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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****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 7/01, **2010, and ending** 6/30, 2011

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

CAROLINE AND ROXANNA MONTROSE
EDUCATIONAL FOUNDATION
P.O. BOX S
MENLO PARK, CA 94026-6220

A Employer identification number

23-7411509

B Telephone number (see the instructions)

(650) 941-3710

C If exemption application is pending, check here ☐**D 1** Foreign organizations, check here ☐**2** Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**H** Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation**I** Fair market value of all assets at end of year (from Part II, column (c), line 16)

\$ 1,772,603.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE

1 Contributions, gifts, grants, etc., received (att sch)**2** Ck ☒ if the foundn is not req to att Sch B**3** Interest on savings and temporary cash investments

20,890.

20,890.

4 Dividends and interest from securities

27,521.

27,521.

5a Gross rents**b** Net rental income or (loss)**6a** Net gain/(loss) from sale of assets not on line 10

-989.

b Gross sales price for all assets on line 6a

197,289.

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/(loss) (att sch)**11** Other income (attach schedule)

SEE STATEMENT 1

3,527.

600.

12 Total. Add lines 1 through 11

50,949.

49,011.

0.

13 Compensation of officers, directors, trustees, etc

6,575.

3,288.

1,315.

14 Other employee salaries and wages**15** Pension plans, employee benefits**16a** Legal fees (attach schedule)**b** Accounting fees (attach sch) SEE ST 2

5,176.

2,588.

2,588.

c Other prof fees (attach sch)**17** Interest**18** Taxes (attach schedule)(see instr) SEE STM 3

47.

18.

7.

19 Depreciation (attach sch) and depletion**20** Occupancy**21** Travel, conferences, and meetings

152.

22 Printing and publications**23** Other expenses (attach schedule)

SEE STATEMENT 4

3,745.

24 Total operating and administrative expenses. Add lines 13 through 23

15,695.

5,894.

3,910.

25 Contributions, gifts, grants paid PART XV

100,000.

100,000.

26 Total expenses and disbursements. Add lines 24 and 25

115,695.

5,894.

0.

103,910.

27 Subtract line 26 from line 12:**a** Excess of revenue over expenses and disbursements

-64,746.

b Net investment income (if negative, enter -0-)

43,117.

c Adjusted net income (if negative, enter -0-)

0.

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	126,062.	119,105.	119,105.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) STATEMENT 5	765,921.	769,402.	1,183,859.
	c Investments — corporate bonds (attach schedule) STATEMENT 6	520,218.	458,917.	469,639.
	11 Investments — land, buildings, and equipment: basis			
LIABILITIES	Less: accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see instructions Also, see page 1, item 1)	1,412,201.	1,347,424.	1,772,603.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe SEE STATEMENT 7)	453.	422.	
	23 Total liabilities (add lines 17 through 22)	453.	422.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. X			
	27 Capital stock, trust principal, or current funds	1,411,748.	1,347,002.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	1,411,748.	1,347,002.	
	31 Total liabilities and net assets/fund balances (see the instructions)	1,412,201.	1,347,424.	

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	1,411,748.
2 Enter amount from Part I, line 27a	2	-64,746.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,347,002.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,347,002.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a SEE STATEMENT 8				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2	-989.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]		3	0.

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

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

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

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

☐ Yes☒ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	105,975.	1,643,487.	0.064482
2008	102,930.	1,540,664.	0.066809
2007	85,235.	2,030,996.	0.041967
2006	89,368.	1,952,336.	0.045775
2005	145,632.	1,783,550.	0.081653

2 Total of line 1, column (d)	2	0.300686
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	0.060137
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,726,499.
5 Multiply line 4 by line 3	5	103,826.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	431.
7 Add lines 5 and 6	7	104,257.
8 Enter qualifying distributions from Part XII, line 4	8	103,910.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary — see instr.)		1	862.
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, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	862.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	862.
6 Credits/Payments:			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	520.	
b Exempt foreign organizations — tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	520.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	345.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11		
Refunded			

Part VII Statements Regarding Activities

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

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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)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		X	
Website address <u>N/A</u>				
14	The books are in care of <u>ERIC MILLAR</u> Telephone no. <u>(650) 941-3710</u>			
	Located at <u>400 CYPRESS DRIVE LOS ALTOS CA</u> ZIP + 4 <u>94022</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	N/A		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?		Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country			

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

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

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here		X
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?		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? If 'Yes,' list the years <u>20__</u> , <u>20_08</u> , <u>20__</u> , <u>20__</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
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 the instructions)		X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 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
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b 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?

6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ERIC S. MILLAR P. O. BOX S MENLO PARK, CA 94026-6220	PRESIDENT/TS 5.00	3,288.	0.	0.
HOLLY D. MILLAR P. O. BOX S MENLO PARK, CA 94026-6220	SECRETARY/TS 5.00	3,287.	0.	0.

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE'.

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services 0**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

BAA

Form 990-PF (2010)

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	1,575,152.
b Average of monthly cash balances	1b	177,639.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	1,752,791.
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	1,752,791.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	26,292.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,726,499.
6 Minimum investment return. Enter 5% of line 5	6	86,325.

