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

Department of the Treasury
Internal Revenue Service

OMB No 1545-0052

2010

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

For calendar year 2010, or tax year beginning **, 2010, and ending , 20**

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

Name of foundation THE GRAFER FOUNDATION		A Employer identification number 11-3631379	
Number and street (or P O box number if mail is not delivered to street address) 132 COUNTRY CLUB DRIVE		B Telephone number (see page 10 of the instructions) 516-365-6572	
City or town, state, and ZIP code PORT WASHINGTON, NEW YORK 11050		C If exemption application is pending, check here ► <input type="checkbox"/>	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 113,824	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the 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 type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	9,376	9,376		
	12 Total. Add lines 1 through 11	9,376	9,376		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.		RECEIVED		
	14 Other employee salaries and wages			MAR 07 2011	C
	15 Pension plans, employee benefits			RECEIVED	C
	16a Legal fees (attach schedule)	336		RECEIVED	C
	b Accounting fees (attach schedule)			RECEIVED	C
	c Other professional fees (attach schedule)			RECEIVED	C
	17 Interest		RECEIVED		
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	275			275
	22 Printing and publications				
	23 Other expenses (attach schedule)	153			153
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	428	0		428
	25 Contributions, gifts, grants paid	28,260			28,260
	26 Total expenses and disbursements. Add lines 24 and 25	28,688	0		28,688
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	(19,312)			
	b Net investment income (if negative, enter -0-)		9,376		
	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				
	2	Savings and temporary cash investments	14,735	3,447	3,447	
	3	Accounts receivable ►				
		Less: allowance for doubtful accounts ►				
	4	Pledges receivable ►				
		Less: allowance for doubtful accounts ►				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ►				
		Less: allowance for doubtful accounts ►				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U.S. and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)				
	c	Investments—corporate bonds (attach schedule)				
	11	Investments—land, buildings, and equipment: basis ►				
	Less: accumulated depreciation (attach schedule) ►					
12	Investments—mortgage loans					
13	Investments—other (attach schedule)	118,401	110,377	110,377		
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)	133,136	113,824	113,824		
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ►)				
	23	Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	294,255	294,255		
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds	(161,119)	(180,431)		
	30	Total net assets or fund balances (see page 17 of the instructions)	133,136	113,824		
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	133,136	113,824		

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	133,136
2	Enter amount from Part I, line 27a	2	(19,312)
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	113,824
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	113,824

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a					
b					
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				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(f) F.M.V. as of 12/31/69	(i) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (l), if any			
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		
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3		

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 page 18 of 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))
2009	30,498	131,552	.232
2008	24,284	198,763	.122
2007	23,684	225,125	.105
2006	23,501	218,224	.108
2005	23,595	197,202	.120

- 2 Total of line 1, column (d)
- 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
- 4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5
- 5 Multiply line 4 by line 3
- 6 Enter 1% of net investment income (1% of Part I, line 27b)
- 7 Add lines 5 and 6
- 8 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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	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)	1	94
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	94
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	94
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	0
b	Exempt foreign organizations—tax withheld at source	6b	0
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	0
7	Total credits and payments. Add lines 6a through 6d	7	0
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	94
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 2011 estimated tax ► Refunded ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	✓
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b	✓
<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>			
c	Did the foundation file Form 1120-POL for this year?	1c	✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____		
2	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>	2	✓
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? <i>If "Yes," attach a conformed copy of the changes</i>	3	✓
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓
7	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>	7	✓
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► NEW YORK		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	8b	✓
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>	9	✓
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	✓

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 page 20 of the instructions)	11	✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓
14	The books are in care of ► H. RICHARD GRAFER Located at ► 132 COUNTRY CLUB DRIVE, PORT WASHINGTON, NY	Telephone no. ► 516-365-6572 ZIP+4 ► 11050-4509	
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 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes ✓ No

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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
1b	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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► □		
1c	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 2010?		✓
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ► 20____, 20____, 20____, 20____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2b	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 page 22 of the instructions.)		
3a	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____		
3b	3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? b If "Yes," did it have excess business holdings in 2010 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 2010.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4a	4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
4b	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 2010?		✓

