

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2011

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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

A For the 2011 calendar year, or tax year beginning OCT 1, 2011 and ending SEP 30, 2012

Form header section containing organization name (BAY FOUNDATION OF MORRO BAY), EIN (77-0215847), address (601 EMBARCADERO), and other identifying information.

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include mission statement, governance metrics, revenue (Total: 1,469,798), expenses (Total: 1,755,735), and net assets (Total: 12,058,612).

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer: GARY RUGGERONE, PRESIDENT. Includes date field.

Preparer information: MICAL W. BOVEE, CPA. Firm: GLENN BURDETTE, 1150 PALM STREET, SAN LUIS OBISPO, CA 93401. Phone: 805-544-1441.

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: TO PROVIDE LEADERSHIP IN RESTORING, ENHANCING, AND PROTECTING THE MARINE RESOURCES AND WATERSHEDS OF MORRO BAY, ESTERO BAY, AND THE CENTRAL COAST OF CALIFORNIA.

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

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

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

4a (Code: ) (Expenses \$ 1,530,064. including grants of \$ 160,526. ) (Revenue \$ 47,751. ) STUDIED, CONSERVED, AND ENHANCED MORRO BAY AND ITS ASSOCIATED WETLANDS AND WATERSHED ENVIRONMENTS THROUGH VARIOUS PROGRAMS.

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

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

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

4e Total program service expenses J 1,530,064.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, and Yes/No checkboxes. Rows include questions 1 through 20b regarding organizational requirements and financial reporting.

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II ~ ~ ~ ~ ~	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III ~ ~ ~ ~ ~		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J ~ ~ ~ ~ ~		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25 ~ ~ ~ ~ ~		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? ~ ~ ~ ~ ~		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? ~ ~ ~ ~ ~		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? ~ ~ ~ ~ ~		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I ~ ~ ~ ~ ~		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I ~ ~ ~ ~ ~		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II ~ ~ ~ ~ ~		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III ~ ~ ~ ~ ~		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV ~ ~ ~ ~ ~		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV ~ ~ ~ ~ ~		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV ~ ~ ~ ~ ~		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M ~ ~ ~ ~ ~		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M ~ ~ ~ ~ ~		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I ~ ~ ~ ~ ~		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II ~ ~ ~ ~ ~		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I ~ ~ ~ ~ ~		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 ~ ~ ~ ~ ~		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? ~ ~ ~ ~ ~		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 ~ ~ ~ ~ ~		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 ~ ~ ~ ~ ~		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI ~ ~ ~ ~ ~		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? ~ ~ ~ ~ ~	X	

Note. All Form 990 filers are required to complete Schedule O ~ ~ ~ ~ ~

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

Table with columns for question number, description, and Yes/No responses. Includes questions 1a through 9 regarding governing body members, relationships, and documentation.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with columns for question number, description, and Yes/No responses. Includes questions 10a through 16b regarding local chapters, conflict of interest, whistleblower, and joint venture policies.

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed J CA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ADRIENNE HARRIS - (805) 772-3834 601 EMBARCADERO SUITE 11, MORRO BAY, CA 93442

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOEL NEEL PAST PRESIDENT	1.00	X		X				0.	0.	0.
(2) SHAUNNA SULLIVAN VICE-PRESIDENT	1.00	X		X				0.	0.	0.
(3) GARY RUGGERONE PRESIDENT	1.00	X		X				0.	0.	0.
(4) BOB SEMONSEN TREASURER	1.00	X		X				0.	0.	0.
(5) GARY KARNER DIRECTOR	1.00	X						0.	0.	0.
(6) RICK ALGERT DIRECTOR	1.00	X						0.	0.	0.
(7) DAVE PARADIES DIRECTOR- PART YEAR	1.00	X						0.	0.	0.
(8) GREG SMITH DIRECTOR	1.00	X						0.	0.	0.
(9) BILL HENRY SECRETARY	1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total ~ ~ ~ ~ ~							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A ~ ~ ~ ~ ~							0.	0.	0.	
d Total (add lines 1b and 1c) ~ ~ ~ ~ ~							0.	0.	0.	

