	0	0.0
ORACLE CORPORATION	7,500	7.17	25.65	53,762.30	192,375.00	2.2	1,800	0.9
TOTAL INFORMATION TECHNOLOGY				1,130,141.31	1,948,936.50	22.2	7,780	0.4

SCHEDULE #2 - 2011 FORM 990 PF
PART II, LINE 10B - CORPORATE STOCK

Luther King Capital Management

000020

Period Ending: 12/31/2011

R.W. Fair Foundation

Portfolio Appraisal

	Average		Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
	Quantity	Cost Price					
Equities							
MATERIALS							
AIR PRODS & CHEMS INC	2,500	75.52	188,792.90	212,975.00	2.4	5,800	2.7
FMC CORPORATION	3,000	48.25	144,744.29	258,120.00	2.9	1,800	0.7
MONSANTO COMPANY	3,000	67.50	202,489.40	210,210.00	2.4	3,600	1.7
TOTAL MATERIALS			536,026.59	681,305.00	7.8	11,200	1.6
TELECOM SERVICES							
VERIZON COMMUNICATIONS	5,500	34.30	188,660.69	220,660.00	2.5	11,000	5.0
TOTAL TELECOM SERVICES			188,660.69	220,660.00	2.5	11,000	5.0
Total Equities			6,039,494.06	8,660,788.10	98.5	137,981	1.6
TOTAL INVESTMENTS							
Accrued Interest			\$6,159,131.43	\$8,780,425.47	99.9%		
Accrued Dividends				0.00	0.0		
				10,159.50	0.1		
TOTAL PORTFOLIO							
				\$8,790,584.97	100.0%		