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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2011**Department of the Treasury
Internal Revenue Service

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

For calendar year 2011, or tax year beginning , 2011, and ending ,Marjorie Sutton Memorial Foundation
P.O. Box 3982
Martinsville, VA 24115-3982**A** Employer identification number
54-1526922**B** Telephone number (see the instructions)
276-632-6533**C** If exemption application is pending, check here ☐**D 1** Foreign organizations, check here ☐**2** Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**G** Check all that apply ☐ Initial return ☐ Initial Return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change**H** Check type of organization. ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation**I** Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 1,742,350.
J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)**Part I Analysis of Revenue and****Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)**(a)** Revenue and expenses per books**(b)** Net investment income**(c)** Adjusted net income**(d)** Disbursements for charitable purposes (cash basis only)**1** Contributions, gifts, grants, etc. received (att sch)**2** Ck ☒ if the foundn is not req to att Sch B**3** Interest on savings and temporary cash investments**4** Dividends and interest from securities**5a** Gross rents**b** Net rental income or (loss)**6a** Net gain/(loss) from sale of assets not on line 10**b** Gross sales price for all assets on line 6a**7** Capital gain net income (from Part IV, line 2)**8** Net short-term capital gain**9** Income modifications**10a** Gross sales less returns and allowances**b** Less: Cost of goods sold**c** Gross profit/(loss) net sale**11** Other income (attach schedule)**12** **Total.** Add lines 1 through 11**13** Compensation of officers, directors, trustees, etc.**14** Other employee salaries and wages**15** Pension plans; employee benefits**16a** Legal fees (attach schedule)**b** Accounting fees (attach sch) See St 2**c** Other prof fees (attach sch)**17** Interest**18** Taxes (attach schedule)(see instrs) See Stm 3**19** Depreciation (attach sch) and depletion**20** Occupancy**21** Travel, conferences, and meetings**22** Printing and publications**23** Other expenses (attach schedule)**24** **Total operating and administrative expenses.** Add lines 13 through 23**25** Contributions, gifts, grants paid Part XV**26** **Total expenses and disbursements.** Add lines 24 and 25**27** Subtract line 26 from line 12:**a** Excess of revenue over expenses and disbursements**b** Net investment income (if negative, enter -0-)**c** Adjusted net income (if negative, enter -0-)

SCANNED JUN 04 2012

REVENUE

ADMINISTRATIVE
AND
EXPENSES

20

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	448,266.	241,803.	241,803.
	3	Accounts receivable 67,468.			
		Less: allowance for doubtful accounts	63,384.	67,468.	67,468.
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) 1,193,913.	Statement 5		
		Less: allowance for doubtful accounts	976,763.	1,193,913.	1,193,913.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule) Statement 6	244,669.	244,669.	239,166.
	b	Investments – corporate stock (attach schedule)			
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis			
LIABILITIES		Less: accumulated depreciation (attach schedule)			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment, basis			
		Less: accumulated depreciation (attach schedule)			
	15	Other assets (describe)			
	16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I.)	1,733,082.	1,747,853.	1,742,350.
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe See Statement 7)		1.	
	23	Total liabilities (add lines 17 through 22)	0.	1.	
NET ASSETS OR FUND BALANCES		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. X			
	27	Capital stock, trust principal, or current funds	1,585,420.	1,585,420.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	147,662.	162,432.	
	30	Total net assets or fund balances (see instructions)	1,733,082.	1,747,852.	
	31	Total liabilities and net assets/fund balances (see instructions)	1,733,082.	1,747,853.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,733,082.
2	Enter amount from Part I, line 27a	2	14,770.
3	Other increases not included in line 2 (itemize))	3	
4	Add lines 1, 2, and 3	4	1,747,852.
5	Decreases not included in line 2 (itemize))	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,747,852.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a N/A				
b				
c				
d				
e				

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)

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

2

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

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

3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☐ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010			
2009			
2008			
2007			
2006			

2 Total of line 1, column (d)

2

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

3

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

4

5 Multiply line 4 by line 3

5

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

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3 Add lines 1 and 2	3	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	0.
6 Credits/Payments		
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	
b Exempt foreign organizations – tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments Add lines 6a through 6d	7	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> N/A		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Stephanie S. Couch</u> Telephone no. <u>276-632-1188</u> Located at <u>815 Mulberry Road Martinsville VA</u> ZIP + 4 <u>24112</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year <u>N/A</u>	<u>15</u>		N/A
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country				

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Stephanie S. Couch 1712 Mulberry Road Martinsville, VA 24112	Pres. & Trea 0	0.	0.	0.
Jean S. Odachowski 1107 Cherokee Trail Martinsville, VA 24112	VP/Sec 0	0.	0.	0.

