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Form **990-PF**Department of the Treasury  
Internal Revenue Service**Return of Private Foundation**  
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

**2016**

Open to Public Inspection

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► Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

For calendar year 2016 or tax year beginning , and ending

Name of foundation

A Employer identification number

**TOLES FOUNDATION****85-0476251**

Number and street (or P.O. box number if mail is not delivered to street address)

Room/suite

**P.O. BOX 1300**

B Telephone number (see instructions)

**575-622-5863**

City or town, state or province, country, and ZIP or foreign postal code

**ROSSELL****NM 88202-1300**

Check all that apply

☐

Initial return

☐

Initial return of a former public charity

☐

Final return

☐

Amended return

☐

Address change

☐

Name change

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

Fair market value of all assets at

J Accounting method ☒ Cash ☐ Accrual

end of year (from Part II, col (c),

☐ Other (specify)line 16) ► \$ **2,035,139** (Part I, column (d) must be on cash basis)C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	354		354	
	4	Dividends and interest from securities	35,682	35,682	35,682	
	5a	Gross rents	1,872	1,872	1,872	
	b	Net rental income or (loss)	1,872			
	6a	Net gain or (loss) from sale of assets not on line 10 <b>STMT 1</b>	-95,012			
	b	Gross sales price for all assets on line 6a <b>2,877,615</b>				
	7	Capital gain net income (from Part IV, line 2)		2,462		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold					
c	Gross profit or (loss) (attach schedule)					
11	Other income (attach schedule) <b>STMT 2</b>	8,180		8,180		
12	Total. Add lines 1 through 11	-48,924	40,016	46,088		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) <b>STMT 3</b>	2,559	2,559		
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions) <b>STMT 4</b>	590			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) <b>STMT 5</b>	24,996	16,315		8,681
	24	Total operating and administrative expenses. Add lines 13 through 23	28,145	18,874	0	8,681
	25	Contributions, gifts, grants paid <b>SEE STATEMENT 6</b>	79,328			79,328
26	Total expenses and disbursements. Add lines 24 and 25	107,473	18,874	0	88,009	
27	Subtract line 26 from line 12					
a	Excess of revenue over expenses and disbursements	-156,397				
b	Net investment income (if negative, enter -0-)		21,142			
c	Adjusted net income (if negative, enter -0-)			46,088		

For Paperwork Reduction Act Notice, see instructions.

DAA

Form **990-PF** (2016)

9-20

**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
<b>Assets</b>	1	Cash – non-interest-bearing	63,117	95,949	95,946
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶		2,400	2,400
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		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>STMT 7</b>	1,962,709	1,936,793	1,936,793
	b	Investments – corporate stock (attach schedule)			
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis ▶			
<b>Liabilities</b>		Less: accumulated depreciation (attach sch.) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule) <b>SEE STATEMENT 8</b>	29,328	35,609	
	14	Land, buildings, and equipment basis ▶			
		Less: accumulated depreciation (attach sch.) ▶			
	15	Other assets (describe ▶)			
	16	<b>Total assets</b> (to be completed by all filers – see the instructions. Also, see page 1, item I)	2,055,154	2,070,751	2,035,139
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
<b>Net Assets or Fund Balances</b>	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)	0	0	
		<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds	79,031	79,031	
<b>Net Assets or Fund Balances</b>	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,976,123	1,991,720	
	30	<b>Total net assets or fund balances</b> (see instructions)	2,055,154	2,070,751	
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	2,055,154	2,070,751	

**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	2,055,154
2	Enter amount from Part I, line 27a	2	-156,397
3	Other increases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 9</b>	3	171,994
4	Add lines 1, 2, and 3	4	2,070,751
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	2,070,751

**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.)
<b>1a</b>	<b>MERRILL LYNCH #04141</b>			
<b>b</b>	<b>MERRILL LYNCH #04424</b>			
<b>c</b>				
<b>d</b>				
<b>e</b>				

  

(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)
<b>a</b> <b>149</b>			<b>149</b>
<b>b</b> <b>2,313</b>			<b>2,313</b>
<b>c</b>			
<b>d</b>			
<b>e</b>			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
<b>a</b>			<b>149</b>
<b>b</b>			<b>2,313</b>
<b>c</b>			
<b>d</b>			
<b>e</b>			

  

