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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 7/01, 2011, and ending 6/30, 2012

MORRIS GRAVES FOUNDATION
5241 TOMPKINS HILL ROAD
LOLETA, CA 95551

A Employer identification number
68-0445017

B Telephone number (see the instructions)
707-733-5271

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)
\$ 2,409,052.

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)	3,591.			
2	Ch <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3	Interest on savings and temporary cash investments	103.	103.	103.	
4	Dividends and interest from securities	17,166.	17,166.	17,166.	
5a	Gross rents				
b	Net rental income or (loss)		STATEMENT 1		
6a	Net gain/(loss) from sale of assets not on line 10	5,618.			
b	Gross sales price for all assets on line 6a	49,275.			
c	Capital gain/loss (from Part IV, line 2)		5,618.		
8	Net short-term capital gain				
9	Income modifications				
a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit/(loss) (att sch)				
11	Other income (attach schedule) SEE STATEMENT 2	850.			
12	Total. Add lines 1 through 11	27,328.	22,887.	17,269.	
13	Compensation of officers, directors, trustees, etc	9,521.	1,428.	1,428.	8,093.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach sch) SEE ST 3	2,345.	352.	352.	1,993.
c	Other prof fees (attach sch) SEE ST 4	2,940.	412.	412.	2,528.
17	Interest				
18	Taxes (attach schedule)(see instrs) SEE STM 5	2,356.	329.	329.	2,027.
19	Depreciation (attach sch) and depletion	14,593.	14,593.	14,593.	
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) SEE STATEMENT 6	55,606.	14,136.	14,136.	41,471.
24	Total operating and administrative expenses. Add lines 13 through 23	87,361.	31,250.	31,250.	56,112.
25	Contributions, gifts, grants paid.				
26	Total expenses and disbursements. Add lines 24 and 25	87,361.	31,250.	31,250.	56,112.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-60,033.			
b	Net investment income (if negative, enter 0-)		0.		
c	Adjusted net income (if negative, enter -0-)			0.	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash – non-interest-bearing	21,028.	30,321.	30,321.
	2	Savings and temporary cash investments	844,347.	730,469.	730,469.
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch)			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U.S. and state government obligations (attach schedule)			
		b Investments – corporate stock (attach schedule)			
		c Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
14	Land, buildings, and equipment basis 1,155,168.				
	Less: accumulated depreciation (attach schedule) SEE STMT 7 141,806.	1,027,955.	1,013,362.	1,013,362.	
15	Other assets (describe SEE STATEMENT 8)	634,901.	634,900.	634,900.	
16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	2,528,231.	2,409,052.	2,409,052.	
LIABILITIES	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)			
	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. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	2,528,231.	2,409,052.	
	30	Total net assets or fund balances (see instructions)	2,528,231.	2,409,052.	
	31	Total liabilities and net assets/fund balances (see instructions)	2,528,231.	2,409,052.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,528,231.
2	Enter amount from Part I, line 27a	2	-60,033.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,468,198.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 9	5	59,146.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	2,409,052.

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			
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			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) 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	5,618.
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) CA		
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

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)			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)			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X		
14	The books are in care of ▶ <u>ROBERT YARBER</u> Telephone no. ▶ <u>707-733-5271</u> Located at ▶ <u>5241 TOMPKINS HILL ROAD LOLETA CA</u> ZIP + 4 ▶ <u>95551</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 ▶ 15	N/A		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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country ▶		Yes	No
		16		X

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

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

		Yes	No
1 a	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"/>	1 b	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?	1 c	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ .		
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.)	2 b	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. ▶ 20__ , 20__ , 20__ , 20__ .		
3 a	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.)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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?	4 b	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)?

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? Yes No
 If 'Yes,' attach the statement required by Regulations section 53.4945-5(d) N/A

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? Yes No
 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

5b	N/A	
6b		X
7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		9,521.	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 N/A	

2	

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.

