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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
Davis Educational Foundation

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
30 Forest Falls Drive No 5

City or town, state or country, and ZIP + 4
Yarmouth, ME 04096

D Employer identification number
04-2864042

E Telephone number
(207) 846-9132

G Gross receipts $ 5,178,727

F Name and address of principal officer
Anne M Vaillancourt
30 Forest Falls Drive No 5
Yarmouth, ME 04096

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) **Are all affiliates included?** ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ▶ davisfoundations org

K Form of organization ☐ Corporation ☑ Trust ☐ Association ☐ Other ▶

L Year of formation 1985

M State of legal domicile MA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Awards Grants

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	5
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-3,577,696	1,807,517
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	124,355	144,032
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-3,453,341	1,951,549
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,761,408	3,760,309
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	366,457	443,863
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	275,485	315,329
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	4,403,350	4,519,501
	19	Revenue less expenses Subtract line 18 from line 12	-7,856,691	-2,567,952

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	95,361,802	88,991,767
	21	Total liabilities (Part X, line 26)	3,039,718	2,535,079
	22	Net assets or fund balances Subtract line 21 from line 20	92,322,084	86,456,688

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ ****** | 2012-08-08
Signature of officer | Date

▶ Anne M Vaillancourt Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Barbara J McGuan CPA	Date 2012-08-08	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions) P00219457
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Berry Dunn McNeil & Parker LLC, PO Box 1100, Portland, ME 041041100			EIN ▶ 01-0523282
			Phone no ▶ (207) 775-2387

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . ☐

1 Briefly describe the organization's mission

To strengthen the undergraduate programs of public and private, regionally accredited baccalaureate degree granting colleges and universities located in New England through grants

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 3,914,452 including grants of $ 3,760,309) (Revenue $ 8,564)

Grants made to colleges and universities in New England from organization assets, including direct investment related costs See Schedule I for 2011 grants approved

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶$ 3,914,452

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a		No
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	9		
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	5		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		4a	Yes	
b	If "Yes," enter the name of the foreign country ▶CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		No
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state		13a		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the aggregate amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . .

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Frank A Tredinnick Jr Past Trustee	8 00	X						15,000	0	0
(2) William S Reed Chairman	12 00	X		X				40,000	0	0
(3) Peter K Davis Trustee	8 00	X						0	0	0
(4) Sister M Therese Antone Trustee	8 00	X						20,000	0	0
(5) Richard W Cost Trustee	8 00	X						20,000	0	0
(6) Edward J Shanahan Trustee	8 00	X						20,000	0	0
(7) Judith B Wittenberg Trustee	8 00	X						20,000	0	0
(8) Anne M Vaillancourt Executive Director	16 00			X				90,788	0	15,455

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

1b	Sub-Total . . . . ►			
c	Total from continuation sheets to Part VII, Section A . . . . ►			
d	Total (add lines 1b and 1c) . . . . ►	225,788	0	15,455

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ►0

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		No
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ►0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . ▶					
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . ▶					
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,056,364			1,056,364
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . ▶					

	(i) Real	(ii) Personal
6a Gross rents		
b Less rental expenses		
c Rental income or (loss)		

	(A)	(B)	(C)	(D)
d Net rental income or (loss) . . . . ▶				

	(i) Securities	(ii) Other
7a Gross amount from sales of assets other than inventory	3,978,331	
b Less cost or other basis and sales expenses	3,227,178	
c Gain or (loss)	751,153	

		(A)	(B)	(C)	(D)
d Net gain or (loss) . . . . ▶		751,153			751,153
8a Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18 . . . a					
b Less direct expenses . . . b					
c Net income or (loss) from fundraising events . . ▶					
9a Gross income from gaming activities See Part IV, line 19 . . . a					
b Less direct expenses . . . b					
c Net income or (loss) from gaming activities . . . ▶					
10a Gross sales of inventory, less returns and allowances . a					
b Less cost of goods sold . . b					
c Net income or (loss) from sales of inventory . . ▶					