<b>2</b> 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>	<b>2</b>	<b>2,462</b>
<b>3</b> 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		<b>3</b>	

**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 (col. (b) divided by col. (c))
2015	<b>64,602</b>	<b>2,151,511</b>	<b>0.030026</b>
2014	<b>60,034</b>	<b>1,187,216</b>	<b>0.050567</b>
2013	<b>48,680</b>	<b>1,067,616</b>	<b>0.045597</b>
2012	<b>11,482</b>	<b>955,264</b>	<b>0.012020</b>
2011	<b>39,908</b>	<b>1,009,017</b>	<b>0.039551</b>

  

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>0.177761</b>
<b>3</b> 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	<b>3</b>	<b>0.035552</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	<b>4</b>	<b>2,052,473</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>72,970</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>211</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>73,181</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	<b>8</b>	<b>88,009</b>

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
<b>b</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	<b>1</b>	<b>211</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>211</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>211</b>
<b>6</b>	<b>Credits/Payments</b>		
<b>a</b>	2016 estimated tax payments and 2015 overpayment credited to 2016	<b>6a</b>	
<b>b</b>	Exempt foreign organizations – tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	<b>1,200</b>
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	<b>1,200</b>
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	<b>989</b>
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> <b>989</b> <b>Refunded</b>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		<b>X</b>
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?	<b>N/A</b>	
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <b>\$</b> _____ (2) On foundation managers <b>\$</b> _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		<b>X</b>
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?	<b>N/A</b>	<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		<b>X</b>
<b>6</b> 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?	<b>X</b>	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <b>NM</b>		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	<b>X</b>	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		<b>X</b>

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

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	13	X
14 The books are in care of ► <b>TOLES COMPANY</b> <b>400 PENNSYLVANIA PLAZA</b> Located at ► <b>ROSWELL</b> NM ZIP+4 ► <b>88201</b> Telephone no ► <b>575-622-5863</b>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	15	
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input 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	<b>N/A</b>	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	<b>N/A</b>	1c
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ► 20 , 20 , 20 , 20	<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.)	<b>N/A</b>	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016.)	<b>N/A</b>	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?		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))?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
|    | (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
|    | (3) Provide a grant to an individual for travel, study, or other similar purposes?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
|    | (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
| b  | If any answer is "Yes" to 5a(1)–(5), did <b>any</b> of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? | N/A                          |  | 5b |
|    | Organizations relying on a current notice regarding disaster assistance check here   | <input type="checkbox"/>     |  |    |
| 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                          |  |    |
|    | <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>   | <input type="checkbox"/> Yes | <input type="checkbox"/> No            |    |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
| b  | Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |                              |  | 6b |
|    | <i>If "Yes" to 6b, file Form 8870</i>  |                              |  | X  |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
| b  | If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  | N/A                          |  | 7b |

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

**1 List all officers, directors, trustees, foundation managers and their compensation (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 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

Form 990-PF (2016) **TOLES FOUNDATION****85-0476251**Page **7****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)***3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
<b>1</b> N/A	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b> N/A	
<b>2</b>	
All other program-related investments See instructions	
<b>3</b>	

Total. Add lines 1 through 3 ▶Form **990-PF** (2016)



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see 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>1,905,449</b>
<b>b</b>	Average of monthly cash balances	<b>1b</b>	<b>117,695</b>
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	<b>60,585</b>
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	<b>2,083,729</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	<b>0</b>
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	<b>0</b>
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	<b>2,083,729</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	<b>4</b>	<b>31,256</b>
<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>	<b>2,052,473</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	<b>102,624</b>

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

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	<b>102,624</b>
<b>2a</b>	Tax on investment income for 2016 from Part VI, line 5	<b>2a</b>	<b>211</b>
<b>b</b>	Income tax for 2016 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	<b>211</b>
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	<b>102,413</b>
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	<b>102,413</b>
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	<b>102,413</b>

**Part XII Qualifying Distributions** (see 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>	<b>88,009</b>
<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>	<b>88,009</b>
<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 instructions)	<b>5</b>	<b>211</b>
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	<b>87,798</b>

