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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2010

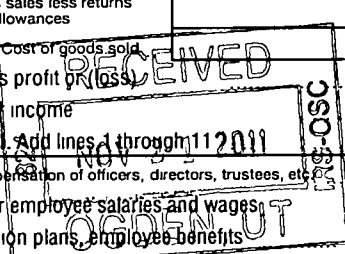
Note The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, or tax year beginning , and ending

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

Name of foundation MFI FOUNDATION		A Employer identification number 74-2882442
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 163597		B Telephone number (512) 732-2544
City or town, state, and ZIP code AUSTIN, TX 78716		C If exemption application is pending, check here <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		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 22,127,714. (Part I, column (d) must be on cash basis)	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		293,025.	222,324.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-82,963.			STATEMENT 1
b Gross sales price for all assets on line 6a 25,467,351.					
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income		6,114.	-81,850.		STATEMENT 3
12 Total. Add lines 1 through 11		216,176.	140,474.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees					
c Other professional fees STMT 4		131,252.	131,252.		0.
17 Interest			825.		
18 Taxes STMT 5		25,000.	1,437.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6			10,125.		
24 Total operating and administrative expenses. Add lines 13 through 23		156,252.	143,639.		0.
25 Contributions, gifts, grants paid		1,227,485.			1,225,465.
26 Total expenses and disbursements. Add lines 24 and 25		1,383,737.	143,639.		1,225,465.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-1,167,561.			
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				N/A	



9/14

2

Part II. Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	3,022,647.	1,650,438.	1,650,438.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	7,434,663.	10,107,086.	10,375,368.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment, basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment, basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶ ALTERNATIVE ASSETS)	14,170,688.	7,394,372.	10,101,908.
	16 Total assets (to be completed by all filers)	24,627,998.	19,151,896.	22,127,714.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	24,627,998.	19,151,896.	
	30 Total net assets or fund balances	24,627,998.	19,151,896.	
	31 Total liabilities and net assets/fund balances	24,627,998.	19,151,896.	

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	24,627,998.
2 Enter amount from Part I, line 27a	2	-1,167,561.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	23,460,437.
5 Decreases not included in line 2 (itemize) ▶ ADJUST BOOK TO TAX BASIS	5	4,308,541.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	19,151,896.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED SECURITIES	P		
b REDEMPTION OF INVESTMENTS	P		
c CAPITAL GAIN DIVIDENDS	P		
d CAPITAL GAINS FROM PASSTHROUGHS	P		
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 19,572,790.		19,782,059.	-209,269.
b 5,867,130.		5,756,611.	110,519.
c 6,247.			6,247.
d 21,184.			21,184.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			-209,269.
b			110,519.
c			6,247.
d			21,184.
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	-71,319.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	1,514,646.	21,154,500.	.071599
2008	2,048,017.	27,013,125.	.075816
2007	1,641,945.	28,259,064.	.058103
2006	1,521,190.	27,637,423.	.055041
2005	1,220,193.	26,508,812.	.046030

2 Total of line 1, column (d)	2	.306589
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.061318
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	21,854,323.
5 Multiply line 4 by line 3	5	1,340,063.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0.
7 Add lines 5 and 6	7	1,340,063.
8 Enter qualifying distributions from Part XII, line 4	8	1,225,465.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	0.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	0.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 20,397.	7	20,397.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	20,397.
7 Total credits and payments. Add lines 6a through 6d		11	20,397.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 0. Refunded <input type="checkbox"/>			

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	X	
14	The books are in care of KIM ROSE Telephone no. 512-732-2620 Located at 248 ADDIE ROY RD, SUITE C200, AUSTIN, TX ZIP+4 78746			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15 N/A			
16	At any time during calendar year 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A	1b	
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 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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 2010) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

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?

If "Yes" to 6b, file Form 8870.

6b

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
THOMAS J. MEREDITH 248 ADDIE ROY RD, SUITE C200 AUSTIN, TX 78746	DIRECTOR 2.00	0.	0.	0.
LYNN M. MEREDITH 248 ADDIE ROY RD, SUITE C200 AUSTIN, TX 78746	DIRECTOR 4.00	0.	0.	0.
SCOTT M. MULLEN 248 ADDIE ROY RD, SUITE C200 AUSTIN, TX 78746	DIRECTOR 2.00	0.	0.	0.

