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Form **990-PF**

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

OMB No 1545-0052

**2012**

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

Open to Public Inspection

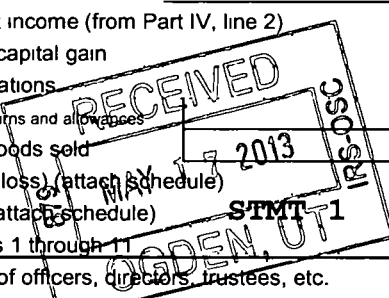
For calendar year 2012 or tax year beginning , and ending

Name of foundation <b>FARRIS FOUNDATION, INC.</b>		A Employer identification number <b>58-2204830</b>
Number and street (or P O box number if mail is not delivered to street address) <b>P.O. BOX 304</b>	Room/suite	B Telephone number (see instructions) <b>770-962-4448</b>
City or town, state, and ZIP code <b>LAWRENCEVILLE GA 30046-0304</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ <b>265,990</b>	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B				
3 Interest on savings and temporary cash investments	593	593	593	
4 Dividends and interest from securities	7,274	7,274	7,274	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-27,958			
b Gross sales price for all assets on line 6a <b>141,483</b>				
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			99	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less: Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) <b>STMT 1</b>	145		145	
12 <b>Total.</b> Add lines 1 through 11	-19,946	7,867	8,111	
13 Compensation of officers, directors, trustees, etc.	74,000			74,000
14 Other employee salaries and wages				
15 Pension plans, employee benefits	17,176			17,176
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) <b>STMT 2</b>	4,110			4,110
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions) <b>STMT 3</b>	92	92		
19 Depreciation (attach schedule) and depletion <b>STMT 4</b>				
20 Occupancy	12,332			12,332
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (att sch) <b>STMT 5</b>	12,147	3,363		8,784
24 <b>Total operating and administrative expenses.</b>				
Add lines 13 through 23	119,857	3,455	0	116,402
25 Contributions, gifts, grants paid	31,630			31,630
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	151,487	3,455	0	148,032
27 Subtract line 26 from line 12				
a <b>Excess of revenue over expenses and disbursements</b>	-171,433			
b <b>Net investment income</b> (if negative, enter -0-)		4,412		
c <b>Adjusted net income</b> (if negative, enter -0-)			8,111	

SCANNED MAY 20 2013

Operating and Administrative Expenses



For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2012)

DAA

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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	4,327	6,943	6,943
	2	Savings and temporary cash investments	94,499	33,720	33,720
	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 (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	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) <b>SEE STMT 6</b>	288,618	224,447	224,447
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ <b>52,410</b> Less accumulated depreciation (attach sch) ▶ <b>STMT 7 52,410</b>			
15	Other assets (describe ▶ <b>SEE STATEMENT 8</b> )	400	880	880	
16	<b>Total assets</b> (to be completed by all filers – see the instructions. Also, see page 1, item I)	<b>387,844</b>	<b>265,990</b>	<b>265,990</b>	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ )			
	23	<b>Total liabilities</b> (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, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	387,844	265,990	
30	<b>Total net assets or fund balances</b> (see instructions)	<b>387,844</b>	<b>265,990</b>		
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	<b>387,844</b>	<b>265,990</b>		

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	387,844
2	Enter amount from Part I, line 27a	2	-171,433
3	Other increases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 9</b>	3	50,451
4	Add lines 1, 2, and 3	4	266,862
5	Decreases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 10</b>	5	872
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30	6	<b>265,990</b>

**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.)
<b>1a SEE WORKSHEET</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

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

(i) FMV 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))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss) <span style="float:right; border-left: 1px solid black; padding-left: 5px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>	<b>2</b>	<b>-27,958</b>
<b>3</b> 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	<b>3</b>	<b>99</b>

**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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	<b>206,914</b>	<b>462,564</b>	<b>0.447320</b>
2010	<b>241,453</b>	<b>661,267</b>	<b>0.365137</b>
2009	<b>263,525</b>	<b>813,019</b>	<b>0.324131</b>
2008	<b>306,225</b>	<b>1,321,231</b>	<b>0.231772</b>
2007	<b>407,457</b>	<b>2,011,770</b>	<b>0.202537</b>

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>1.570897</b>
<b>3</b> 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	<b>3</b>	<b>0.314179</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	<b>4</b>	<b>316,016</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>99,286</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>44</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>99,330</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	<b>8</b>	<b>148,032</b>

