Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation: MARGARET T. MORRIS FOUNDATION

A Employer identification number: 86-6057798

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 592 | Room/suite:

B Telephone number: 928-445-4010

City or town, state, and ZIP code: PRESCOTT, AZ 86302

C If exemption application is pending, check here ▶ [ ]

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

D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 18,506,439.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	219.	219.		STATEMENT 1
	4 Dividends and interest from securities	302,834.	302,834.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	643,986.			
	b Gross sales price for all assets on line 6a 664,863.				
	7 Capital gain net income (from Part IV, line 2)		643,986.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total Add lines 1 through 11	947,039.	947,039.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	47,963.	28,778.		19,185.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	7,500.	7,500.		0.
	c Other professional fees STMT 4	7,500.	7,500.		0.
	17 Interest				
	18 Taxes STMT 5	10,636.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	211.	211.		0.
	22 Printing and publications				
	23 Other expenses STMT 6	11,302.	3,802.		7,500.
	24 Total operating and administrative expenses. Add lines 13 through 23	85,112.	47,791.		26,685.
	25 Contributions, gifts, grants paid	852,575.			852,575.
	26 Total expenses and disbursements. Add lines 24 and 25	937,687.	47,791.		879,260.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	9,352.			
	b Net investment income (if negative, enter -0-)		899,248.		
	c Adjusted net income (if negative, enter -0-)			N/A	

RECEIVED
MAY 21 2012
OGDEN, UT
E1-226 IRS-OSC

SCANNED MAY 23 2012

P

19

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	19.	43.	43.
	2 Savings and temporary cash investments	14,436.	55,892.	55,892.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶	7,500.	0.	0.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 7	3,521,693.	3,497,065.	18,450,504.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	3,543,648.	3,553,000.	18,506,439.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ 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			
	27 Capital stock, trust principal, or current funds	11,574,568.	11,574,568.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	<8,030,920.>	<8,021,568.>	
	30 Total net assets or fund balances	3,543,648.	3,553,000.	
	31 Total liabilities and net assets/fund balances	3,543,648.	3,553,000.	

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	3,543,648.
2	Enter amount from Part I, line 27a	2	9,352.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,553,000.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,553,000.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	1,000 SHS EOG RESOURCES INC	P	08/04/98	11/11/11
b	1,000 SHS EOG RESOURCES INC	P	11/13/97	12/27/11
c	8,000 SHS MEDCO HEALTH SOLUTIONS INC	P	08/31/03	11/11/11
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	103,465.		7,655.	95,810.
b	99,265.		9,771.	89,494.
c	462,133.		3,451.	458,682.
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				95,810.
b				89,494.
c				458,682.
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	643,986.
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) If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	769,316.	17,860,861.	.043073
2009	971,997.	15,329,758.	.063406
2008	979,523.	19,694,346.	.049736
2007	855,957.	20,018,894.	.042757
2006	519,972.	17,318,467.	.030024

2 Total of line 1, column (d)	2	.228996
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	.045799
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	18,832,972.
5 Multiply line 4 by line 3	5	862,531.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,992.
7 Add lines 5 and 6	7	871,523.
8 Enter qualifying distributions from Part XII, line 4	8	879,260.

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)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1			
Date of ruling or determination letter ________ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b		1	8,992.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	8,992.
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	8,992.
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 10,480.		
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	10,480.
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	1,488.
11 Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶	1,488. Refunded ▶	11	0.

Part VII-A Statements Regarding Activities

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

123531
12-02-11

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

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ KIECKHEFER ASSOCIATES INC. Telephone no ▶928-445-4010
Located at ▶116 E. GURLEY ST., PRESCOTT, AZ ZIP+4 ▶86301

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

		Line	Yes	No
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.

			Line	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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
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)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ 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.)*	N/A	3b		
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

123541
12-02-11

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)? ☐ 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)? N/A **5b**

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** No: 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.

(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
THOMAS E. POLK P. O. BOX 592 PRESCOTT, AZ 86302	TRUSTEE 5.00	47,963.	0.	0.
EUGENE P. POLK P. O. BOX 592 PRESCOTT, AZ 86302	EXECUTIVE DIRECTOR 5.00	0.	0.	0.

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

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

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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.

123561
12-02-11

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	18,582,270.
b	Average of monthly cash balances		1b	147,501.
c	Fair market value of all other assets		1c	389,998.
d	Total (add lines 1a, b, and c)		1d	19,119,769.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	19,119,769.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	286,797.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	18,832,972.
6	**Minimum investment return** Enter 5% of line 5		6	941,649.

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	941,649.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 8,992.		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	8,992.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	932,657.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	932,657.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	932,657.