BAA

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	1 a	
b	Average of monthly cash balances	1 b	
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	0.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
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.	N/A	1	
2a	Tax on investment income for 2011 from Part VI, line 5	2 a		
b	Income tax for 2011. (This does not include the tax from Part VI)	2 b		
c	Add lines 2a and 2b	2 c		
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		

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	1 a	56,112.
b	Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4.	4	56,112.
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	56,112.

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)

N/A

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only				
b Total for prior years. 20 ____, 20 ____, 20 ____				
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				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ _____				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
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)

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

Part XV Supplementary Information (Complete this part only if the organization 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
- 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

N/A

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
<i>a Paid during the year</i>				
Total				▶ 3a
<i>b Approved for future payment</i>				
Total				▶ 3b

MORRIS GRAVES FOUNDATION

68-0445017

STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	38.73 DFS US LARGE COMPANY		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/27/2011		
TO WHOM SOLD:			
GROSS SALES PRICE:		399.	
COST OR OTHER BASIS:		345.	
BASIS METHOD:	COST		
			GAIN (LOSS) 54.
DESCRIPTION:	766.68 DFA US SMALL CAP PORTFOLIO		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/27/2011		
TO WHOM SOLD:			
GROSS SALES PRICE:		16,982.	
COST OR OTHER BASIS:		13,528.	
BASIS METHOD:	COST		
			GAIN (LOSS) 3,454.
DESCRIPTION:	557.03 DFA US TARGETED VALUE PORTFOLIO		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/27/2011		
TO WHOM SOLD:			
GROSS SALES PRICE:		9,425.	
COST OR OTHER BASIS:		8,597.	
BASIS METHOD:	COST		
			GAIN (LOSS) 828.
DESCRIPTION:	341.72 DFA GLOBAL FIXED INCOME		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/13/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		3,800.	
COST OR OTHER BASIS:		3,679.	
BASIS METHOD:	COST		
			GAIN (LOSS) 121.
DESCRIPTION:	638.91 DFA ONE-YEAR FIXED INCOME		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/13/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		6,600.	
COST OR OTHER BASIS:		6,547.	
BASIS METHOD:	COST		
			GAIN (LOSS) 53.

MORRIS GRAVES FOUNDATION

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STATEMENT 1 (CONTINUED)
 FORM 990-PF, PART I, LINE 6A
 NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
 ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	470.61 DFA SHORT-TERM GOVERNMENT		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/13/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		5,092.	
COST OR OTHER BASIS:		5,083.	
BASIS METHOD:	COST		
			GAIN (LOSS) 9.
DESCRIPTION:	28.52 DFA US LARGE CAP VALUE		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/26/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		576.	
COST OR OTHER BASIS:		505.	
BASIS METHOD:	COST		
			GAIN (LOSS) 71.
DESCRIPTION:	404.52 DFA US LARGE COMPANY		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/26/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		4,199.	
COST OR OTHER BASIS:		3,601.	
BASIS METHOD:	COST		
			GAIN (LOSS) 598.
DESCRIPTION:	100.41 DFA US SMALL CAP PORTFOLIO		
DATE ACQUIRED:	11/14/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/26/2012		
TO WHOM SOLD:			
GROSS SALES PRICE:		2,202.	
COST OR OTHER BASIS:		1,772.	
BASIS METHOD:	COST		
			GAIN (LOSS) 430.
			TOTAL \$ <u>5,618.</u>

MORRIS GRAVES FOUNDATION

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STATEMENT 2
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	\$ 850.		
TOTAL	<u>\$ 850.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	\$ 2,345.	\$ 352.	\$ 352.	\$ 1,993.
TOTAL	<u>\$ 2,345.</u>	<u>\$ 352.</u>	<u>\$ 352.</u>	<u>\$ 1,993.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
VARIOUS	\$ 2,940.	\$ 412.	\$ 412.	\$ 2,528.
TOTAL	<u>\$ 2,940.</u>	<u>\$ 412.</u>	<u>\$ 412.</u>	<u>\$ 2,528.</u>