Miscellaneous Revenue	Business Code	(A)	(B)	(C)	(D)
11a Management Fees	900099	135,468			135,468
b Prior Year Grant Recov	900099	8,564	8,564		
c					
d All other revenue					
e **Total.** Add lines 11a–11d . . . . . . ▶		144,032			
12 **Total revenue.** See Instructions . . . ▶		1,951,549	8,564	0	1,942,985

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	3,760,309	3,760,309		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	241,243	135,000	106,243	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	163,743		163,743	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,798		10,798	
9	Other employee benefits	7,251		7,251	
10	Payroll taxes	20,828		20,828	
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,964		1,964	
c	Accounting	10,533		10,533	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees	239,909		239,909	
g	Other				
12	Advertising and promotion				
13	Office expenses	10,213		10,213	
14	Information technology	7,221		7,221	
15	Royalties . .				
16	Occupancy	14,398		14,398	
17	Travel	19,143	19,143		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	4,924		4,924	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization				
23	Insurance	1,620		1,620	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Dues	2,774		2,774	
b	Miscellaneous	2,630		2,630	
c					
d					
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	4,519,501	3,914,452	605,049	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1	
	2	Savings and temporary cash investments	11,760,009	2	1,174,742
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* 10a			
	b	Less accumulated depreciation 10b		10c	
	11	Investments—publicly traded securities	69,936,353	11	73,376,117
	12	Investments—other securities See Part IV, line 11	13,665,440	12	14,440,908
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	95,361,802	16	88,991,767
Liabilities	17	Accounts payable and accrued expenses	32,342	17	14,790
	18	Grants payable	3,007,376	18	2,488,050
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	0	25	32,239
	26	**Total liabilities.** Add lines 17 through 25	3,039,718	26	2,535,079
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	92,322,084	27	86,456,688
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	92,322,084	33	86,456,688
	34	Total liabilities and net assets/fund balances	95,361,802	34	88,991,767

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,951,549
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,519,501
3	Revenue less expenses Subtract line 2 from line 1	3	-2,567,952
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	92,322,084
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,297,444
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	86,456,688

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ____________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Davis Educational Foundation

Employer identification number
04-2864042

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☑ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☑ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?	**11g(i)**		No
(ii) a family member of a person described in (i) above?	**11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		No

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
(A) Wellesley College	042103637	2	Yes		Yes		Yes		0
(B) Dartmouth College	020222111	2	Yes		Yes		Yes		0
Total									0

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) | 12 |

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ►☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) | 14 |

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 | 15 |

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►☐

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ►☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ►☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ►☐

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** 2011	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Davis Educational Foundation

Employer identification number
04-2864042

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►________

4 Number of states where property subject to conservation easement is located ►________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
► $ ________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► $ ________

(ii) Assets included in Form 990, Part X ► $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► $ ________

b Assets included in Form 990, Part X ► $ ________

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				0

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other (A) Limited Partnership Interests	14,440,908	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ►	14,440,908	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ►	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Due To Related Parties	32,239
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ►	32,239

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,951,549
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,519,501
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-2,567,952
4	Net unrealized gains (losses) on investments	4	-3,297,444
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	-3,297,444
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-5,865,396

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	-1,729,836
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-3,297,444		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	-3,297,444
3	Subtract line **2e** from line **1**			3	1,567,608
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	239,909		
b	Other (Describe in Part XIV)	4b	144,032		
c	Add lines **4a** and **4b**			4c	383,941
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	1,951,549

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	4,135,560
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	4,135,560
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	239,909		
b	Other (Describe in Part XIV)	4b	144,032		
c	Add lines **4a** and **4b**			4c	383,941
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	4,519,501

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part XII, Line 4b - Other Adjustments		Management Fees 135,468 Prior Year Grant Recovery 8,564
Part XIII, Line 4b - Other Adjustments		Management Fees 135,468 Prior Year Grant Recovery 8,564

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Davis Educational Foundation

Employer identification number
04-2864042

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 20

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 1

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The Organization conducts site visits for colleges/universities seeking funding and requires progress and completion reports from the grantee

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 04-2864042
Name: Davis Educational Foundation