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

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

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

☒ 0

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities	1a	15,934,553.
b	Average of monthly cash balances	1b	4,058,991.
c	Fair market value of all other assets	1c	2,193,586.
d	Total (add lines 1a, b, and c)	1d	22,187,130.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	22,187,130.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	332,807.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	21,854,323.
6	Minimum investment return. Enter 5% of line 5	6	1,092,716.

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

1	Minimum investment return from Part X, line 6	1	1,092,716.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,092,716.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,092,716.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,092,716.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:			
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,225,465.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,225,465.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,225,465.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,092,716.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006	158,547.			
c From 2007	206,990.			
d From 2008	703,169.			
e From 2009	486,719.			
f Total of lines 3a through e	1,555,425.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 1,225,465.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,092,716.
e Remaining amount distributed out of corpus	132,749.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,688,174.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	1,688,174.			
10 Analysis of line 9:				
a Excess from 2006	158,547.			
b Excess from 2007	206,990.			
c Excess from 2008	703,169.			
d Excess from 2009	486,719.			
e Excess from 2010	132,749.			

N/A

- | | | | |
|--|---------------|--|------------|
| | 4942(1)(3) or | | 4942(1)(5) |
|--|---------------|--|------------|

- (4) Gross investment income**

[illegible]

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
PUBLICLY TRADED SECURITIES	19,572,790.	19,766,272.	0.	0.	-193,482.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
REDEMPTION OF INVESTMENTS	5,867,130.	5,756,611.	0.	0.	110,519.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
CAPITAL GAIN DIVIDENDS	6,247.	6,247.	0.	0.	0.	

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL GAINS FROM PASSTHROUGHS		PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
21,184.	21,184.	0.	0.	0.
CAPITAL GAINS DIVIDENDS FROM PART IV				0.
TOTAL TO FORM 990-PF, PART I, LINE 6A				-82,963.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	175,963.	0.	175,963.
INTEREST INCOME	117,062.	0.	117,062.
TOTAL TO FM 990-PF, PART I, LN 4	293,025.	0.	293,025.

FORM 990-PF	OTHER INCOME	STATEMENT	3
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	6,114.	6,114.	
INCOME FROM PASSTHROUGHS	0.	-91,108.	
MISCELLANEOUS INCOME	0.	3,144.	
TOTAL TO FORM 990-PF, PART I, LINE 11	6,114.	-81,850.	

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	131,252.	131,252.		0.
TO FORM 990-PF, PG 1, LN 16C	131,252.	131,252.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	0.	1,437.		0.
FEDERAL TAXES	25,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	25,000.	1,437.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER EXPENSES FROM LOWE REAL ESTATE	0.	10,125.		0.
TO FORM 990-PF, PG 1, LN 23	0.	10,125.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT A	10,107,086.	10,375,368.
TOTAL TO FORM 990-PF, PART II, LINE 10B	10,107,086.	10,375,368.