**Note:** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
<b>1</b> Distributable amount for 2016 from Part XI, line 7				<b>102,413</b>
<b>2</b> Undistributed income, if any, as of the end of 2016				
<b>a</b> Enter amount for 2015 only				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2016				
<b>a</b> From 2011				
<b>b</b> From 2012				
<b>c</b> From 2013				
<b>d</b> From 2014				
<b>e</b> From 2015				
<b>f</b> Total of lines 3a through e	<b>31,369</b>			
<b>4</b> Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ <b>88,009</b>				
<b>a</b> Applied to 2015, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required – see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required – see instructions)				
<b>d</b> Applied to 2016 distributable amount				<b>88,009</b>
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a) )	<b>14,404</b>			<b>14,404</b>
<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	<b>16,965</b>			
<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 instructions				
<b>e</b> Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount – see instructions				
<b>f</b> Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				<b>0</b>
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
<b>8</b> Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	<b>15,168</b>			
<b>9</b> Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	<b>1,797</b>			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2012				
<b>b</b> Excess from 2013				
<b>c</b> Excess from 2014	<b>1,797</b>			
<b>d</b> Excess from 2015				
<b>e</b> Excess from 2016				

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

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
<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					
<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 of exempt activities					
<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 minimum 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 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) )  
**N/A**

**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  
**N/A**

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed  
**J. PENROD TOLES 575-622-5863**  
**P.O. BOX 1300 ROSWELL NM 88202**

**b** The form in which applications should be submitted and information and materials they should include  
**SEE STATEMENT 11**

**c** Any submission deadlines  
**NONE.**

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors  
**SEE STATEMENT 12**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<b>a</b> <i>Paid during the year</i>				
<b>NMMI FOUNDATION</b> 101 WEST COLLEGE BLVD. ROSWELL NM 88201	NONE	FOUNDATION	DONATION	34,828
<b>EASTERN NM UNIVERSITY</b> 52 UNIVERSITY BLVD. ROSWELL NM 88203	NONE	COLLEGE	OPERATING	3,000
<b>ROSWELL MUSEUM &amp; ART CENTER FOUNDAT</b> 100 W 11TH ST ROSWELL NM 88201	NONE	PUBLIC CHARI	DONATION	500
<b>FIRST UNITED METHODIST CHURCH</b> 200 PENNSYLVANIA AVE ROSWELL NM 88201	NONE	CHURCH	DONATION	25,000
<b>HISTORICAL SOCIETY FOR SOUTHEAST NM</b> 200 N LEA AVE ROSWELL NM 88201	NONE	PUBLIC CHARI	DONATION	6,000
<b>UNITED WAY OF CHAVES COUNTY</b> 400 N PENNSYLVANIA AVE ROSWELL NM 88201	NONE	PUBLIC CHARI	DONATION	5,000
<b>ROSWELL SYMPHONY ORCHESTRA</b> 1717 W. SECOND ST. ROSWELL NM 88201	NONE	PRIVATE FOUN	OPERATING	2,500
<b>PHIL BREWER SCHOLARSHIP ENDOWMENT</b> 1 MCMURRY UNIVERSITY ABILENE TX 79697	NONE	PUBLIC CHARI	DONATION	2,500
<b>Total</b>			<b>3a</b>	<b>79,328</b>
<b>b</b> <i>Approved for future payment</i> <b>N/A</b>				
<b>Total</b>			<b>3b</b>	



**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?
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
- (1) Cash
  - (2) Other assets
- b** Other transactions
- (1) Sales of assets to a noncharitable exempt organization
  - (2) Purchases of assets from a noncharitable exempt organization
  - (3) Rental of facilities, equipment, or other assets
  - (4) Reimbursement arrangements
  - (5) Loans or loan guarantees
  - (6) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
1a(1)		<b>X</b>
1a(2)		<b>X</b>
1b(1)		<b>X</b>
1b(2)		<b>X</b>
1b(3)		<b>X</b>
1b(4)		<b>X</b>
1b(5)		<b>X</b>
1b(6)		<b>X</b>
1c		<b>X</b>

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

- b If "Yes," complete the following schedule**

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

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

Signature of officer or trustee

Date \_\_\_\_\_

**PRESIDENT**

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature \_\_\_\_\_

Date \_\_\_\_\_

Check ☒ if  
self-employed

FRANCISCO A. OLVERA

Firm's name ▶ **RITTER & COMPANY, LLC**

Firm's address ► P.O. BOX 1836

ROSWELL, NM 88202-1836

PTIN

P00738877

Firm's EIN ► 27-2067951

Phone no **575-622-8500**

Form **990-PF** (2016)