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 The only charitable activity during the tax year was making gifts to charitable organizations.	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	
b Average of monthly cash balances	1b	
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	0.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	0.
6 Minimum investment return. Enter 5% of line 5	6	0.

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

1 Minimum investment return from Part X, line 6		1	
2a Tax on investment income for 2011 from Part VI, line 5	2a		
b Income tax for 2011 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	0.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	58,100.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	58,100.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	58,100.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years. 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2011.				
a From 2006	8,271.			
b From 2007	7,223.			
c From 2008	9,686.			
d From 2009	5,681.			
e From 2010	4,410.			
f Total of lines 3a through e	35,271.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 58,100.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2011 distributable amount				0.
e Remaining amount distributed out of corpus	58,100.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	93,371.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	8,271.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	85,100.			
10 Analysis of line 9				
a Excess from 2007	7,223.			
b Excess from 2008	9,686.			
c Excess from 2009	5,681.			
d Excess from 2010	4,410.			
e Excess from 2011	58,100.			

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 9				
Total			3a	22,625.
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					30.
4	Dividends and interest from securities					9,980.
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					62,860.
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)					72,870.
13	Total. Add line 12, columns (b), (d), and (e)					72,870.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

2011

Federal Statements

Page 1

Marjorie Sutton Memorial Foundation

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Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	\$ 62,860.		
Total	\$ 62,860.	\$ 0.	\$ 0.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Professional fees	\$ 2,950.			\$ 2,950.
Total	\$ 2,950.	\$ 0.	\$ 0.	\$ 2,950.

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Registration Fee	\$ 25.			\$ 25.
Total	\$ 25.	\$ 0.	\$ 0.	\$ 25.

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Management Fees	\$ 32,000.			\$ 32,000.
Office Supplies	500.			500.
Total	\$ 32,500.	\$ 0.	\$ 0.	\$ 32,500.

Statement 5
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Fair Market	Doubtful Accounts
-------------	----------------------

Statement 5 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

<u>Notes and Loans Reported Separately</u>	<u>Book Value</u>	<u>Value</u>	<u>Allowance</u>
Borrower's Name: Scott T. Prillaman			
Borrower's Title:			
Date of Note: 12/01/1992			
Maturity Date: 11/01/2022			
Repayment Terms:			
Interest Rate: 7.00%			
Security Provided:			
Purpose of Loan:			
Borrower Relationship:			
Consideration:			
Consideration FMV:			
Original Amount: \$ 130,363.			
Balance Due:	\$ 121,446.	\$ 121,446.	
Doubtful Acct. Allow.:			\$ 0.
 Borrower's Name: First Virginia Properties			
Borrower's Title:			
Date of Note: 8/07/1993			
Maturity Date: 10/07/2021			
Repayment Terms:			
Interest Rate: 7.00%			
Security Provided:			
Purpose of Loan:			
Borrower Relationship:			
Consideration:			
Consideration FMV:			
Original Amount: \$ 60,356.			
Balance Due:	55,372.	55,372.	
Doubtful Acct. Allow.:			0.
 Borrower's Name: Ridgecrest Properties			
Borrower's Title:			
Date of Note: 10/07/1996			
Maturity Date: 9/07/2021			
Repayment Terms:			
Interest Rate: 6.50%			
Security Provided:			
Purpose of Loan:			
Borrower Relationship:			
Consideration:			
Consideration FMV:			
Original Amount: \$ 130,135.			
Balance Due:	121,049.	121,049.	
Doubtful Acct. Allow.:			0.
 Borrower's Name: Atul Chumble			
Borrower's Title:			
Date of Note: 1/01/2003			
Maturity Date: 1/01/2018			
Repayment Terms:			
Interest Rate: 7.00%			
Security Provided:			
Purpose of Loan:			
Borrower Relationship:			
Consideration:			
Consideration FMV:			
Original Amount: \$ 30,250.			

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Statement 5 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Balance Due:	\$	25,976.	\$	25,976.	
Doubtful Acct. Allow.:			\$		0.

Borrower's Name:	Edward Drady-712 Pace St-1st				
Borrower's Title:					
Date of Note:	6/01/2004				
Maturity Date:	4/01/2019				
Repayment Terms:					
Interest Rate:	7.00%				
Security Provided:					
Purpose of Loan:					
Borrower Relationship:					
Consideration:					
Consideration FMV:					
Original Amount:	\$	16,303.			
Balance Due:			16,303.	16,303.	
Doubtful Acct. Allow.:					0.