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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input checked="" type="checkbox"/>		5b	
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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>				
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6b	✓
	<i>If "Yes" to 6b, file Form 8870.</i>				
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	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 page 22 of the 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
H. RICHARD GRAFER, 132 COUNTRY CLUB DR., PORT WASHINGTON, NY 11050	TRUSTEE/2 HOURS	0	0	0
GLORIA G. GRAFER, 132 COUNTRY CLUB DR., PORT WASHINGTON, NY 11050	TRUSTEE/1 HOUR	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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
Total number of other employees paid over \$50,000				►

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 page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation

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

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	_____	
2	_____	

All other program-related investments. See page 24 of the instructions.

3 _____

Total. Add lines 1 through 3 ►

Total. Add lines 1 through 3

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 25 of the instructions)	1c	106,455
d	Total (add lines 1a, b, and c)	1d	106,455
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	106,455
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	1,597
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	104,858
6	Minimum investment return. Enter 5% of line 5	6	5,243

Part XI Distributable Amount (see page 25 of the 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	5,243
2a	Tax on investment income for 2010 from Part VI, line 5	2a	94
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	94
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,149
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	5,149
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	5,149

Part XII Qualifying Distributions (see page 25 of the 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	28,260
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	28,260
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 page 26 of the instructions)	5	94
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	28,166

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				5,149
2 Undistributed income, if any, as of the end of 2010:			0	
a Enter amount for 2009 only		0		
b Total for prior years: 20 , 20		0		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	13,966			
b From 2006	12,024			
c From 2007	12,931			
d From 2008	14,346			
e From 2009	24,126			
f Total of lines 3a through e	77,393			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 28,260			0	
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				5,149
e Remaining amount distributed out of corpus	23,111			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	100,504			
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 page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		13,966		
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a		86,538		
10 Analysis of line 9:				
a Excess from 2006	12,024			
b Excess from 2007	12,931			
c Excess from 2008	14,346			
d Excess from 2009	24,126			
e Excess from 2010	23,111			

Part XIV Private Operating Foundations (see page 27 of the 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 2010, enter the date of the ruling ►			
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed			
b	85% of line 2a			
c	Qualifying distributions from Part XII, line 4 for each year listed			
d	Amounts included in line 2c not used directly for active conduct of exempt activities			
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c			
3	Complete 3a, b, or c for the alternative test relied upon:			
a	"Assets" alternative test—enter:			
(1)	Value of all assets			
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)			
b	"Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed			
c	"Support" alternative test—enter:			
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)			
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed:
- b** The form in which applications should be submitted and information and materials they should include:
- c** Any submission deadlines:
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
SEE ATTACHED SCHEDULE				28,260
Total				► 3a 28,260
<i>b Approved for future payment</i>				0
Total				► 3b 0

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 page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					
13 Total. Add line 12, columns (b), (d), and (e)					
(See worksheet in line 13 instructions on page 29 to verify calculations.)					

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

Part XVI-B	Relationship of Activities to the Accomplishment of Exempt Purposes
Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions.)

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No	
a Transfers from the reporting foundation to a noncharitable exempt organization of:				
(1) Cash				1a(1)
(2) Other assets				1a(2)
b Other transactions:				
(1) Sales of assets to a noncharitable exempt organization				1b(1)
(2) Purchases of assets from a noncharitable exempt organization				1b(2)
(3) Rental of facilities, equipment, or other assets				1b(3)
(4) Reimbursement arrangements				1b(4)
(5) Loans or loan guarantees				1b(5)
(6) Performance of services or membership or fundraising solicitations				1b(6)
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees				1c
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.				