# Federal Statements

## Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price					
MERRILL LYNCH #04424				PURCHASE		92,130	\$	\$	-7,339
MERRILL LYNCH #04424				PURCHASE		16,020			-132
MERRILL LYNCH #04141				PURCHASE		2,583,552			-90,687
MERRILL LYNCH #04141				PURCHASE		281,609			684
TOTAL						2,972,627	\$	0	\$ -97,474

## Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
APPRECIATION IN VALUE - LIFE NONDIVIDEND DISTRIB #04424	\$ 4,372	\$	\$ 4,372
TAX REFUND	3,014		3,014
	794		794
TOTAL	\$ 8,180	\$ 0	\$ 8,180

## Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 2,559	\$ 2,559	\$	\$
TOTAL	\$ 2,559	\$ 2,559	0	0

# Federal Statements

## Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAX PAID - ML	\$ 590	\$	\$	\$
TOTAL	\$ 590	\$ 0	\$ 0	\$ 0

## Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES		\$	\$	\$
INSURANCE EXPENSE	8,426			8,426
OFFICE EXPENSE	188			188
BROKERAGE ACCOUNT FEES #04141	12,227	12,227		
BROKERAGE ACCOUNT FEES #04424	3,836	3,836		
FIRST NATIONAL TOWER - N/D EX	252	252		
FIRST NATIONAL TOWER - DONATI	67			67
TOTAL	\$ 24,996	\$ 16,315	\$ 0	\$ 8,681

## Statement 6 - Form 990-PF, Part I, Line 25 - Noncash Contributions, Gifts, Grants

Amount	Noncash Description	FMV Explanation	Book Value Amount	Book Value Explanation	Date
34,828					11/14/16
3,000					1/22/16
500					11/04/16
25,000					6/28/16
6,000					2/09/16
5,000					11/18/16
2,500					6/28/16
2,500					5/20/16



## Federal Statements

### Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MUTUAL FUNDS	\$ 1,588,746	\$ 1,378,073	MARKET	\$ 1,441,138
UNREALIZED GAIN (LOSS) ON INVESTMENT EQUITIES	-79,673	63,064		
UNREALIZED GAIN (LOSS) ON INVESTMENT	497,365	509,574	MARKET	495,655
	-43,729	-13,918		
TOTAL	\$ 1,962,709	\$ 1,936,793		\$ 1,936,793

### Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FIRST NATIONAL TOWER, LTD	\$ -26,885	\$ -24,976	MARKET	\$ -
NY LIFE INSURANCE POLICY	56,213	60,585	MARKET	
TOTAL	\$ 29,328	\$ 35,609		\$ 0

**Statement 9 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
UNREALIZED GAIN (LOSS) ON INVESTMENTS	\$ 171,994
TOTAL	\$ 171,994

## Federal Statements

**Statement 10 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,  
Etc.**

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
J. PENROD TOLES 400 N PENNSYLVANIA STE 950 ROSWELL NM 88201	PRESIDENT	0.00	0	0	0
PERRY TOLES 400 N PENNSYLVANIA STE 950 ROSWELL NM 88201	VICE PRESIDE	0.00	0	0	0
PERRY TOLES 400 N PENNSYLVANIA STE 950 ROSWELL NM 88201	DIRECTOR	0.00	0	0	0
TYLER P TOLES 400 N PENNSYLVANIA STE 950 ROSWELL NM 88201	DIRECTOR	0.00	0	0	0
JOHN H TOLES 400 N PENNSYLVANIA STE 950 ROSWELL NM 88201	DIRECTOR	0.00	0	0	0

**Statement 11 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents****Description**

PERSONAL LETTER WITH IDENTIFYING INFORMATION AND  
EXPLANATION OF PURPOSE FOR WHICH REQUESTED FUNDS ARE TO BE  
USED.

**Form 990-PF, Part XV, Line 2c - Submission Deadlines****Description**

NONE.

**Statement 12 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations****Description**

AWARDS ARE RESTRICTED TO CHARITABLE, RELIGIOUS,  
SCIENTIFIC, LITERACY OR EDUCATIONAL PURPOSES. EDUCATIONAL  
DISTRIBUTIONS ARE BASED ON FINANCIAL NEED AND EXCLUDE  
RELATIVES OF TRUSTEES.