Borrower's Name:	Nelson Mack Evans, Jr.				
Borrower's Title:					
Date of Note:	9/01/2004				
Maturity Date:	9/06/1933				
Repayment Terms:					
Interest Rate:	7.00%				
Security Provided:					
Purpose of Loan:					
Borrower Relationship:					
Consideration:					
Consideration FMV:					
Original Amount:	\$	270,897.			
Balance Due:			266,447.	266,447.	
Doubtful Acct. Allow.:					0.

Borrower's Name:	Stan Martin & Travis Weaver				
Borrower's Title:					
Date of Note:	12/01/2005				
Maturity Date:	12/01/2012				
Repayment Terms:					
Interest Rate:	10.00%				
Security Provided:					
Purpose of Loan:					
Borrower Relationship:					
Consideration:					
Consideration FMV:					
Original Amount:	\$	4,742.			
Balance Due:			2,189.	2,189.	
Doubtful Acct. Allow.:					0.

Borrower's Name:	Edward Drady-712 2nd Deed				
Borrower's Title:					
Date of Note:	12/01/2005				
Maturity Date:	12/01/1936				
Repayment Terms:					
Interest Rate:	9.00%				
Security Provided:					
Purpose of Loan:					
Borrower Relationship:					
Consideration:					

Statement 5 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Consideration FMV:				
Original Amount:	\$ 25,853.			
Balance Due:		\$ 25,853.	\$ 25,853.	
Doubtful Acct. Allow.:			\$	0.

Borrower's Name: Edward Drady-MH #1				
Borrower's Title:				
Date of Note:	8/01/2007			
Maturity Date:	5/01/2012			
Repayment Terms:				
Interest Rate:	12.00%			
Security Provided:				
Purpose of Loan:				
Borrower Relationship:				
Consideration:				
Consideration FMV:				
Original Amount:	\$ 2,877.			
Balance Due:		1,319.	1,319.	
Doubtful Acct. Allow.:				0.

Borrower's Name: Edward Drady-MH #4				
Borrower's Title:				
Date of Note:	9/01/2007			
Maturity Date:	6/01/2017			
Repayment Terms:				
Interest Rate:	12.00%			
Security Provided:				
Purpose of Loan:				
Borrower Relationship:				
Consideration:				
Consideration FMV:				
Original Amount:	\$ 10,879.			
Balance Due:		9,889.	9,889.	
Doubtful Acct. Allow.:				0.

Borrower's Name: Edward Drady-Personal Note				
Borrower's Title:				
Date of Note:	2/13/2007			
Maturity Date:	3/01/2010			
Repayment Terms:				
Interest Rate:	12.00%			
Security Provided:				
Purpose of Loan:				
Borrower Relationship:				
Consideration:				
Consideration FMV:				
Original Amount:	\$ 12,840.			
Balance Due:		12,840.	12,840.	
Doubtful Acct. Allow.:				0.

Borrower's Name: Scott Deal	
Borrower's Title:	
Date of Note:	5/01/2008
Maturity Date:	5/01/2013
Repayment Terms:	
Interest Rate:	12.00%
Security Provided:	
Purpose of Loan:	

Statement 5 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 18,176.
 Balance Due: \$ 10,350. \$ 10,350.
 Doubtful Acct. Allow.: \$ 0.

Borrower's Name: Edward Drady-619 Forest Street
 Borrower's Title:
 Date of Note: 11/10/2008
 Maturity Date: 11/01/2013
 Repayment Terms:
 Interest Rate: 12.00%
 Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 10,140.
 Balance Due: 0. 0.
 Doubtful Acct. Allow.: 0.

Borrower's Name: Edward Drady-MH #5
 Borrower's Title:
 Date of Note: 8/15/2008
 Maturity Date: 2/01/2020
 Repayment Terms:
 Interest Rate: 12.00%
 Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 7,487.
 Balance Due: 7,111. 7,111.
 Doubtful Acct. Allow.: 0.

Borrower's Name: Sutton Properties Inc
 Borrower's Title:
 Date of Note: 11/16/2010
 Maturity Date: 11/01/1940
 Repayment Terms:
 Interest Rate: 3.50%
 Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 239,000.
 Balance Due: 234,024. 234,024.
 Doubtful Acct. Allow.: 0.