Sign Here H. David Shuler 12/28/11 **TRUSTEE**

Signature of officer or trustee		Date	Title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ►		Firm's EIN ►	
	Firm's address ►		Phone no	

THE GRAFER FOUNDATION

2010 FORM 990 PF SCHEDULES

PART I, LINE 11--OTHER INCOME

Share of net investment income from investment in AIJED Associates, LLC QP	\$9,376
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PART I, LINE 23--SCHEDULE OF OTHER EXPENSES

New York State Dept. of Law filing fee	\$50
Fees for check printing	0
Dreyfus low balance fee	0
Excise tax on investment income paid to U.S. Treasury	<u>103</u>
Total	<u>\$153</u>

PART II, LINE 13--SCHEDULE OF INVESTMENTS-OTHER

Investment in AIJED Associates, LLC at fair market value	
At December 31, 2010	\$107,977
At December 31, 2009	\$118,401

Investment in Special Asset Liquidating Trust (34,618 units) related to
the Foundation's investment in Bernard Madoff Securities via
Beacon Associates LLC

At December 31, 2010	\$0
At December 31, 2009	\$0

Loan receivable from an unrelated individual dated October 14, 2009,
maturing on April 14, 2010 with 5 six month renewal options; interest
payable at 5% with a royalty participation clause (Note: This
individual has been unemployed for several years. Therefore, the loan
might be considered a "program-related investment" under the activities
described in Form 1023 as approved by the IRS. However, the individual
also owns patents that have substantial value, which the Foundation has
the right to participate in if and when such value is realized in the future.
Consequently, the investment has an investment purpose in addition to a
charitable purpose and is, therefore, classified as an Investment-Other vs.
a program-related investment).

At December 31, 2010	\$2,400
At December 31, 2009	\$4,800

PART VII-A, LINE 10--SCHEDULE OF SUBSTANTIAL CONTRIBUTORS

No Schedule B attached in 2010 since no contributors contributed \$5,000 or more. Past contributors
of more than \$5,000 included the following:

H. Richard & Gloria G. Grafer, Trustees
132 Country Club Drive
Port Washington, NY 11050-4509

PART XV, LINE 3a--GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

See the attached detailed schedule.

FORM 990 PF—PART XV—SUPPLEMENTARY INFORMATION

3a—GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR 2010

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	RELATIONSHIP TO MANAGER OR SUBSTANTIAL CONTRIBUTOR	FOUNDATION STATUS OF RECIPIENT	AMOUNT IN \$
Family and Children's Association 100 East Old Country Road Mineola, NY 11501	Payments to support various fundraising events and the scholarship fund of this large human services provider on Long Island	Foundation Trustee on Board of Trustees	Foundation Trustee on Board of Trustees	15,800
Make-A-Wish Foundation of Metro New York 1111 Marcus Avenue Lake Success, NY 11042	Payments to support the activities, events and endowment fund for wish-granting to children with life threatening illnesses	Foundation Trustee on Advisory Board	Foundation Trustee on Advisory Board	1,000
Rotacare, Inc. 1220 Front Street Uniondale, NY 11553	Payment to support the general activities of this healthcare provider to the poor and uninsured	Foundation Trustee on Board of Directors	Foundation Trustee on Board of Directors	800
Long Island Youth Mentoring 505 Grand Blvd. Deer Park, NY 11729	Payment to support the annual fundraising campaign of this ministry to troubled youth	None	Unrelated	200
The Disability Opportunity Fund 201 I.U. Willets Road Albertson, NY 11507	Payment to support this facilitator of housing for the disabled	None	Unrelated	200
St. Ignatius Retreat House 251 Searingtown Road Manhasset, NY 11030	Payments to support the operation of this spiritual retreat house and ministry	None	Unrelated	468
The College of William & Mary Athletic Educational Foundation P.O. Box 1693 Williamsburg, VA 23187	Payment to support the activities of this athletic educational organization	None	Unrelated	200
Yale University P.O. Box 208216 New Haven, CT 06520-8216	Payment to support the annual fundraising campaign of this university	None	Unrelated	200
Trigeminal Neuralgia Association 2801 Archer Road, Suite C Gainesville, FL 32608	Payment to support the activities and programs of this disease management and research organization	None	Unrelated	200
Heifer International 1 World Avenue Little Rock, AR 72201	Payment to support activities to help hungry people feed themselves	None	Unrelated	0
St. Peter of Alcantara Church 1327 Port Washington Blvd. Port Washington, NY 11050	Payments to support fundraising events for this church, its school and social ministry program	None	Unrelated	800
Long Island Council on Alcoholism and Drug Dependence, Inc. 207 Hillside Avenue	Payment to support the annual fund-raising event of this alcohol and drug treatment organization	None	Unrelated	0