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

<b>1a</b>	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: <b>(attach copy of letter if necessary—see instructions)</b>		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	<b>44</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>44</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>44</b>
<b>6</b>	Credits/Payments:		
<b>a</b>	2012 estimated tax payments and 2011 overpayment credited to 2012	<b>6a</b>	<b>880</b>
<b>b</b>	Exempt foreign organizations – tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	<b>880</b>
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	<b>836</b>
<b>11</b>	Enter the amount of line 10 to be: <b>Credited to 2013 estimated tax</b> <b>80</b> <b>Refunded</b>	<b>11</b>	<b>756</b>

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b>		<b>X</b>
<b>b</b>		<b>X</b>
<b>c</b>		<b>X</b>
<b>d</b>		
<b>e</b>		
<b>2</b>		<b>X</b>
<b>3</b>		<b>X</b>
<b>4a</b>		<b>X</b>
<b>4b</b>		
<b>5</b>		<b>X</b>
<b>6</b>	<b>X</b>	
<b>7</b>	<b>X</b>	
<b>8a</b>		
<b>b</b>	<b>X</b>	
<b>9</b>	<b>X</b>	
<b>10</b>		<b>X</b>

N/A

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

<p>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)</p>	11		<b>X</b>
<p>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)</p>	12		<b>X</b>
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b></p>	13	<b>X</b>	
<p>14 The books are in care of ► <b>OTIS JONES</b> Telephone no ► <b>770-962-4448</b>  <b>1130 HURRICANE SHOALS ROAD</b>                  Located at ► <b>LAWRENCEVILLE</b> GA ZIP+4 ► <b>30043</b></p>			
<p>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</p>	15		► <input type="checkbox"/>
<p>16 At any time during calendar year 2012, 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 ►</p>	16	Yes	No <b>X</b>

**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
<p>1a During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(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</p> <p>(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</p>			
<p>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</p>	1b		<b>X</b>
<p>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 2012?</p>	1c		<b>X</b>
<p>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))</p>			
<p>a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 , 20 , 20 , 20</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>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 )</p>	2b	<b>N/A</b>	
<p>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</p>			
<p>3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?</p>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<p>b If "Yes," did it have excess business holdings in 2012 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 2012 )</p>	3b	<b>N/A</b>	
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a		<b>X</b>
<p>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 2012?</p>	4b		<b>X</b>

**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)?  Yes  No  
 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?  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**

**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
TIMOTHY J. FARRIS P.O. BOX 304 LAWRENCEVILLE GA 30046	CHAIRMAN/DIR 1.00	0	0	0
SANDRA I. JONES P.O. BOX 304 LAWRENCEVILLE GA 30046	V. PRES/DIR 20.00	6,000	1,800	0
OTIS P. JONES P.O. BOX 304 LAWRENCEVILLE GA 30046	PRES./DIR 40.00	68,000	12,200	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		

**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 SEE STATEMENT 11	
	78,163
2 SEE STATEMENT 12	
	23,487
3 TO SUPPORT EVEN START LITERACY PROGRAM FOR DESERVING INDIVIDUALS	
	19,422
4 SUPPORT VARIOUS CHURCH PROGRAMS THROUGHOUT THE REGION	
	5,484

**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	

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	<b>295,704</b>
<b>b</b>	Average of monthly cash balances	<b>1b</b>	<b>25,124</b>
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	<b>0</b>
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	<b>320,828</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	<b>0</b>
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	<b>0</b>
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	<b>320,828</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	<b>4</b>	<b>4,812</b>
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	<b>316,016</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	<b>15,801</b>

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	
<b>2a</b>	Tax on investment income for 2012 from Part VI, line 5	<b>2a</b>	
<b>b</b>	Income tax for 2012. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. – total from Part I, column (d), line 26	<b>1a</b>	<b>148,032</b>
<b>b</b>	Program-related investments – total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	<b>148,032</b>
<b>5</b>	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)	<b>5</b>	<b>44</b>
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	<b>147,988</b>

**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 2011	(c) 2011	(d) 2012
<b>1</b> Distributable amount for 2012 from Part XI, line 7				
<b>2</b> Undistributed income, if any, as of the end of 2012				
<b>a</b> Enter amount for 2011 only				
<b>b</b> Total for prior years. 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2012				
<b>a</b> From 2007				
<b>b</b> From 2008				
<b>c</b> From 2009				
<b>d</b> From 2010				
<b>e</b> From 2011				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ <b>148,032</b>				
<b>a</b> Applied to 2011, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required – see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required – see instructions)				
<b>d</b> Applied to 2012 distributable amount				
<b>e</b> Remaining amount distributed out of corpus	<b>148,032</b>			
<b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	<b>148,032</b>			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount – see instructions				
<b>e</b> Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount – see instructions				
<b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
<b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2008				
<b>b</b> Excess from 2009				
<b>c</b> Excess from 2010				
<b>d</b> Excess from 2011				
<b>e</b> Excess from 2012				