Borrower's Name: Terry L. Gross
 Borrower's Title:
 Date of Note: 12/30/2010
 Maturity Date: 1/01/2017
 Repayment Terms:
 Interest Rate: 5.00%

Statement 5 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 15,000.
 Balance Due: \$ 12,984. \$ 12,984.
 Doubtful Acct. Allow.: \$ 0.

Borrower's Name: Terry L. Gross
 Borrower's Title:
 Date of Note: 9/22/2011
 Maturity Date: 10/01/1931
 Repayment Terms:
 Interest Rate: 4.50%
 Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 240,000.
 Balance Due: 238,761. 238,761.
 Doubtful Acct. Allow.: 0.

Borrower's Name: Wayne Odachowski
 Borrower's Title:
 Date of Note: 12/28/2011
 Maturity Date: 1/01/2027
 Repayment Terms:
 Interest Rate: 5.00%
 Security Provided:
 Purpose of Loan:
 Borrower Relationship:
 Consideration:
 Consideration FMV:
 Original Amount: \$ 32,000.
 Balance Due: 32,000. 32,000.
 Doubtful Acct. Allow.: 0.

Total \$ 1,193,913. \$ 1,193,913.

Allowance for Doubtful Accounts \$ 0.
 Net Other Notes/Loans Rec. - Book Value \$ 1,193,913.

Statement 6
Form 990-PF, Part II, Line 10a
Investments - U.S. and State Government Obligations

<u>U.S. Government Obligations</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Stifel Nicholas	Cost	\$ 244,669.	\$ 239,166.
		\$ 244,669.	\$ 239,166.
	Total	<u>\$ 244,669.</u>	<u>\$ 239,166.</u>

Statement 7
Form 990-PF, Part II, Line 22
Other Liabilities

Rounding	1.
Total	<u>\$ 1.</u>

Statement 8
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
 Name: N/A
 Care Of:
 Street Address:
 City, State, Zip Code:
 Telephone:
 Form and Content: N/A
 Submission Deadlines: None
 Restrictions on Awards: None

Statement 9
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
The Salvation Army P.O. Box 5024 Martinsville, VA 24115	None	None	Charitable	\$ 300.
Martinsville Fire Dept. 65 W. Church St. Martinsville, VA 24112	None	None	Charitable	300.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Ridgeway Fire Department P.O. Box 4 Ridgeway, VA 24148	None	None	Charitable	\$ 250.
Ridgeway Rescue Squad P.O. Box 611 Ridgeway, VA 24148	None	None	Charitable	250.
Collinsville Fire Department P.O. Box 157 Collinsville,, VA 24078	None	None	Charitable	250.
Axton Fire Department 1522 Centerville Road Axton, VA 24054	None	None	Charitable	250.
Axton Life Saving Crew P.O. Box 458 Axton, VA 24054	None	None	Charitable	250.
FC Rescue Squad P.O. Box 760 Collinsville, VA 24078	None	None	Charitable	250.
Horsepasture Fire Department 17815 A.L. Philpott Hwy Ridgeway, VA 24148	None	None	Charitable	250.
Horsepasture Rescue Squad P.O. Box 34 Spencer, VA 24165	None	None	Charitable	250.
American Red Cross 1081 Spruce Street Martinsville, VA 24112	None	None	Charitable	500.
American Liver Foundation P.O. Box 5218 Toms River, NJ 08754	None	None	Charitable	150.
The Humane Society of the US P.O. Box 97015 Washington, DC 20077	None	None	Charitable	200.
Boys & Girls Club of Martinsville 6 East Main Street Martinsville, VA 24112	None	None	Charitable	500.

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Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Community Storehouse 205 Cleveland Avenue Martinsville, VA 24112	None	None	Charitable	\$ 200.
Exchange Club of Martinsville P.O. Box 3291 Martinsville, VA 24115	None	None	Charitable	200.
Mother's Against Drunk Driving P.O. Box 152241 Irving, TX 75015	None	None	Charitable	300.
Virginia Museum of Natural History Found 21 Starling Avenue Martinsville, VA 24112	None	None	Charitable	2,500.
Citizens Against Family Violence 13 Cleveland Avenue Martinsville, VA 24112	None	None	Charitable	500.
Paralyzed Veterans of America 7 Mill Brook Road Wilton, NH 03086	None	None	Charitable	100.
AA of Martinsville P.O. Box 4283 Martinsville, VA 24115	None	None	Charitable	500.
Adult Day Care Center of Martinsville 431 Commonwealth Blvd. Martinsville, VA 24112	None	None	Charitable	250.
American Cancer Society P.O. Box 3907 Martinsville, VA 24115	None	None	Charitable	200.
Marine Toys for Tots Foundation P.O. Box 227 Quantico, VA 22134	None	None	Charitable	100.
American Heart Association P.O. Box 7851 Phoenix, AZ 85062	None	None	Charitable	150.