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

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

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



Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns ~~~~~	1a				
	b Membership dues ~~~~~	1b				
	c Fundraising events ~~~~~	1c				
	d Related organizations ~~~~~	1d				
	e Government grants (contributions)	1e	828,596.			
	f All other contributions, gifts, grants, and similar amounts not included above ~ ~	1f	4,466.			
	g Noncash contributions included in lines 1a-1f: \$ _____					
	h Total. Add lines 1a-1f		833,062.			
Program Service Revenue	Business Code					
	2 a _____					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue ~~~~~					
g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ~~~~~		317,516.		317,516.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents ~~~~~	(i) Real	14,940.			
		(ii) Personal	0.			
		b Less: rental expenses ~~~				
	c Rental income or (loss) ~ ~		14,940.			
	d Net rental income or (loss)		14,940.		14,940.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	3928605.			
		(ii) Other				
		b Less: cost or other basis and sales expenses ~~~		3672076.		
		c Gain or (loss) ~~~~~		256,529.		
	d Net gain or (loss)		256,529.		256,529.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 ~~~~~	a				
		b Less: direct expenses ~~~~~	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19 ~~~~~	a					
	b Less: direct expenses ~~~~~	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances ~~~~~	a					
	b Less: cost of goods sold ~~~~~	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a MITIGATION SETTLEMENT	900099	30,000.	30,000.			
b MISCELLANEOUS	900099	17,751.	17,751.			
c _____						
d All other revenue ~~~~~						
e Total. Add lines 11a-11d		47,751.				
12 Total revenue. See instructions.		1,469,798.	47,751.	0.	588,985.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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

Table with 5 columns: (A) Total expenses, (B) Program service expenses, (C) Management and general expenses, (D) Fundraising expenses. Rows include categories like Grants, Salaries, Pension, Advertising, and Total functional expenses.

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing ~ ~ ~ ~ ~	342,826.	1	246,033.
	2	Savings and temporary cash investments ~ ~ ~ ~ ~	717,619.	2	541,481.
	3	Pledges and grants receivable, net ~ ~ ~ ~ ~	73,837.	3	125,568.
	4	Accounts receivable, net ~ ~ ~ ~ ~		4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L ~ ~ ~ ~ ~		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) ~ ~ ~ ~ ~		6	
	7	Notes and loans receivable, net ~ ~ ~ ~ ~	9,372.	7	6,865.
	8	Inventories for sale or use ~ ~ ~ ~ ~		8	
	9	Prepaid expenses and deferred charges ~ ~ ~ ~ ~		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D ~ ~ ~	150,329.		
		b Less: accumulated depreciation ~ ~ ~ ~ ~	58,352.		
			99,827.	10c	91,977.
	11	Investments - publicly traded securities ~ ~ ~ ~ ~		11	
	12	Investments - other securities. See Part IV, line 11 ~ ~ ~ ~ ~	10,240,471.	12	11,147,330.
	13	Investments - program-related. See Part IV, line 11 ~ ~ ~ ~ ~		13	
	14	Intangible assets ~ ~ ~ ~ ~		14	
15	Other assets. See Part IV, line 11 ~ ~ ~ ~ ~		15		
16	<b>Total assets. Add lines 1 through 15 (must equal line 34) ~ ~ ~ ~ ~</b>	<b>11,483,952.</b>	<b>16</b>	<b>12,159,254.</b>	
Liabilities	17	Accounts payable and accrued expenses ~ ~ ~ ~ ~	100,933.	17	100,642.
	18	Grants payable ~ ~ ~ ~ ~		18	
	19	Deferred revenue ~ ~ ~ ~ ~		19	
	20	Tax-exempt bond liabilities ~ ~ ~ ~ ~		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D ~ ~ ~ ~		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L ~ ~ ~ ~ ~		22	
	23	Secured mortgages and notes payable to unrelated third parties ~ ~ ~ ~ ~		23	
	24	Unsecured notes and loans payable to unrelated third parties ~ ~ ~ ~ ~		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D ~ ~ ~ ~ ~		25	
	26	<b>Total liabilities. Add lines 17 through 25 ~ ~ ~ ~ ~</b>	<b>100,933.</b>	<b>26</b>	<b>100,642.</b>
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here   <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets ~ ~ ~ ~ ~	1,799,273.	27	2,169,476.
	28	Temporarily restricted net assets ~ ~ ~ ~ ~	2,138,052.	28	2,443,442.
	29	Permanently restricted net assets ~ ~ ~ ~ ~	7,445,694.	29	7,445,694.
	Organizations that do not follow SFAS 117, check here   <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds ~ ~ ~ ~ ~		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund ~ ~ ~ ~ ~		31	
	32	Retained earnings, endowment, accumulated income, or other funds ~ ~ ~ ~		32	
33	<b>Total net assets or fund balances ~ ~ ~ ~ ~</b>	<b>11,383,019.</b>	<b>33</b>	<b>12,058,612.</b>	
34	<b>Total liabilities and net assets/fund balances ~ ~ ~ ~ ~</b>	<b>11,483,952.</b>	<b>34</b>	<b>12,159,254.</b>	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,469,798.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,755,735.
3	Revenue less expenses. Subtract line 2 from line 1	3	-285,937.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	11,383,019.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	961,530.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	12,058,612.