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Bard College at Simon's Rock84 Alford Road Great Barrington, MA 012309702	14-1713034	501(c)(3)	150,000				To support the inclusion of international content and perspectives into general education courses and to create on-campus programming to integrate study abroad more fully into students' academic development
Bay Path College 588 Longmeadow Street Longmeadow, MA 01106	04-2103865	501(c)(3)	200,000				To support a series of courses and an advising program to support students' academic, personal and professional development
Bennington College One College Drive Bennington, VT 052016001	03-0179414	501(c)(3)	125,000				To design curricular innovations, both substantive and structural, that serve a new and unique articulation of liberal arts outcomes
Boston College140 Commonwealth Avenue Chestnut Hill, MA 02467	04-2103545	501(c)(3)	253,967				To refine the functionality of an interactive, multimedia instructional software platform and support its deployment among a learning community of partner institutions
Boston University1 Silber Way Boston, MA 02215	04-2103547	501(c)(3)	150,000				Support for faculty in the College of General Studies to assess 200 student e-portfolios using new student learning outcomes rubrics Faculty will look for evidence of student achievement in critical thinking, reading, writing, and quantitative analysis in the freshman and sophomore years
Brandeis University 415 South Street Waltham, MA 02453	04-2103552	501(c)(3)	280,188				Support for a comprehensive system of assessment of student learning outcomes in the College of Arts and Sciences
College of Our Lady of the Elms291 Springfield Street Chicopee, MA 010132839	04-2225850	501(c)(3)	200,000				To support data driven decision making and strengthen undergraduate curriculum by establishing an Office of Institutional Assessment and Research
Dean College99 Main Street Franklin, MA 020381994	04-2104149	501(c)(3)	100,000				Support to plan, design and implement a revised general education curriculum focused on communication, critical thinking, and quantitative reasoning
Franklin W Olin College of EngineeringOlin Way Needham, MA 024921200	06-1519057	501(c)(3)	150,160				A series of faculty development modules in which faculty deliver short, intensive courses for faculty colleagues during winter intersession and summer break
Maine Campus CompactF/S Bates College 220 College St Lewiston, ME 04240	01-0211781		92,500				Support to develop an online course and learning community for college faculty from 6-9 Maine higher education institutions Participating faculty will create syllabi for online service-learning courses
Marine Biological Laboratory7 MBL Street Woods Hole, MA 02543	04-2104690	501(c)(3)	263,994				Support for the SES program to provide individual students from large research universities and small liberal arts colleges a semester of study and hands-on work with research scientists at the Marine Biological Laboratory and its field sites on Cape Cod
Massachusetts Department of Higher Education One Ashburton Place Room 1401 Boston, MA 021081696	04-6002284		268,000				To advance student learning assessment at public postsecondary higher education colleges and universities
New England Conservatory290 Huntington Avenue Boston, MA 02115	23-7225104	501(c)(3)	250,000				Support for a program of coursework, mentoring, internships, and special projects to teach students program and organizational managements skills
Saint Joseph's College278 Whites Bridge Road Standish, ME 040845263	01-0212542	501(c)(3)	45,000				To develop institutional and program assessment plans, including the introduction of e-portfolios
Saint Michael's CollegeSMC Box 1 One Winooski Park Colchester, VT 05439	03-0179403	501(c)(3)	214,500				To establish a leadership model of faculty fellows and an assessment coordinator to work with faculty as they develop assessment strategies and instruments for new general education courses
Smith College7 Elm Street Northampton, MA 01063	04-1843040	501(c)(3)	153,000				To support faculty in using the core principles of knowledge building pedagogy to redesign curriculum and pedagogical practices
Unity College90 Quaker Hill Road Unity, ME 04901	01-0275130	501(c)(3)	134,000				To develop, pilot and assess new and revised courses in support of the College's new academic master plan
Wabash CollegePO Box 628 Crawfordsville, IN 47933	35-0868202	501(c)(3)	75,000				To support a cohort of New England colleges in completing the national assessment study to examine the conditions and practices that promote liberal education outcomes
Wheelock College 200 Riverway Boston, MA 022154716	04-2103639	501(c)(3)	115,000				To complete implementation of interdisciplinary capstone courses and develop long-term assessment of learning in General Education
Worcester State University486 Chandler Street Worcester, MA 016022597	04-2760551		240,000				To support faculty as they develop courses and student experiences that yield integrative learning