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
IRS	\$ 81.	\$ 11.	\$ 11.	\$ 70.
LICENSES & PERMITS	30.	4.	4.	26.
PAYROLL TAXES	1,914.	268.	268.	1,646.
PROPERTY TAXES	331.	46.	46.	285.
TOTAL	<u>\$ 2,356.</u>	<u>\$ 329.</u>	<u>\$ 329.</u>	<u>\$ 2,027.</u>

MORRIS GRAVES FOUNDATION

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STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AUTO EXPENSE	\$ 1,453.	\$ 334.	\$ 334.	\$ 1,119.
BANK & INVESTMENT FEES	7,517.	7,517.	7,517.	
INSURANCE	9,651.	1,351.	1,351.	8,300.
INTERNET EXPENSE	662.	93.	93.	569.
MAINTENANCE	14,520.	2,033.	2,033.	12,487.
MISCELLANEOUS	868.	122.	122.	746.
OFFICE SUPPLIES	246.	34.	34.	212.
OUTREACH	400.			400.
PHOTOGRAPHY EXPENSE	1,350.	1.	1.	1,350.
POSTAGE	217.	30.	30.	187.
REPAIRS	2,687.	376.	376.	2,311.
SUPPLIES	11,084.	1,552.	1,552.	9,532.
UTILITIES	4,951.	693.	693.	4,258.
TOTAL	\$ 55,606.	\$ 14,136.	\$ 14,136.	\$ 41,471.

STATEMENT 7
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 1,085.	\$ 1,085.	\$ 0.	\$ 0.
MACHINERY AND EQUIPMENT	9,982.	9,225.	757.	757.
BUILDINGS	381,084.	95,465.	285,619.	285,619.
IMPROVEMENTS	163,017.	36,031.	126,986.	126,986.
LAND	600,000.		600,000.	600,000.
TOTAL	\$ 1,155,168.	\$ 141,806.	\$ 1,013,362.	\$ 1,013,362.

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
WORKS OF ART	\$ 634,900.	\$ 634,900.
TOTAL	\$ 634,900.	\$ 634,900.

STATEMENT 9
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

UNREALIZED LOSSES	\$ 59,146.
TOTAL	\$ 59,146.

MORRIS GRAVES FOUNDATION

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STATEMENT 10
 FORM 990-PF, PART VIII, LINE 1
 LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ROBERT YARBER 5241 TOMPKINS HILL ROAD LOLETA, CA 95551	PRESIDENT 40.00	\$ 1,800.	\$ 0.	\$ 0.
LAWRENCE FONG 1223 UNIVERSITY OF OREGON EUGENE, OR 97403	DIRECTOR 2.00	0.	0.	0.
ALLEN M. SINGER 1661 PINE STREET, APT 919 SAN FRANCISCO, CA 94109	VP, SECRETARY 2.00	0.	0.	0.
ROBERT ANTHOINE 1540 BROADWAY NEW YORK, NY 10036	VP, TREASURER 2.00	0.	0.	0.
DESIREE YARBER 5241 TOMPKINS HILL ROAD LOLETA, CA 95551	CHAIRMAN 10.00	7,721.	0.	0.
		TOTAL \$ 9,521.	\$ 0.	\$ 0.