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	879,260.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
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	879,260.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	8,992.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	870,268.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				932,657.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			849,719.	
b Total for prior years ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 879,260.				
a Applied to 2010, but not more than line 2a			849,719.	
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				29,541.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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 instr			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				903,116.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

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

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

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

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

a The name, address, and telephone number of the person to whom applications should be addressed

SEE STATEMENT 8

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient: 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 A				852,575.
Total			▶ 3a	852,575.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	219.	
4 Dividends and interest from securities			14	302,834.	
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			14		
8 Gain or (loss) from sales of assets other than inventory			14	643,986.	
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)		0.		947,039.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 947,039.

(See worksheet in line 13 instructions to verify calculations)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)

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

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

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

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

Sign Here

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

Signature of officer or trustee: [signature] Date: MAY - 4 2012 Title: Trustee

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
AMANDA KUHLER	[signature], CPA	5/2/12		P00285046

Firm's name ▶ KUHLER & COMPANY, PLLC — Firm's EIN ▶ 06-1801992

Firm's address ▶ 14559 HIDDEN TERRACE LOOP LITCHFIELD PARK, AZ 85340 — Phone no 623-536-6545

123622
12-02-11

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME	219.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	219.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	302,834.	0.	302,834.
TOTAL TO FM 990-PF, PART I, LN 4	302,834.	0.	302,834.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	7,500.	7,500.		0.
TO FORM 990-PF, PG 1, LN 16B	7,500.	7,500.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SECRETARIAL FEES	7,500.	7,500.		0.
TO FORM 990-PF, PG 1, LN 16C	7,500.	7,500.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	10,636.	0.		0.
TO FORM 990-PF, PG 1, LN 18	10,636.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS EXPENSES	170.	170.		0.
INSURANCE	3,632.	3,632.		0.
UNRECOVERABLE LOAN TO DEFUNCT CHARITY	7,500.	0.		7,500.
TO FORM 990-PF, PG 1, LN 23	11,302.	3,802.		7,500.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BERKSHIRE HATHAWAY CL A	31,432.	1,147,550.
BERKSHIRE HATHAWAY CL B	1,568.	57,225.
CHEVRON TEXACO	771,845.	1,398,628.
DISNEY WALT CO (HOLDING CO)	3,997.	202,500.
EASTGROUP PROPERTIES INC	139,424.	413,060.
EOG RESOURCES INC	564,026.	6,107,620.
GRANITE BROADCASTING COMMON CLASS	7,543.	0.
GRANITE BROADCASTING-WARRANTS A	1,457.	0.
GRANITE BROADCASTING-WARRANTS B	1,020.	0.
INTERNATIONAL BUSINESS MACHS	309,594.	4,098,317.
IRISE SERIES C	389,998.	389,998.
JP MORGAN CHASE /BANK ONE CORP	631,403.	921,690.
MEDCO HEALTH SOLUTIONS	4,721.	611,770.
MERCK AND CO INC	141,091.	2,891,590.
USG CORP	497,946.	210,556.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,497,065.	18,450,504.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 8
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THOMAS E. POLK
P.O. BOX 592
PRESCOTT, AZ 86302

TELEPHONE NUMBER

928-445-4010

FORM AND CONTENT OF APPLICATIONS

INTERNALLY INITIATED GRANTS COMPRISE VIRTUALLY ALL OF THE CURRENT GRANT MAKING OF THE FOUNDATION.

ANY SUBMISSION DEADLINES

INFORMATIONAL LETTERS WILL BE ACCEPTED, BUT MAY NOT BE RESPONDED TO.

RESTRICTIONS AND LIMITATIONS ON AWARDS

NO LOANS OR GRANTS TO INDIVIDUALS, NOR TO RELIGIOUS ORGANIZATIONS OR THEIR AGENCIES

MARGARET T MORRIS FOUNDATION

A Statement Attached to and Made Part of
Federal Form 990PF and Arizona Form 99
For the Year Ended December 31, 2011

DISBURSEMENTS FOR PURPOSES FOR WHICH EXEMPT

CASH:

Donee	Purpose of Grant	Amount
Actors Theatre P.O. 1924 Phoenix, Arizona 85001-1924	General purposes	$2,500 00
Adult Care Services 844 Sunset Avenue Prescott, Arizona 86305	Toward renovation of care home for persons with Alzheimer's and related illnesses ($25,000), scholarship fund ($5,000)	30,000 00
Alliance for Audience 13416 N 32nd Street, Suite 106 Phoenix, Arizona 85032	General purposes	3,000 00
Arizona Citizens for the Arts 514 W Roosevelt Phoenix, Arizona 85003	Toward advocacy work to promote arts education in Arizona schools	10,000 00
Arizona Community Foundation 2201 E Camelback Road, Suite 202 Phoenix, Arizona 85016	Toward the 2012 Summer Youth Program Fund ($10,000), Arizona Women's Education and Employment/Endowment of Annual Volunteerism Award ($10,000)	20,000.00
Arizona Cowboy Poets Gathering P.O. Box 12051 Prescott, Arizona 86304	General purposes	500.00
Arizona State Railroad Museum Fndn. 204 West Railroad Avenue Williams, Arizona 86046-2556	General purposes	2,500 00
Arizona State University Foundation Gammage Tempe, Arizona 85281-9974	Bill T. Jones dance company residency	30,000 00
Arizona State University Foundation P O Box 2260 Tempe, Arizona 85280-2260	Toward scholarship endowment	25,000.00

Arizona Women's Education & Employment 805 Whipple Street, Suite C Prescott, Arizona 86301	Endowment match campaign	1,325 00
Arizona's Children Association 2833 North Third Street Phoenix, Arizona 85004	In support of In My Shoes program	8,000 00
Arizonans for Children, Inc 2435 E La Jolla Drive Tempe, Arizona 85282	Toward salary of Visitation Center Director	5,000 00
Association of Arizona Food Banks 2100 N Central Avenue, Suite 230 Phoenix, Arizona 85004-1400	General purposes	8,000 00
Benson Christian Training Center P O. Box 2190 Benson, Arizona 85602	Toward substance addiction rehabilitation and training for rehabilitation program graduates	5,000 00
Boys & Girls Clubs of Central Arizona 335 E Aubrey Street Prescott, Arizona 86303	General purposes of the Prescott Club	15,000 00
Central Arizona Land Trust P O. Box 1050 Prescott, Arizona 86302	General purposes	5,000 00
Children's Action Alliance 4001 North 3rd Street, Suite 160 Phoenix, Arizona 85012	Toward the Child Welfare Project for 2011-2012	15,000 00
Children's Museum of Phoenix 215 N 7th Street Phoenix, Arizona 85034-1012	Toward reduction of capital campaign loan	10,000 00
Coalition for Compassion and Justice P O Box 1882 Prescott, Arizona 86302	General purposes	12,500 00
Elks Opera House P.O. Box 3692 Prescott, Arizona 86302	Toward production of *Fred & Mary An Unconventional Romance*	5,000 00
Esperança 1911 West Earll Drive Phoenix, Arizona 85015	General purposes	2,500 00
Friends of a Legacy (FOAL) Box 1043 Cody, Wyoming 82414-1043	General purposes	3,500 00
Friends of Tucson's Birthplace P O Box 1228 Tucson, Arizona 85702-1228	General purposes	1,500.00

Friends of Turning Point 1718 Willow Creek Road Prescott, Arizona 86301	General purposes	5,000 00
Grand Canyon Association P O Box 399 Grand Canyon, Arizona 86023	Toward endowment of Intern Program	25,000 00
Grand Canyon Trust 2601 N Fort Valley Road Flagstaff, Arizona 86001	Toward *Four Forest Restoration Initiative* activities for 2011 and 2012	20,000 00
Harvard Aids Initiative 651 Huntington Avenue Boston, Massachusetts 02115	General purposes	10,000.00
Harvard Medical School Department of Health Care Policy 180 Longwood Avenue Boston, Massachusetts 02115	Toward research	25,000 00
March of Dimes, Arizona Chapter 3550 N Central Avenue, Suite 610 Phoenix, Arizona 85012	General purposes	250 00
Mountain Artists Guild 228 North Alarcon Prescott, Arizona 86301	General purposes	1,000 00
Mountain States Legal Foundation 2596 South Lewis Way Lakewood, Colorado 80227	General purposes	2,000 00
Museum of Northern Arizona 3101 N. Fort Valley Road Flagstaff, Arizona 86001	Toward debt elimination initiative	26,500 00
Northern Arizona University Foundation P O. Box 4094 Flagstaff, Arizona 86011-4094	Toward development of a targeted approach to the outreach and support of youth aging out of the Arizona foster care system who have expressed an interest in higher educaion	10,000 00
Northland Cares 3112 N Clearwater Drive, Suite A Prescott, Arizona 86305	General purposes	10,000 00
People Who Care P O Box 12977 Prescott, Arizona 86304	General purposes	6,000 00
Phippen Museum 4701 Highway 89 North Prescott, Arizona 86301	Toward exhibit *Arizona Pioneering Women*	5,000 00