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Yale UniversityPO Box 208229 New Haven, CT 065208229	06-0646973	501(c)(3)	300,000				Support to design a new introductory biology course sequence emphasizing active learning and to provide pedagogical support to faculty and postdoctoral fellows

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Davis Educational Foundation

Employer identification number
04-2864042

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	The Executive Director and the chairman of the board review Form 990 prior to the document's filing, and the Executive Director signs the return
	Form 990, Part VI, Section B, line 12c	The trustees disclose potential conflicts of interest annually The disclosures are identified on a conflict of interest disclosure form At the time the form is completed, the trustees discuss the disclosures to ensure no conflicts of interest exist
	Form 990, Part VI, Section B, line 15	Employee performance and salary reviews are conducted annually on the anniversary of employment and consist of a performance review, a determination of whether the employee's salary is consistent within the industry, and a determination as to whether the yearly increases reflect merit, inflation, and/or changes of responsibilities The employee will provide a narrative of accomplishments over the past year and a description of goals for the upcoming year
	Form 990, Part VI, Section C, line 19	The Organization makes its governing documents, conflict of interest policy, and financial statements available to the public upon request
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -3,297,444
Oversight of Audit	Form 990, Part XI, Line 2c	The audit process has not changed from the prior year
Trustee Fees	Form 990, Page 7, Part VII	Five of six trustees of the Davis Educational Foundation receive trustee fees annually, prorated for the amount of time each trustee has been on the board Peter Davis is a family member and does not receive any compensation from the Foundation in any form The Davis Educational Foundation supports payment of trustee fees because of the significant work necessary when evaluating applicants The trustees conduct site visits for colleges/universities seeking funding, and therefore, they travel throughout New England Site visits are conducted by trustees in order to properly evaluate the grantee applications The Organization contends that these payments do not impair the independence of its trustees
	Schedule A, Part I, Line 11	Per the declaration of trust, a majority of the trustees shall be appointed by the representative supported organization The trustees determine the recipients of the Davis Educational Foundation grants each year

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Davis Educational Foundation

Employer identification number
04-2864042

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	No
(1) Wellesley College 106 Central Street Wellesley, MA 024818203 04-2103637	Educational Institution	MA	501(c)(3)	Line 2	N/A		No
(2) Dartmouth College 37 Dewey Field Road Hanover, NH 037551417 02-0222111	Educational Institution	NH	501(c)(3)	Line 2	N/A		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p		No
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Berry

DAVIS EDUCATIONAL FOUNDATION

FINANCIAL STATEMENTS

December 31, 2011 and 2010

With Independent Auditors' Report

BerryDunn

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Davis Educational Foundation

We have audited the accompanying balance sheets of Davis Educational Foundation as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Davis Educational Foundation as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
August 6, 2012

DAVIS EDUCATIONAL FOUNDATION

Balance Sheets

December 31, 2011 and 2010

ASSETS

	2011	2010
Investments	**$ 88,991,767**	$ 95,361,802
Total assets	**$ 88,991,767**	$ 95,361,802

LIABILITIES AND NET ASSETS

	2011	2010
Liabilities		
Accrued expenses	**$ 14,790**	$ 32,342
Grants payable	**2,488,050**	3,007,376
Due to related parties	**32,239**	-
Total liabilities	**2,535,079**	3,039,718
Net assets		
Unrestricted net assets	**86,456,688**	92,322,084
Total liabilities and net assets	**$ 88,991,767**	$ 95,361,802