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

<b>1a</b>	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling					<b>N/A</b>
<b>b</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)					
<b>2a</b>	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	<b>Tax year</b>	<b>Prior 3 years</b>			<b>(e) Total</b>
		<b>(a) 2012</b>	<b>(b) 2011</b>	<b>(c) 2010</b>	<b>(d) 2009</b>	
		<b>8,111</b>	<b>23,128</b>	<b>31,100</b>	<b>17,787</b>	<b>80,126</b>
<b>b</b>	85% of line 2a	<b>6,894</b>	<b>19,659</b>	<b>26,435</b>	<b>15,119</b>	<b>68,107</b>
<b>c</b>	Qualifying distributions from Part XII, line 4 for each year listed	<b>148,032</b>	<b>207,786</b>	<b>241,825</b>	<b>263,628</b>	<b>861,271</b>
<b>d</b>	Amounts included in line 2c not used directly for active conduct of exempt activities	<b>119,857</b>	<b>157,255</b>	<b>164,969</b>	<b>162,453</b>	<b>604,534</b>
<b>e</b>	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	<b>28,175</b>	<b>50,531</b>	<b>76,856</b>	<b>101,175</b>	<b>256,737</b>
<b>3</b>	Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b>	"Assets" alternative test – enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b>	"Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	<b>10,534</b>	<b>15,419</b>	<b>22,042</b>	<b>27,101</b>	<b>75,096</b>
<b>c</b>	"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) )  
**N/A**
- 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  
**N/A**
- 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 or e-mail of the person to whom applications should be addressed:  
**N/A**
- b** The form in which applications should be submitted and information and materials they should include  
**N/A**
- c** Any submission deadlines.  
**N/A**
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:  
**N/A**

**Part XV** Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year <b>SEE STATEMENT 13</b>				<b>31,630</b>
<b>Total</b>			<b>▶ 3a</b>	<b>31,630</b>
b Approved for future payment <b>N/A</b>				
<b>Total</b>			<b>▶ 3b</b>	





**Capital Gains and Losses for Tax on Investment Income**

Form **990-PF**

**2012**

For calendar year 2012, or tax year beginning

, and ending

Name

Employer Identification Number

**FARRIS FOUNDATION, INC.**

**58-2204830**

(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.)
(1) FORWARD TACTICAL GROWTH M	P	12/07/12	12/26/12
(2) FAIRHOLME FUND	P	12/19/11	09/25/12
(3) FIDELITY ADV EMERG ASIA INST	P	12/05/11	07/23/12
(4) ISHARES GOLD TRUST	P	VARIOUS	VARIOUS
(5) VAN ECK INT'L INV GOLD FD A	P	12/23/11	06/08/12
(6) ELEMENTS ROGERS	P	04/29/11	06/08/12
(7) FAIRHOLME FUND	P	04/29/11	09/25/12
(8) FIDELITY ADV EMERG ASIA INST	P	04/29/11	07/23/12
(9) FORWARD TACTICAL GROWTH M	P	VARIOUS	VARIOUS
(10) HARBOR INTERNATIONAL INST	P	04/29/11	VARIOUS
(11) ISHARES MSCI CANADA INDEX FD	P	04/29/11	09/25/12
(12) JPM CAP XXVI	P	04/29/11	07/12/12
(13) PWR SH DB US	P	04/29/11	07/23/12
(14) PWRSHS DB MULTI-SEC OIL	P	04/29/11	06/08/12
(15) VAN ECK INT'L INV GOLD FD A	P	04/29/11	06/08/12

(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)
(1) 629		629	
(2) 574		446	128
(3) 584		602	-18
(4) 11		11	
(5) 69		80	-11
(6) 18,485		24,871	-6,386
(7) 14,849		16,554	-1,705
(8) 10,175		13,500	-3,325
(9) 37,760		40,896	-3,136
(10) 10,000		12,518	-2,518
(11) 2,261		2,670	-409
(12) 11,250		11,977	-727
(13) 10,974		12,392	-1,418
(14) 8,599		12,397	-3,798
(15) 4,295		6,450	-2,155

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

(i) FMV 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))
(1)			
(2)			128
(3)			-18
(4)			
(5)			-11
(6)			-6,386
(7)			-1,705
(8)			-3,325
(9)			-3,136
(10)			-2,518
(11)			-409
(12)			-727
(13)			-1,418
(14)			-3,798
(15)			-2,155

# Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

**2012**

For calendar year 2012, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name **FARRIS FOUNDATION, INC.**

Employer Identification Number  
**58-2204830**

(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.)
(1) <b>VANGUARD MSCI EMERGING MARKETS</b>	<b>P</b>	<b>04/29/11</b>	<b>07/23/12</b>
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) <b>10,135</b>		<b>13,448</b>	<b>-3,313</b>
(2) <b>833</b>			<b>833</b>
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

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

(i) FMV 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))
			<b>-3,313</b>
			<b>833</b>
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

# Federal Statements

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	\$ 145	\$	\$ 145
TOTAL	\$ 145	\$ 0	\$ 145

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 4,110	\$	\$	\$ 4,110
TOTAL	\$ 4,110	\$ 0	\$ 0	\$ 4,110

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES WITHHELD	\$ 92	\$ 92	\$	\$
TOTAL	\$ 92	\$ 92	\$ 0	\$ 0

## Statement 4 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
	OFFICE EQUIPMENT	\$ 52,410	\$	CLASS LIFE		\$	\$	\$
TOTAL		\$ 52,410	\$ 52,410			\$ 0	\$ 0	\$ 0

## Federal Statements

## Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
AUTO AND TRUCK EXPENSES	1,944			1,944
POSTAGE	149			149
DUES & SUBSCRIPTIONS	1,260			1,260
LIABILITY INSURANCE	1,489			1,489
TELEPHONE AND PAGER	3,092			3,092
OFFICE SUPPLIES	68			68
FIDUCIARY/BROKERAGE FEES	3,363	3,363		
REPAIRS AND MAINTENANCE	782			782
TOTAL	<u>12,147</u>	<u>3,363</u>	<u>0</u>	<u>8,784</u>

## Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MORGAN STANLEY	\$ 288,618	\$ 224,447	MARKET	\$ 224,447
TOTAL	\$ 288,618	\$ 224,447		\$ 224,447

Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
TOTAL	\$ 0	\$ 52,410	\$ 52,410	\$ 0
	\$ 0	\$ 52,410	\$ 52,410	\$ 0

## Federal Statements

**Statement 8 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
PREPAID FEDERAL TAXES	\$ 400	\$ 880	\$ 880
TOTAL	\$ 400	\$ 880	\$ 880

**Statement 9 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
UNREALIZED GAINS ON INVESTMENTS	\$ 50,451
TOTAL	\$ 50,451

**Statement 10 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
PRIOR YEAR INCOME TAX EXPENSE	\$ 872
TOTAL	\$ 872

**Statement 11 - Form 990-PF, Part IX-A, Line 1 - Summary of Direct Charitable Activities****Description**

TO SUPPORT MISSION CHURCHES AND MISSIONARIES IN ORDER TO ENABLE INDIVIDUALS AS WELL AS CHURCHES AND MINISTRIES TO CARRY OUT THE GOSPEL OF JESUS CHRIST IN THE UNITED STATES AND THROUGHOUT THE WORLD.

**Statement 12 - Form 990-PF, Part IX-A, Line 2 - Summary of Direct Charitable Activities****Description**

SPONSOR A COLLEGE SCHOLARSHIP PROGRAM FOR GRADUATES OF BLEDSOE COUNTY HIGH SCHOOL, PIKEVILLE, TENNESSEE AND VINITA HIGH SCHOOL, VINITA, OKLAHOMA. THIS PROGRAM HAS BEEN APPROVED PURSUANT TO IRC SEC 495(G)(1).

## Federal Statements

Statement 13 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year

Name	Address	Relationship	Address	Status	Purpose	Amount
HABITAT - WEST VOLUSIA				PUBLIC	GENERAL FUND	569
EVEN START LITERACY				PUBLIC	GENERAL FUND	5,039
FARRIS SCHOLARS				PUBLIC	GENERAL FUND	6,707
NEEDY CHILDREN				PUBLIC	GENERAL FUND	1,657
LIVING ALTERNATIVES				PUBLIC	GENERAL FUND	257
MISSIONS				PUBLIC	GENERAL FUND	11,182
CITY OF REFUGE - JAMAICA				PUBLIC	GENERAL FUND	1,339
SONSHINE CHILDREN'S CENTE				PUBLIC	GENERAL FUND	1,804
CHURCH SUPPORT				PUBLIC	GENERAL FUND	1,888
OTHER PROJECTS/MINISTRIES				PUBLIC	GENERAL FUND	1,060
GLOBAL BRIDGES				PUBLIC	GENERAL FUND	128
TOTAL						<u>31,630</u>