Phoenix Art Museum 1625 North Central Avenue Phoenix, Arizona 85004	Toward exhibit *Mexican Modernism from the Andrés Blaisten Collection*	25,000 00
The Phoenix Symphony One North First Street, Suite 200 Phoenix, Arizona 85004	Toward *Mind Over Music* initiative	15,000 00
Population Action International 1300 19th Street NW, Second Floor Washington D C 20036	General purposes	2,500 00
Prescott Area Habitat for Humanity 1230 Willow Creek Road Prescott, Arizona 86301	Toward construction of a new home	10,000 00
Prescott Area Women's Shelter 336 N Rush Street Prescott, Arizona 86301	General purposes	7,500.00
Prescott Center for the Arts 208 N Marina Prescott, Arizoa 86301	Toward general scholarship program	2,500 00
Prescott College Art Gallery at Sam Hill Warehouse 220 Grove Avenue Prescott, Arizona 86301	General purposes	1,000 00
Prescott Meals on Wheels 1280 E Rosser Street Prescott, Arizona 86301	Toward meals for clients of Prescott Area Women's Shelter and Project Aware (men's shelter)	10,000 00
Prescott YMCA of Yavapai County 750 Whipple Street Prescott, Arizona 86301	Toward replacement of pool filters and replumbing of the pump room	50,000 00
Prevent Child Abuse Arizona P O. Box 26495 Prescott Valley, Arizona 86312	Toward current capital campaign	10,000 00
Project Aware P O Box 2710 Prescott, Arizona 86302	Toward affordable housing for formerly homeless women and women with children ($10,000), general purposes ($7,500)	17,500 00
Rady Children's Hospital Auxiliary Rancho Santa Fe Unit P O Box 5005 (14) Rancho Santa Fe, California 92067	Toward the Peckham Center for cancer and blood disorders	10,000 00
Release the Fear 332 West Lynwood Street Phoenix, Arizona 85003	Toward anti-violence workshops, *i.e Inside-Out: Bridging Possibilities*	4,000 00

ReSurge International 857 Maude Avenue Mountain View, California 94043	General purposes	7,500 00
Right to Risk/WEST P O Box 670 Coupeville, Washington 98239	Toward the Right to Risk/Embracing Difference community initiative	3,500 00
St Joseph the Worker P O Box 13503 Phoenix, Arizona 85002-3503	General purposes	2,500 00
St Mary's Food Bank Alliance 2831 N 31st Avenue Phoenix, Arizona 85009-1518	General purposes	30,000 00
Salk Institute 10010 N Torrey Pines Road La Jolla, California 92037-1099	HIV research	30,000 00
Sedona Arts Center 15 Art Barn Road Sedona, Arizona 86336-4249	Toward 2012 Plein Air Festival program	3,500 00
Society of St Vincent de Paul P O Box 13600 Phoenix, Arizona 85002-3600	Toward children's medical services at the medical and dental clinics	15,000 00
Stepping Stones Agencies 3343 N Windsong Drive, Suite 9 Prescott Valley, Arizona 86314	Toward the service expansion project of the Step One Community Center	20,000 00
Sterling Ranch, Inc P.O Box 36 Skull Valley, Arizona 86338	Toward replacement of heating and air conditioning system	5,000 00
Trust for Governors Island 10 South Street, Slip 7 New York, New York 10004	Toward Public Art program	25,000 00
University of Arizona Foundation 325 Forbes Building Tucson, Arizona 85721-0036	Toward purchase of Mingus Springs 4-H Camp property	20,000 00
West Yavapai Guidance Clinic Fndn 505 S Cortez Street Prescott, Arizona 86303	Toward six months' expenses of Case Manager position	12,000 00
Western Folklife Center 501 Railroad Street Elko, Nevada 89801	Toward exhibit of Southwest ranching culture at Wiegand Gallery	7,500 00
Yavapai Big Brothers/Big Sisters, Inc 3208 Lakeside Village Drive Prescott, Arizona 86301	General purposes	26,500 00

Yavapai CASA for Kids, Inc P O. Box 12457 Prescott, AZ 86304	General purposes	500 00
Yavapai College Foundation 1100 E Sheldon Street Prescott, Arizona 86301	Toward Performance Hall renovation	75,000 00
Yavapai County Community Foundation P O Box 3894 Prescott, Arizona 86302-3894	Toward endowment of The Yavapai Information Resource Development Fund	25,000 00
Yavapai Food Bank 8866 East Long Mesa Drive Prescott Valley, Arizona 86314	Toward parking lot expansion program	12,500.00
TOTAL CASH DONATIONS		$852,575 00