The accompanying notes are an integral part of these financial statements

DAVIS EDUCATIONAL FOUNDATION

Statements of Activities

Years Ended December 31, 2011 and 2010

	2011	2010
Changes in unrestricted net assets		
Revenues and gains (losses)		
Income on investments		
Interest and dividends	**$ 1,056,364**	$ 1,043,908
Investment management and custodial fees	**(239,909)**	(214,307)
Net realized gains (losses) on sale of investments	**751,153**	(4,621,604)
Net unrealized (losses) gains on investments	**(3,297,444)**	13,552,600
Total revenues and (losses) gains	**(1,729,836)**	9,760,597
Expenses		
Program services		
Grants, net of returns	**3,751,745**	3,761,408
Trustee fees	**135,000**	85,000
Travel	**19,143**	9,334
Total program services expenses	**3,905,888**	3,855,742
Management and general		
Payroll	**139,662**	125,330
Payroll taxes and benefits	**33,733**	31,158
Professional fees	**12,497**	18,353
Office expenses	**7,745**	3,683
Computer maintenance and support	**4,774**	1,650
Rent and utilities	**16,018**	10,885
Telephone	**3,710**	1,949
Dues	**2,774**	4,479
Conferences	**4,924**	9,211
Miscellaneous	**3,835**	2,248
Total management and general expenses	**229,672**	208,946
Total expenses	**4,135,560**	4,064,688
Change in unrestricted net assets	**(5,865,396)**	5,695,909
Net assets, beginning of year	**92,322,084**	86,626,175
Net assets, end of year	**$ 86,456,688**	$ 92,322,084

The accompanying notes are an integral part of these financial statements

DAVIS EDUCATIONAL FOUNDATION

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	**$ (5,865,396)**	$ 5,695,909
Adjustments to reconcile change in net assets to		
net cash used by operating activities		
Net realized (gains) losses on investments	**(751,153)**	4,621,604
Net unrealized losses (gains) on investments	**3,297,444**	(13,552,600)
Decrease in		
Interest receivable	**-**	2,700
Increase (decrease) in		
Accrued expenses	**(17,552)**	(12,693)
Grants payable	**(519,326)**	(180,900)
Due to related parties	**32,239**	-
Net cash used by operating activities	**(3,823,744)**	(3,425,980)
Cash flows from investing activities		
Proceeds from sale or maturity of investments	**3,978,331**	54,112,094
Purchase of investments	**(154,587)**	(50,686,114)
Net cash provided by investing activities	**3,823,744**	3,425,980
Net change in cash	**-**	-
Cash, beginning of year	**-**	-
Cash, end of year	**$ -**	$ -

The accompanying notes are an integral part of these financial statements

Nature of the Foundation

Davis Educational Foundation (the Foundation) was established to make grants at the discretion of the trustees, principally to accredited baccalaureate degree-granting colleges and universities located in New England

1. Summary of Significant Accounting Policies

Use of Estimates

Management uses estimates and assumptions in preparing financial statements Those estimates and assumptions affect the reported assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses Actual results could differ from those estimates

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash represents amounts in demand accounts used to fund operations There were no such accounts at December 31, 2011 and 2010

Cash equivalents residing within the Foundation's managed investment portfolio are reported as investments and primarily consist of money market funds

Investments

Investments in equity securities and mutual funds with readily determinable fair values are measured at fair value in the balance sheet based on quoted market prices Other investments, for which no such quotations or valuations are readily available, are carried at fair value estimated by management using values provided by the investment managers The Foundation reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at December 31, 2011, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed

Investments in general are exposed to various risks, such as interest rates, credit, and overall market volatility As such, it is reasonably possible that changes could materially affect the amounts reported in the balance sheets and statements of activities

Contributions

Contributions are recorded and reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions The Foundation received no unrestricted or restricted contributions in 2011 or 2010

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U S generally accepted accounting principles, the Foundation has considered transactions or events occurring through August 6, 2012, which was the date that the financial statements were available to be issued

2. Investments

A summary of investments at fair value at December 31 follows

	2011	2010
Cash/money market funds	$ 1,174,742	$ 11,760,009
Mutual funds	73,376,117	69,936,353
Limited partnership interests	14,440,908	13,665,440
	$ 88,991,767	$ 95,361,802