MFI Foundation
74-2882442
December 31,2010

PART II BALANCE SHEET
LINE 10B - INVESTMENTS

Qty	Security	Cost Basis	FMV
15,000	American Capital	83,823	113,400
3,542	AMEX Technology Select SPDR	81,708	89,223
3,500	Bank of America Corp	53,717	46,690
2,700	Commonwealth 6.5% PFD	52,089	59,157
3,999	Cons Discret Sel Sect SPDR	133,963	149,603
5,137	Cons Staples Sel Sect SPDR FD	143,352	150,565
2,383	Consumer Discretionary SPDR	79,922	89,148
2,253	Energy Sel Sect SPDR FD	135,536	153,767
500	Hansen Natural Corp	20,906	26,140
4,329	Industrial Sel Sec SPDR FD	135,707	150,952
947	Ishares Barclays 1-3 Year	79,482	79,529
1,327	Ishares Barclays 1-3 Year	111,322	111,441
2,234	Ishares Barclays 1-3 Year	187,511	187,611
1,445	Ishares Barclays Short Treas	159,281	159,297
2,020	Ishares Barclays Short Treasuries	222,665	222,685
3,402	Ishares Barclays Short Treasuries	374,999	375,036
3,417	Ishares DJ US Real Estate	181,945	191,215
2,030	Ishares Dow Jones US Real Estate	108,067	113,599
640	Ishares FTSE China	29,214	27,578
2,493	Ishares Iboxx High Yield	222,616	225,093
4,200	Ishares Iboxx High Yield	375,133	379,218
7,054	Ishares MSCI EAFE Fund	387,143	410,684
4,208	Ishares MSCI EAFE Index	232,754	244,990
5,225	Ishares MSCI Emerging Mkts	226,536	248,929
8,763	Ishares MSCI Emerging Mkts Fd	367,233	417,487
1,115	Ishares MSCI Switzerland	26,477	27,964
1,866	Ishares MSCI Taiwan Indx	26,987	29,147
3,500	Ishares Silver Trust	64,897	105,630
796	Ishares TR Barclays 7-10 Year	78,103	74,681
1,135	Ishares TR Barclays 7-10 Year	111,349	106,486
1,288	Ishares TR Barclays Bond 1-3 Year	108,261	108,166
758	Ishares TR Barclays Bond 20+ Year	72,835	71,343
912	Ishares TR Dow Jones US Real Estate	49,657	51,036
1,453	Ishares TR Dow Jones US Real Estate	77,505	81,310
1,784	Ishares TR Iboxx High Yield	159,281	161,077
2,996	Ishares TR MSCI EAFE Index	164,737	174,427
3,730	Ishares TR MSCI Emerging Mkts	161,150	177,705
722	Ishares Trust Barclays MBS Fixed Rate	79,005	76,229
859	Ishares Trust IBoxx High Yield	76,941	77,559
757	Ishares Trust S&P Nat'l	76,797	75,079
1,500	Joseph A Bank Clothiers	59,879	60,480
1,357	Market Vectors ETF	35,772	36,175
3,989	Materials Sel Sect SPDR FD	130,765	153,217
2,378	Materials Select Sector SPDR Fund	77,995	91,339
30,000	Motorola Inc	553,221	272,100

Qty	Security	Cost Basis	FMV
7,087	Powershares DB Comm Trk Inc	182,308	195,247
769	Powershares DB Commodity	20,348	21,186
3,011	Powershares DB Commodity Index Tracking Fund	77,425	82,953
3,433	Powershares DB Commodity Index Trkg Fd	87,782	94,579
2,020	Proshs Ultrashort Lehman	71,713	74,821
3,056	Sector SPDR Consrms Stpl	85,459	89,571
1,230	Sector SPDR Consumer FD	41,751	46,014
1,340	Sector SPDR Energy	80,557	91,455
692	Sector SPDR Engy Select	41,958	47,229
5,676	Sector SPDR Financial	89,047	90,532
2,919	Sector SPDR Fincl Select	44,308	46,558
1,142	Sector SPDR Health Fund	35,352	35,973
1,340	Sector SPDR Indl Select	42,485	46,726
2,588	Sector SPDR Industrial	81,104	90,244
1,231	Sector SPDR Materials	41,255	47,283
1,830	Sector SPDR Tech Select	43,066	46,098
1,588	Sector SPDR TR Con Stpls	44,539	46,544
1,235	Sector SPDR TR Con Stpls	35,365	36,198
960	Sector SPDR TR Shs Ben Int Energy	57,723	65,520
4,058	Sector SPDR TR Shs Ben Int Financial	63,782	64,725
1,843	Sector SPDR TR Shs Ben Int Industrial	57,806	64,265
2,530	Sector SPDR TR Shs Ben Int Technology	58,391	63,731
2,035	Sector SPDR Tr Shs Ben Int Utilities	63,977	63,777
2,201	Sector SPDR TR Shs Consumer Staples	61,472	64,511
1,481	Sector SPDR Util Select	46,173	46,415
1,128	Sector SPDR Util Select	35,358	35,352
2,848	Sector SPDR Utilities	89,530	89,256
1,702	Select Sector SPDR TR Consumer Discretionary	56,948	63,672
1,639	Select Sector SPDR TR Shs Ben Int Materials	55,826	65,259
3,000	Ship Finance Intl	57,341	64,560
4,437	SPDR Barclays Capital	178,714	176,193
2,203	SPDR DJ Wilshire Intl	90,458	85,763
3,686	SPDR DJ Wilshire Intl Real Est	151,408	143,496
583	SPDR Gold	72,747	80,874
1,370	SPDR Gold	171,148	190,046
377	SPDR Gold Trust	51,495	52,297
48	SPDR Gold Trust	6,138	6,659
400	SPDR Gold Trust	51,154	55,488
234	SPDR Gold Trust	29,925	32,460
136	SPDR Gold Trust	18,560	18,866
1,568	SPDR Index Shs FDS DJ Wilshire	64,388	61,042
9,531	The Financial Sel Sect SPDR Fd	150,088	152,019
5,944	The Technology Sel Sec SPDR Fd	137,279	149,729
4,777	Utilities Sel Sect SPDR Fund	150,173	149,711
2,647	Vanguard Bond Index Fund	216,858	212,475
2,597	Vanguard Emerging Market	115,243	125,035
3,384	Vanguard Europe PAC ETF	116,766	122,332
748	Visteon Corp	56,233	55,539
1,156	Visteon Corp 15 WTS	-	30,507
2,000	Wellcare Health Plans	49,924	60,395
TOTAL		10,107,086	10,375,368