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Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
American Kidney fund P.O. Box 1837 Merrifield, VA 24116	None	None	Charitable	\$ 150.
Amvets of M'ville & Henry Co-Post 35 2147 Virginia Avenue Collinsville, VA 24078	None	None	Charitable	250.
AmeriCares 88 Halilton Avenue Stamford, CT 06913	None	None	Charitable	100.
Habitat For Humanity P O Box 449 Americus, GA 31709	None	None	Charitable	200.
Arthritis Foundation P.O. Box 96280 Washington, DC 20090	None	None	Charitable	100.
Boys & Girls Town P.O. Box 6000 Boys Town, NE 68010	None	None	Charitable	250.
Chamber of Commerce M'ville-Henry Co 115 Broad St Martinsville, VA 24112	None	None	Charitable	50.
Children's Hospital Foundation P.O. Box 96490 Washington, DC 20090	None	None	Charitable	100.
Christ Episcopal Church P.O. Box 4162 Martinsville, VA 24115	None	None	Charitable	2,000.
Christmas Cheer P.O. Box 540 Martinsville, VA 24114	None	None	Charitable	250.
Duke Children's Hospital & Health Center Office of Gift Records Box 90581 Durham, NC 27708	None	None	Charitable	100.
Easter Seals P.O. Box 27888 Richmond, VA 23261	None	None	Charitable	200.

Marjorie Sutton Memorial Foundation

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Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Freedom Fellowship Ministries c/o Rev. Ken Lucas 1223 Mulberry Rd Martinsville, VA 24112	None	None	Charitable	\$ 300.
Goodwill of Martinsville 284 Commonwealth Blvd West Martinsville, VA 24112	None	None	Charitable	250.
Grace Network P.O. Box 3902 Martinsville, VA 24115	None	None	Charitable	500.
Guide Dogs For The Blind P.O. Box 3950 San Rafael, CA 94912	None	None	Charitable	200.
Henry County Food Pantry 3289 Riverside Drive Bassett, VA 24055	None	None	Charitable	200.
Kiwanis Club of Martinsville P.O. Box 5242 Martinsville, VA 24115	None	None	Charitable	400.
March of Dimes c/o Farmers Insurance 10 Gravelly St Martinsville, VA 24112	None	None	Charitable	2,000.
Martinsville Fire Department 65 W. Church Street Martinsville, VA 24112	None	None	Charitable	300.
Mouth and Foot Painting Artists 2070 Peachtree Ind. Ct., Suite 101 Atlanta, GA 30341	None	None	Charitable	200.
Muscular Dystrophy Association 4502 Starkey Road Roanoke, VA 24014	None	None	Charitable	2,000.
North Shore Animal League Mem. Services Dept. P.O. Box 9265 Central Islip, NY 11722	None	None	Charitable	125.

Marjorie Sutton Memorial Foundation

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Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Patrick Henry Comm. College Foundation 645 Patriots Avenue Martinsville, VA 24112	None	None	Charitable	\$ 1,000.
Piedmont Arts Association 215 Starling Avenue Martinsville, VA 24112	None	None	Charitable	500.
Presbyterian Home & Family Services The Family Alliance 150 Linden Ave. Lynchburg, VA 24503	None	None	Charitable	200.
Prison Fellowship - Angel Tree P.O. Box 1550 Merrifield, VA 22116	None	None	Charitable	150.
Southwestern VA Second Harvest Food Bank 1025 Electric Road Salem, VA 24153	None	None	Charitable	200.
SPCA Martinsville-Henry County 132 Joseph Martin Hwy Martinsville, VA 24112	None	None	Charitable	500.
Spencer-Penn Center 475 Spencer-Penn Rd Spencer, VA 24165	None	None	Charitable	200.
St. Jude Children's Research Hospital P.O. Box 50 Memphis, TN 38101	None	None	Charitable	250.
The Masonic Home for Children 600 College St. Oxford, NC 27565	None	None	Charitable	300.
Wounded Warriors Family Support P.O. Box 5050 Hagerstown, MD 21741	None	None	Charitable	150.

Total \$ 22,625.