The investments by income classification and investment manager follow

	2011	2010
Cash equivalents (short-term investments) reserved for grant and other commitments and reinvestment		
Merrill Lynch	$ 425,415	$ 192,963
SSgA Money Market	749,327	11,567,046
	1,174,742	11,760,009
Equity		
Pooled		
Artisan Partners International Fund	3,584,364	4,667,645
Managers AMG Fund	1,456,865	3,117,400
Vanguard Index Trust 500	2,852,950	3,310,055
Vanguard Inflation - Protected Securities	2,051,436	2,519,255
Barlow Partners Offshore Limited	9,639,392	9,820,399
Wellington CTF Emerging Markets	1,850,374	2,250,000
Wellington CTF Small Cap Value Fund	5,120,617	5,053,990
Wellington CTF Strategic Real Asset Fund	6,284,916	6,649,673
Sanderson International Value Fund	3,533,280	3,988,972
ING Global Real Estate	2,122,994	2,212,954
Eaton Vance Structured Emerging Market Fund	1,865,895	2,307,956
Marathon-London International Investment Trust Fund	9,017,544	-
	49,380,627	45,898,299
Fixed Income		
Pooled		
Colchester Global Bond Fund	6,069,013	5,648,555
TIFF Absolute Return Fund II	10,777,341	11,253,517
PIMCO Total Return Fund	7,149,136	7,135,982
	23,995,490	24,038,054
Limited partnership interests		
Unpooled		
Adage Capital Partners	14,440,908	13,665,440
	$ 88,991,767	$ 95,361,802

3. Fair Value of Financial Instruments and Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date Fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value Three levels of inputs may be used to measure fair value

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability

Assets measured at fair value on a recurring basis are summarized below according to level of input

	Fair Value Measurements at December 31, 2011			
	Total	Level 1	Level 2	Level 3
Investments				
Cash equivalents	$ 1,174,742	$ 1,174,742	$ -	$ -
Mutual funds				
Fixed income funds	9,200,572	9,200,572	-	-
Index funds	2,852,950	2,852,950	-	-
Growth funds	3,579,859	3,579,859	-	-
Small cap funds	3,584,364	3,584,364	-	-
International funds	1,865,895	1,865,895	-	-
Total mutual funds	21,083,640	21,083,640	-	-
International trust fund	9,017,544	-	9,017,544	-
LLC and LP interests				
Absolute return fund	10,777,341	-	-	10,777,341
International funds	13,172,672	-	3,533,280	9,639,392
Long-term returns funds	33,765,828	-	33,765,828	-
Total LLC and LP interests	57,715,841	-	37,299,108	20,416,733
Total investments	$ 88,991,767	$ 22,258,382	$ 46,316,652	$ 20,416,733

	Fair Value Measurements at December 31, 2010			
	Total	Level 1	Level 2	Level 3
Investments				
Cash equivalents	$ 11,760,009	$ 11,760,009	$ -	$ -
Mutual funds				
Fixed income	9,655,238	9,655,238	-	-
Index funds	5,523,009	5,523,009		
Growth funds	3,117,400	3,117,400	-	-
Small cap funds	4,667,645	4,667,645	-	-
International funds	2,307,956	2,307,956	-	-
Total mutual funds	25,271,248	25,271,248	-	-
LLC and LP interests				
Absolute return fund	11,253,517	-	-	11,253,517
International funds	13,809,371	-	3,988,972	9,820,399
Long-term returns funds	33,267,657	-	33,267,657	-
Total LLC and LP interests	58,330,545	-	37,256,629	21,073,916
Total investments	$ 95,361,802	$ 37,031,257	$ 37,256,629	$ 21,073,916

Level 2 investments are valued based on quoted prices for similar assets Level 3 investments are valued based on the net asset values as reported in the financial statements of the related interest

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following funds at December 31, 2011 and 2010 TIFF Absolute Return Fund II and Barlow Partners Offshore Limited Activity in Level 3 investments follows

	Absolute Return	Long-term Returns
Level 3 investments at January 1, 2010	$ 10,204,949	$ 9,241,141
Unrealized gains (included in net unrealized (losses) gains on investments in the statements of activities)	1,048,568	579,258
Level 3 investments at December 31, 2010	11,253,517	9,820,399
Unrealized losses (included in net unrealized (losses) gains on investments in the statements of activities)	**(476,176)**	**(181,007)**
Level 3 investments at December 31, 2011	**$ 10,777,341**	**$ 9,639,392**
Unrealized appreciation from Level 3 investments still held as of December 31, 2011	**$ 3,377,341**	**$ 3,139,392**