MFI Foundation
74-2882442
December 31, 2010

PART XV SUPPLEMENTAL INFORMATION
GRANTS AND CONTRIBUTIONS PAID DURING 2010

<u>Recipient</u>	<u>Amount</u>
2010 Bishop's Gala	1,000
Anti Defamation League	4,940
Association of Fund Raising Professionals	5,000
Austin Children's Museum	5,000
Austin Community Foundation	34,700
Austin Film Society	15,000
Austin Film Society	10,000
Austin Parks Foundation	1,000
Bitterroot Therapeutic Horseback Riding	5,000
Breast Cancer Research Center	3,000
Caritas of Austin	4,700
Center for Child Protection	2,500
Center for Public Policy Priorities	1,190
Dell Children's Medical Center	100,000
East West Institute	25,000
Entrepreneurs Foundation	25,000
Family Eldercare	12,500
Freedom Classic	2,000
GenAustin	5,000
Girls Scouts Lonestar Council	7,500
Greenlights for Non Profit Success	2,625
Hill Country Conservancy	1,000
Huston-Tillotson University	1,000
Junior League of Austin	5,000
KLRU	25,000
KPCW Radio	250
KUT Radio	1,200
LBJ Wildflower Center	26,500
Leadership Austin	1,200
Lifeworks	30,000
The Long Center for the Performing Arts	504,200
Marathon Kids	2,000
March of Dimes	1,000
Montana Land Reliance	5,000
The Nature Conservancy of Texas	2,150

Recipient	Amount
New Milestones Foundation	5,000
Open Door Preschool	27,000
Ovando Fire Department	1,000
Planned Parenthood Texas Capital Region	4,550
Rubin Museum of Art	6,000
SafePlace	2,000
School for Ethics & Global Leadership	3,500
St. Edwards University	1,000
St. Francis University	12,500
St Louise House	10,000
St Stephen's Episcopal School	57,760
Texas Book Festival	1,000
Texas Civil Rights Project	1,000
Texas Democracy Foundation	2,500
Texas Freedom Network Education Fund	1,000
Texas Tribune	25,000
Texas Wall Streen Women	1,000
Trout Unlimited - Big Blackfoot Chapter	500
University of California at Santa Barbara	55,000
University of Texas	105,000
Zachary Scott Theatre	25,000
Total Contributions	1,225,465

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on **e-file for Charities & Nonprofits**.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization MFI FOUNDATION	Employer identification number 74-2882442
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 163597	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. AUSTIN, TX 78716	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

KIM ROSE

- The books are in the care of ► **248 ADDIE ROY RD, SUITE C200 - AUSTIN, TX 78746**
Telephone No. ► **512-732-2620** FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2010** or
► ☐ tax year beginning _____, and ending _____

- 2** If the tax year entered in line 1 is for less than 12 months, check reason. ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$ 10,397.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$ 10,397.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Paperwork Reduction Act Notice, see Instructions.**

Form 8868 (Rev. 1-2011)

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)

Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization	Employer identification number
	MFI FOUNDATION	74-2882442
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 163597	
City, town or post office, state, and ZIP code. For a foreign address, see instructions. AUSTIN, TX 78716		

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

KIM ROSE

• The books are in the care of **248 ADDIE ROY RD, SUITE C200 - AUSTIN, TX 78746**

Telephone No. **512-732-2620**

FAX No. ☐

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2011.**

5 For calendar year **2010**, or other tax year beginning ☐, and ending ☐.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

TAXPAYER NEEDS ADDITIONAL TIME TO COMPILE INFORMATION NEEDED TO PREPARE AN ACCURATE RETURN. AN EXTENSION OF TIME TO FILE IS REQUESTED.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	10,397.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	10,397.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification

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

Signature **Paula A Wendy** Title **CPA**

Date **8/2/11**

Form 8868 (Rev. 1-2011)