Williston Park, NY 11596				
The Interfaith Nutrition Network 211 Fulton Avenue Hempstead, NY 11550	Payment to support the programs and activities of this soup kitchen and homeless shelter organization	None	Unrelated	2,000
Sacred Heart Academy 47 Cathedral Avenue Hempstead, NY 11550	Payment to support this religious academic institution	None	Unrelated	250
Landmark on Main Street 232 Main Street Port Washington, NY 11050	Payment to support the fundraising of this cultural and senior citizen center	None	Unrelated	0
American Cancer Society 1854 Amsterdam Avenue New York, NY	Payment to support the activities of this cancer research and support charity	None	Unrelated	100
Adventures in Learning 65 High Street Manhasset, NY 11030	Payment to support the AOL educational activities for under-privileged children	None	Unrelated	350
Community Development Corporation of Long Island, Inc. 2100 Middle Country Rd., Ste 300 Centereach, NY 11720	Payment to support the general activities of this community development organization	Foundation Trustee on Board of Directors	Foundation Trustee on Board of Directors	2,000
NAAR/Autism Speaks Foundat. 99 Wall St. Research Park Princeton, NJ 08540	Payment re annual walk fundraiser of this illness support/research group	None	Unrelated	0
Sustainable Long Island 33 Gerard Street Huntington, NY 11743	Payment to promote community health, welfare and development on LI	Foundation Trustee on Board of Directors	Foundation Trustee on Board of Directors	2,142
Mommas, Inc. 1857 Wantagh Avenue Wantagh, NY 11793	Payment to support this home for single mothers	None	Unrelated	0
Humanity First, USA 15000 Good Hope Road Silver Spring, MD 20905	Payment to support humanitarian and disaster relief activities	None	Unrelated	100
Swim Across America P.O. Box 7878 Garden City, NY 11530	Payment to support this fundraising activity for cancer hospital facilities	None	Unrelated	200
The Leukemia & Lymphoma Society 1311 Mamaroneck Ave., Ste. 130 White Plains, NY 10605	Payment to support this disease research and support charity	None	Unrelated	500
Tomorrow's Hope Foundation 50 Charles Lindbergh Blvd., Suite 500 Uniondale, NY 11553	Payment to support the tuition assistance activities of this educational foundation	None	Unrelated	250
Canine Companions for Courage 286 Middle Island Road Medford, NY 11763	Payment to support the activities of this trainer of guide dogs for the disabled	None	Unrelated	100
Stanley Nwachukwu 2438 Grand Avenue, Apt. #3 Baldwin, NY 11510	Payment to support the education of this Nigerian victim of an acid attack	None	Unrelated	100
National Foundation for Teaching Entrepreneurship to the Disadvantaged	Payment to support the annual fundraiser of this organization that teaches	None	Unrelated	0

120 Wall Street New York, NY 10005	entrepreneurship to inner city kids			
National Kidney Foundation of Greater NY 30 East 33 rd Street New York, NY 10016	Payment to support this disease research and support charity	None	Unrelated	0
Boomer Esiason Foundation 52 Vanderbilt Avenue New York, NY 10017	Payment to support this cystic fibrosis research and support organization	None	Unrelated	0
Grace Academy 277 Main Street Hartford, CT 06106	Payment to support this provider of education to inner city kids	None	Unrelated	200
William Barnes Scholarship Fund 221 Dogwood Lane Manhasset, NY 10030	Payment to benefit children in need of financial assistance for college	None	Unrelated	100
TOTAL				\$28,260