Part XII Financial Statements and Reporting

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

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

Form 990 (2011)

# Public Charity Status and Public Support

# 2011

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

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

Name of the organization <b>BAY FOUNDATION OF MORRO BAY</b>	Employer identification number <b>77-0215847</b>
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

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

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f  If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ~~~~~
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ~~~~~
  - (ii) A family member of a person described in (i) above? ~~~~~
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above? ~~~~~
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f); 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities, whether or not the business is regularly carried on; 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.); 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Amount, Percentage. Rows include: 14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2010 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; b 33 1/3% support test - 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; 17a 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; b 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income; 13 Total support (Add lines 9, 10c, 11, and 12).

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Value, Percentage. Row 15: Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) ~ ~ ~ ~ ~ 15 %; Row 16: Public support percentage from 2010 Schedule A, Part III, line 15 ~ ~ ~ ~ ~ 16 %

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Value, Percentage. Row 17: Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) ~ ~ ~ ~ ~ 17 %; Row 18: Investment income percentage from 2010 Schedule A, Part III, line 17 ~ ~ ~ ~ ~ 18 %

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

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

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ~ ~ ~ ~ ~ | †

Schedule B  
(Form 990, 990-EZ,  
or 990-PF)  
Department of the Treasury  
Internal Revenue Service

### Schedule of Contributors

Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

# 2011

Name of the organization  BAY FOUNDATION OF MORRO BAY	Employer identification number  77-0215847
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Organization type (check one):

- Filers of:                      Section:
- Form 990 or 990-EZ        †<sup>X</sup> 501(c)(<sup>3</sup>) (enter number) organization
- † 4947(a)(1) nonexempt charitable trust not treated as a private foundation
- † 527 political organization
- Form 990-PF                    † 501(c)(3) exempt private foundation
- † 4947(a)(1) nonexempt charitable trust treated as a private foundation
- † 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.  
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

#### General Rule

- † For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

#### Special Rules

- †<sup>X</sup> For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- † For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- † For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ~~~~~ | \$ \_\_\_\_\_

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)



Name of organization  BAY FOUNDATION OF MORRO BAY	Employer identification number  77-0215847
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	_____	\$ 24,987.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	_____	\$ 793,609.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

BAY FOUNDATION OF MORRO BAY

77-0215847

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____

Name of organization

Employer identification number

BAY FOUNDATION OF MORRO BAY

77-0215847

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once) | \$ \_\_\_\_\_ Use duplicate copies of Part III if additional space is needed.

Table with 4 columns: (a) No. from Part I, (b) Purpose of gift, (c) Use of gift, (d) Description of how gift is held. Includes horizontal lines for data entry.

Table for (e) Transfer of gift. Sub-headers: Transferee's name, address, and ZIP + 4; Relationship of transferor to transferee. Includes horizontal lines for data entry.

Table with 4 columns: (a) No. from Part I, (b) Purpose of gift, (c) Use of gift, (d) Description of how gift is held. Includes horizontal lines for data entry.

Table for (e) Transfer of gift. Sub-headers: Transferee's name, address, and ZIP + 4; Relationship of transferor to transferee. Includes horizontal lines for data entry.

Table with 4 columns: (a) No. from Part I, (b) Purpose of gift, (c) Use of gift, (d) Description of how gift is held. Includes horizontal lines for data entry.

Table for (e) Transfer of gift. Sub-headers: Transferee's name, address, and ZIP + 4; Relationship of transferor to transferee. Includes horizontal lines for data entry.

Table with 4 columns: (a) No. from Part I, (b) Purpose of gift, (c) Use of gift, (d) Description of how gift is held. Includes horizontal lines for data entry.

Table for (e) Transfer of gift. Sub-headers: Transferee's name, address, and ZIP + 4; Relationship of transferor to transferee. Includes horizontal lines for data entry.

Supplemental Financial Statements Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization BAY FOUNDATION OF MORRO BAY Employer identification number 77-0215847

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, grants, value, and questions about donor advisement.

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

Table with 2 columns: Question, Held at the End of the Tax Year. Rows include purpose(s) of conservation easements, total number of easements, acreage restricted, and expenses incurred.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Question, Amount. Rows include questions about reporting collections of art, historical treasures, or other similar assets.

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

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

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

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

Table with columns for Amount and rows for 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21?

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

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

Table with columns (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back and rows for 1a-1g: Beginning of year balance, Contributions, Net investment earnings, gains, and losses, Grants or scholarships, Other expenditures for facilities and programs, Administrative expenses, End of year balance.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment | 78.60%
b Permanent endowment | 21.40%
c Temporarily restricted endowment | .00%

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

Table with columns Yes, No and rows 3a(i) unrelated organizations, 3a(ii) related organizations, 3b.