4. Investment Management and Custodial Fees

Investment management and custodial fees in non-mutual fund accounts consist of the following for the year ended December 31

	2011	2010
Advisory fees - Prime, Buchholz & Associates, Inc	$ 70,000	$ 70,000
Custodial fees - State Street	4,775	4,403
Management fees		
Century Capital Management (net refund)	-	(2,120)
Wellington Management Company	96,571	90,434
Colchester Global Partners	29,654	29,144
Sanderson Asset Management, Inc	38,909	11,190
Earnest Partners LLC	-	11,256
	$ 239,909	$ 214,307

5. Related Party Payables

Davis Family Foundation and Davis Conservation Foundation are related parties due to common management

Davis Family Foundation allocates a portion of shared administrative and office expenses to related foundations During 2011 and 2010, $32,239 and $23,384, respectively, was allocated to the Foundation and included in various management and general expenses At December 31, 2011, the allocated balance of $32,239 was payable to Davis Family Foundation

The Foundation is common paymaster and allocates a portion of shared administrative compensation expenses to the Davis Conservation Foundation and the Davis Family Foundation During 2011 and 2010, a total of $135,468 and $124,355 was allocated to these related foundations, respectively

6. Grants and Grants Payable

Grants are recorded when awarded Grants made and payable by the Foundation consist of

	2011		
	Grant Amount (Adjustment)	Amount Paid (Refunded)	Grants Payable
Grants made during the year ended December 31, 2011			
Bard College at Simon's Rock	$ 150,000	$ 119,315	$ 30,685
Bay Path College	200,000	95,000	105,000
Bennington College	125,000	125,000	-
Boston College	253,967	125,550	128,417
Boston University	150,000	-	150,000
Brandeis University	280,188	92,113	188,075
College of Our Lady of the Elms	200,000	100,000	100,000
Dean College	100,000	100,000	-
Franklin W Olin College of Engineering	150,160	46,280	103,880
Maine Campus Compact	92,500	47,426	45,074
Marine Biological Laboratory	263,994	146,983	117,011
Massachusetts Department of Higher Education	268,000	268,000	-
New England Association of Schools and Colleges, unspent funds on grant mading in 2003 in the original amount of $99,000	(8,564)	(8,564)	-
New England Conservatory	250,000	72,600	177,400
Saint Joseph's College	45,000	45,000	-
Saint Michael's College	214,500	72,000	142,500
Smith College	153,000	51,000	102,000
Unity College	134,000	69,900	64,100
Wabash College	75,000	75,000	-
Wheelock College	115,000	50,500	64,500
Worcester State University	240,000	67,229	172,771
Yale University	300,000	150,000	150,000
	$ 3,751,745	$1,910,332	$1,841,413

	2011		
	Remaining Grant Amount	Amount Paid (Refunded)	Grants Payable
Status of grants made in prior years - remaining grant amounts			
Albertus Magnus College	$ 68,000	$ 48,000	$ 20,000
Amherst College	56,589	56,589	-
Boston Consortium	80,000	80,000	-
Bowdoin College	19,500	19,500	-
Bridgewater State University	110,000	110,000	-
Clark University	179,056	91,884	87,172
Colby College	95,700	63,800	31,900
Colby-Sawyer College	28,000	28,000	-
Connecticut Distance Learning Consortium	78,900	78,900	-
Curry College	109,147	81,159	27,988
Dartmouth College	85,000	85,000	-
Emmanuel College	100,322	100,322	-
Fairfield University	66,666	66,666	-
Five Colleges, Inc	76,250	76,250	-
Framingham State College	140,586	82,270	58,316
Granite State College	59,156	59,156	-
Lasell College	24,400	24,400	-
Lyndon State College	60,950	60,950	-
Massachusetts College of Liberal Arts	56,550	56,550	-
Mitchell College	85,000	-	85,000
Northeastern University	73,850	73,850	-
Providence College	92,500	92,500	-
Rhode Island College	66,613	66,613	-
Southern Connecticut State University	181,755	90,453	91,302
Southern New Hampshire University	92,700	51,350	41,350
Southern Vermont College	90,000	90,000	-
Sterling College	28,660	28,660	-
University of Connecticut	133,000	64,000	69,000
University of Massachusetts at Amherst	200,677	141,068	59,609
University of Massachusetts at Boston	100,000	100,000	-
University of Massachusetts Dartmouth	70,956	70,956	-
University of New Hampshire	63,183	63,183	-
University of Rhode Island	165,000	90,000	75,000
Vermont State Colleges	68,710	68,710	-
	$ 3,007,376	$2,360,739	646,637
Total grants payable at December 31, 2011			$2,488,050