MORRIS GRAVES FOUNDATION

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	BUS. PCT.	CUR. 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179 BONUS/SP. DEPR.	PRIOR DEC. BAL. DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF															
BUILDINGS															
1	BUILDINGS	7/01/02			340,830					340,830	78,433	S/L MM	39	.02564	8,739
3	CABIN	7/01/02			4,555					4,555	1,047	S/L MM	39	.02564	117
4	STUDIO	7/01/02			9,131					9,131	2,100	S/L MM	39	.02564	234
18	BUILDING ADDITIONS	6/30/05			26,568					26,568	4,114	S/L MM	39	.02564	681
TOTAL BUILDINGS															
					381,084	0	0	0	0	381,084	85,694				9,771
FURNITURE AND FIXTURES															
14	BED	7/13/03			719					719	719	200DB HY	5		0
19	BENCH	7/31/04			366					366	366	200DB HY	5		0
TOTAL FURNITURE AND FIXTURE															
					1,085	0	0	0	0	1,085	1,085				0
IMPROVEMENTS															
2	ROOFING & CHIMNEYS	7/01/02			60,877					60,877	14,009	S/L MM	39	.02564	1,561
5	SKYLIGHTS	7/01/02			2,589					2,589	787	S/L MM	39	.02564	66
7	PAVING	7/01/02			2,000					2,000	1,800	S/L HY	10	.10000	200
15	NEW ROAD	9/30/03			2,470					2,470	491	S/L MM	39	.02564	63
16	SKYLIGHT	10/31/03			310					310	62	S/L MM	39	.02564	8
20	IMPROVEMENTS	2/28/05			1,100					1,100	179	S/L MM	39	.02564	28
21	IMPROVEMENTS	6/30/05			1,501					1,501	230	S/L MM	39	.02564	38
22	IMPROVEMENTS	7/31/05			10,544					10,544	1,609	S/L MM	39	.02564	270
23	IMPROVEMENTS	8/31/05			7,160					7,160	1,081	S/L MM	39	.02564	184
24	IMPROVEMENTS	9/30/05			18,895					18,895	2,804	S/L MM	39	.02564	484

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
25	IMPROVEMENTS	10/31/05		15,393							15,393	2,255	S/L MM	39	.02564	395
26	IMPROVEMENTS	11/30/05		2,266							2,266	326	S/L MM	39	02564	58
27	IMPROVEMENTS	12/31/05		2,903							2,903	410	S/L MM	39	.02564	74
28	IMPROVEMENTS	1/31/06		1,995							1,995	278	S/L MM	39	.02564	51
29	IMPROVEMENTS	2/28/06		539							539	75	S/L MM	39	.02564	14
30	IMPROVEMENTS	4/30/06		7,404							7,404	990	S/L MM	39	.02564	190
31	IMPROVEMENTS	5/31/06		1,860							1,860	246	S/L MM	39	02564	48
32	IMPROVEMENTS	6/30/06		19,117							19,117	2,470	S/L MM	39	02564	490
33	AUTOMATIC GATE	6/30/07		4,094							4,094	1,442	150DB MQ	15	.06480	265
TOTAL IMPROVEMENTS				163,017	0	0	0	0	0	0	163,017	31,544				4,487
LAND																
17	LAND	7/01/02		600,000							600,000	0				0
TOTAL LAND				600,000	0	0	0	0	0	0	600,000	0				0
MACHINERY AND EQUIPMENT																
6	REFRIGERATOR	7/01/02		1,444							1,444	1,190	200DB HY	5		0
8	BANDERA WATER TANK	10/06/03		1,069							1,069	1,069	S/L HY	7		0
9	STOVE TOP	11/30/03		1,501							1,501	1,501	200DB HY	5		0
10	CHAINSAW	4/23/04		490							490	490	200DB HY	5		0
11	TRIMMER	4/23/04		342							342	342	200DB HY	5		0
12	LAPTOP COMPUTER	1/18/04		1,350							1,350	1,350	200DB HY	5		0
13	OFFICE FURNITURE	2/16/04		875							875	875	200DB HY	5		0
34	REFRIGERATOR	3/02/09		2,911							2,911	2,073	200DB HY	5	11520	335
TOTAL MACHINERY AND EQUIPME				9,982	0	0	0	0	0	0	9,982	8,890				335

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	TOTAL DEPRECIATION			1,155,168		0	0	0	0	0	1,155,168	127,213				14,593
	GRAND TOTAL DEPRECIATION			1,155,168		0	0	0	0	0	1,155,168	127,213				14,593