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Table with columns (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value and rows for 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives ~ ~ ~ ~ ~		
(2) Closely-held equity interests ~ ~ ~ ~ ~		
(3) Other		
(A) U.S. EQUITIES	389,153.	END-OF-YEAR MARKET VALUE
(B) INTERNATIONAL EQUITIES	45,026.	END-OF-YEAR MARKET VALUE
(C) U.S. EQUITIES - ENDOWMENT	5,687,889.	END-OF-YEAR MARKET VALUE
(D) INTERNATIONAL EQUITIES -		
(E) ENDOWMENT	809,910.	END-OF-YEAR MARKET VALUE
(F) U.S. FIXED INCOME	1,050,218.	END-OF-YEAR MARKET VALUE
(G) INTERNATIONAL FIXED		
(H) INCOME	13,720.	END-OF-YEAR MARKET VALUE
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.)	11,147,330.	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.)		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

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

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	

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

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1,469,798.
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,755,735.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	-285,937.
4	Net unrealized gains (losses) on investments	961,530.
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net). Add lines 4 through 8	961,530.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	675,593.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	2,452,498.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	961,530.
b	Donated services and use of facilities	21,170.
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	982,700.
3	Subtract line 2e from line 1	1,469,798.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	
b	Other (Describe in Part XIV.)	
c	Add lines 4a and 4b	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	1,469,798.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1,776,905.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	21,170.
b	Prior year adjustments	
c	Other losses	
d	Other (Describe in Part XIV.)	
e	Add lines 2a through 2d	21,170.
3	Subtract line 2e from line 1	1,755,735.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	
b	Other (Describe in Part XIV.)	
c	Add lines 4a and 4b	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	1,755,735.

**Part XIV Supplemental Information**

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

PART II, LINE 9: THE CONSERVATION EASEMENT WAS GRANT FUNDED AND THE FOUNDATION'S SHARE WAS RECORDED AS EXPENSE OF CONSENT DECREE (LEGAL SETTLEMENT) FUNDS IN THE YEAR PAID.

PART V, LINE 4: CENTRAL COAST AMBIENT MONITORING PROGRAM (CCAMP) AND CENTRAL COAST LOW IMPACT DEVELOPMENT CENTER (LID)

PART X, LINE 2: THE FOUNDATION DID NOT MAINTAIN ANY TAX POSITIONS THAT

Part XIV Supplemental Information (continued)

DID NOT MEET THE "MORE LIKELY THAN NOT" THRESHOLD.

Lined area for supplemental information.





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

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

Attach to Form 990.

Name of the organization

BAY FOUNDATION OF MORRO BAY

**Part I** General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the criteria used to award the grants or assistance? ~ ~ ~ ~ ~
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II** Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional recipients are reported.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance
MORRO COAST AUDUBON SOCIETY 601 EMBARCADERO, STE 14 MORRO BAY, CA 93442	23-0716501	501 (C) (3)	27,249.	0.		
LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY - P.O. BOX 12206 - SAN LUIS OBISPO, CA 93406	77-0039294	501 (C) (3)	100,000.	0.		
CITY OF MORRO BAY 1275 EMBARCADERO MORRO BAY, CA 93442	95-2308629	115	10,255.	0.		

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ~ ~ ~ ~ ~
- 3 Enter total number of other organizations listed in the line 1 table ~ ~ ~ ~ ~

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

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

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SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

Open to Public  
Inspection

Name of the organization

BAY FOUNDATION OF MORRO BAY

Employer identification number  
77-0215847

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

WATERSHEDS OF MORRO BAY, ESTERO BAY, AND THE CENTRAL COAST OF  
CALIFORNIA.

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS REVIEWED AND APPROVED BY  
THE BOARD TREASURER IN ADDITION TO PROGRAM DIRECTOR, ASSISTANT PROGRAM  
DIRECTOR AND OFFICE MANAGER PRIOR TO SUBMISSION.

FORM 990, PART VI, SECTION B, LINE 12C: IN ADDITION TO REVIEWING ANNUALLY,  
THE BOARD MEMBERS DISCLOSE CONFLICTS OF INTEREST DURING THE YEAR AS THEY  
ARISE. THE BOARD ADDRESSES CONFLICTS OF INTEREST IMMEDIATELY UPON  
DISCLOSURE.

FORM 990, PART VI, SECTION B, LINE 15A: REVIEW OF SALARIES FOR COMPARABLE  
POSITION AS PROGRAM DIRECTOR, REVIEW AND APPROVAL OF ANNUAL BUDGET BY  
FOUNDATION BOARD AND EPA (MAJOR GRANTOR), DOCUMENTATION IN BOARD MINUTES  
AND ORGANIZATIONS FILES.

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS AND POLICIES  
ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS: 961,530.