	2010		
	Grant Amount	Amount Paid	Grants Payable
Grants made during the year ended December 31, 2010			
Albertus Magnus College	$ 72,000	$ 4,000	$ 68,000
Amherst College	120,678	64,089	56,589
Anna Maria College	50,830	50,830	-
Bridgewater State University	200,000	90,000	110,000
Clark University	260,338	81,282	179,056
Colby College	187,500	91,800	95,700
Connecticut Distance Learning Consortium	157,800	78,900	78,900
Curry College	190,331	81,184	109,147
Emmanuel College	206,347	106,025	100,322
Five Colleges, Inc	292,500	216,250	76,250
Framingham State College	249,146	108,560	140,586
Granite State College	117,630	58,474	59,156
Northeastern University	216,000	142,150	73,850
Southern Connecticut State University	270,300	88,545	181,755
Southern New Hampshire University	152,050	59,350	92,700
Sterling College	97,631	68,971	28,660
University of Massachusetts Amherst	273,716	73,039	200,677
University of Connecticut	203,000	70,000	133,000
University of Rhode Island	296,811	131,811	165,000
Vermont State Colleges	146,800	78,090	68,710
	$ 3,761,408	$1,743,350	$2,018,058

	2010		
	Remaining Grant Amount	Amount Paid	Grants Payable
Status of grants made in prior years - remaining grant amounts			
Boston Consortium	$ 150,000	$ 70,000	$ 80,000
Boston University	70,000	70,000	-
Bowdoin College	69,600	50,100	19,500
Brown University	39,430	39,430	-
Colby-Sawyer College	80,500	52,500	28,000
College of the Atlantic	75,525	75,525	-
Colleges of the Fenway	71,419	71,419	-
Dartmouth College	160,000	75,000	85,000
Endicott College	29,000	29,000	-
Fairfield University	133,333	66,667	66,666
Franklin W Olin College of Engineering	36,000	36,000	-
Green Mountain College	82,826	82,826	-
Lasell College	53,800	29,400	24,400
Lyndon State College	139,325	78,375	60,950
Massachusetts College of Liberal Arts	143,300	86,750	56,550
Mitchell College	85,000	-	85,000
Mount Ida College	83,975	83,975	-
Norwich University	57,780	57,780	-
Providence College	185,000	92,500	92,500
Quinnipiac University	91,000	91,000	-
Rhode Island College	128,692	62,079	66,613
Saint Anselm College	97,000	97,000	-
Salem State College	92,750	92,750	-
Southern Vermont College	145,000	55,000	90,000
Stonehill University	71,343	71,343	-
Tufts University	55,033	55,033	-
University of Massachusetts Dartmouth	141,599	70,643	70,956
University of Massachusetts at Boston	200,000	100,000	100,000
University of New England	50,000	50,000	-
University of New Hampshire	122,307	59,124	63,183
University of Southern Maine	144,890	144,890	-
Worcester Polytechnic Institute	102,849	102,849	-
	$ 3,188,276	$ 2,198,958	989,318
Total grants payable at December 31, 2010			$ 3,007,376

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Additional Data

Software ID:	
Software Version:	
EIN:	04-2864042
Name:	Davis Educational Foundation

Form 990, Special Condition Description:

Special Condition Description