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	86,325.
2a Tax on investment income for 2010 from Part VI, line 5	2a	862.	
b Income tax for 2010 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	862.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	85,463.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	85,463.	
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	85,463.	

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	103,910.
b Program-related investments — total from Part IX-B	1b	
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	103,910.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	103,910.

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.

BAA

Form 990-PF (2010)

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				85,463.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			45,812.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010.				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 103,910.				
a Applied to 2009, but not more than line 2a			45,812.	
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				58,098.
e Remaining amount distributed out of corpus	0.			
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	0.			
b Prior years' undistributed income: Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b: Taxable amount — see instructions		0.		
e Undistributed income for 2009: Subtract line 4a from line 2a: Taxable amount — see instructions			0.	
f Undistributed income for 2010: Subtract lines 4d and 5 from line 1: This amount must be distributed in 2011				27,365.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

N/A

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

- b** 85% of line 2a

- c** Qualifying distributions from Part XII,
line 4 for each year listed

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- e** Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a 'Assets' alternative test – enter:

- (1) Value of all assets

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)

- b** 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c 'Support' alternative test – enter:

- (1) Total support other than gross investment income** (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income**

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT 10

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

SEE STATEMENT FOR LINE 2A

- c Any submission deadlines:**

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i> SEE STATEMENT 11				
Total			► 3a	100,000.
<i>b Approved for future payment</i>				
Total			► 3b	

FEDERAL STATEMENTS
CAROLINE AND ROXANNA MONTROSE
EDUCATIONAL FOUNDATION

STATEMENT 8 (CONTINUED)
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
10	15000 TRANSOCEAN	PURCHASED	3/06/2009	12/16/2010
11	25000 WEYERHAEUSER CO	PURCHASED	2/10/2009	6/02/2011
12	19999 FHR 2660 CA	PURCHASED	8/29/2003	10/15/2010
13	30000 FREDDIE MAC FHRR R002 AH	PURCHASED	9/14/2005	10/15/2010
14	24000 OHM DEBENTURES	PURCHASED	VARIOUS	6/30/2011
15	500 IDEARC	PURCHASED	VARIOUS	6/30/2011

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	5.		0.	5.				\$ 5.
2	20,211.		6,551.	13,660.				13,660.
3	16,763.		0.	16,763.				16,763.
4	7,415.		0.	7,415.				7,415.
5	20,255.		22,488.	-2,233.				-2,233.
6	20,300.		18,983.	1,317.				1,317.
7	35,000.		35,527.	-527.				-527.
8	20,894.		19,820.	1,074.				1,074.
9	15,113.		14,118.	995.				995.
10	15,000.		13,823.	1,177.				1,177.
11	26,236.		24,974.	1,262.				1,262.
12	97.		0.	97.				97.
13	0.		441.	-441.				-441.
14	0.		24,663.	-24,663.				-24,663.
15	0.		16,890.	-16,890.				-16,890.
TOTAL								\$ -989.

\$ 342.
2.
1.
TOTAL \$ 345.

STATEMENT 10
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM: CAROLINE & ROXANNA MONTROSE
NAME: EDUCATIONAL FOUNDATION
CARE OF: P.O. BOX S
STREET ADDRESS: MENLO PARK, CA 94026-6220
CITY, STATE, ZIP CODE: (650) 941-3710
TELEPHONE: APPLICATION SHOULD BE SUBMITTED ON A ONE PAGE INSTRUCTION
FORM AND CONTENT: GUIDE, TO BE PROVIDED UPON REQUEST. STATE THE PURPOSE OF
THE REQUEST, SUBMIT A COPY OF THE IRS DETERMINATION LETTER
FOR THE ORGANIZATION REQUESTING THE FUNDS, AGREE TO
PROVIDE A FINAL REPORT OR SUMMARY OF HOW THE FUNDS WERE

2010

FEDERAL STATEMENTS
CAROLINE AND ROXANNA MONTROSE
EDUCATIONAL FOUNDATION

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STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
IRS REFUND INCOME	\$ 2,927.		
OTHER INVESTMENT INCOME	600.	600.	
TOTAL	\$ 3,527.	\$ 600.	0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	\$ 5,176.	\$ 2,588.		\$ 2,588.
TOTAL	\$ 5,176.	\$ 2,588.	\$ 0.	\$ 2,588.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FRANCHISE TAX	\$ 10.			
PAYROLL TAX	37.	18.		7.
TOTAL	\$ 47.	\$ 18.	\$ 0.	\$ 7.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	\$ 55.			
BUSINESS EXPENSES	659.			
FILING FEES	25.			
INSURANCE	1,595.			
OFFICE SUPPLIES	232.			
STORAGE RENTAL	1,179.			
TOTAL	\$ 3,745.	\$ 0.	\$ 0.	\$ 0.

STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
1,200 BRISTOL MYERS	COST	\$ 28,271.	\$ 34,752.
600 CHEVRON	COST	2,266.	61,704.
600 EXXON MOBIL	COST	2,293.	48,828.
600 HARRIS CORP DELAWARE	COST	9,664.	27,036.
600 KEYCORP NEW	COST	13,137.	4,998.
700 OWENS ILLINOIS	COST	21,621.	18,067.
1,462 AT&T	COST	22,058.	45,921.
800 ROBBINS MEYERS	COST	8,730.	42,280.
300 BECKTON DICKSON	COST	8,662.	25,851.
800 KAMAN CORP	COST	10,352.	28,376.
1000 GOODYEAR TIRE	COST	7,729.	16,770.
400 MONSANTO	COST	3,735.	29,016.
800 DUKE ENERGY	COST	8,620.	15,064.
1000 ABM INDUSTRIES	COST	14,312.	23,340.
800 CONAGRA FOODS	COST	17,796.	20,648.
400 LUBRIZOL CORP	COST	6,551.	26,854.
500 MERCK & CO	COST	22,457.	17,645.
750 RAYONIER	COST	20,451.	49,013.
600 DONELLEY & SONS	COST	15,246.	11,766.
800 TUPPERWARE	COST	13,784.	53,960.
4500 ALLIANCE INC	COST	26,718.	14,535.
300 AMERON INTERNATIONAL	COST	11,758.	19,704.
3000 HANCOCK	COST	17,452.	3,750.
600 HONEYWELL	COST	13,690.	35,754.
2000 LANDEC	COST	14,626.	13,200.
125 LIBERTY GLOBAL CL A	COST	0.	5,630.
800 NEENA PAPER	COST	26,085.	17,024.
1200 PFIZER	COST	30,840.	24,720.
1000 SUPERIOR UNIFORM	COST	11,521.	11,700.
600 TIDEWATER INC	COST	23,630.	32,286.
400 VERIZON	COST	2,704.	14,892.
1000 WELLS FARGO	COST	2,724.	28,059.
800 DIEBOLD INC	COST	29,598.	24,808.
400 DU PONT EI DE NEMOURS	COST	17,623.	21,620.
1300 ISHARES MCI	COST	83,696.	68,055.
125 LIBERTY GLOBAL SER C	COST	0.	5,338.
624 LIBERTY MEDIA HLDG SR A	COST	15,817.	17,638.
316 LIBERTY MEDIA CAP SER A	COST	17,093.	25,836.
1110 SEAGATE	COST	12,890.	17,938.
2500 HANDLEMAN CO	COST	18,336.	240.
2500 KEMET CORPORATION	COST	20,244.	11,904.
1000 MISSION WEST PTYS INC	COST	14,983.	8,780.
800 SPECTRA ENERGY CORP	COST	13,090.	21,928.
7 OLD FAIRPOINT COMMUNICATIONS	COST	0.	0.
700 GENERAL ELECTRIC	COST	15,522.	13,202.
200 SEARS	COST	21,012.	14,288.
104 DISCOVERY COMMUNICATIONS A	COST	0.	4,260.
104 DISCOVERY COMMUNICATIONS C	COST	0.	3,801.
10 ASCENT MEDIA CORP SER A	COST	0.	530.
149 AVIAT NETWORKS INC	COST	0.	587.
1290 SEAGATE TECHNOLOGY HOLDINGS	COST	6,549.	20,846.
3000 STEWART ENTERPRISES	COST	16,544.	21,900.
184 THE DIRECT TV GROUP	COST	0.	30,492.
1000 ABB LTD	COST	26,922.	25,950.
96 FRONTIER COMMUNICATIONS	COST	0.	775.
TOTAL		<u>\$ 769,402.</u>	<u>\$ 1,183,859.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
50000 FNMA 91 12-H 7000	COST	\$ 1,210.	\$ 872.
40000 GNMA POOL 002754 5/29	COST	376.	1,054.
25000 GNMA POOL 582177	COST	6,411.	7,004.
19999 FNR 2003-81 CB	COST	3,469.	3,616.
25000 GENERAL ELECTRIC CAP CORP	COST	25,000.	25,209.
25000 FHR 2957 A	COST	5,375.	4,842.
25000 GMAC	COST	25,000.	24,895.
20000 PIONEER NATURAL	COST	19,609.	21,116.
25000 VORNADO REALTY	COST	23,620.	25,156.
20000 SANDISK CORP	COST	15,067.	19,325.
40000 WALL MART STORES	COST	41,941.	42,340.
25000 WELLS FARGO CO	COST	24,868.	26,602.
25000 MCGRAW-HILL COS	COST	21,342.	20,980.
25000 SOUTHERN CALIF ED	COST	27,591.	27,330.
15000 GNMA 09-108 HD	COST	3,969.	3,495.
50000 GNMA 09-113 CB	COST	2,612.	1,802.
40000 COCA COLA	COST	43,272.	42,638.
20000 BOEING CO	COST	21,551.	21,215.
GECC 9/30/15	COST	50,006.	49,801.
50000 GOLDMAN SACHS GRP	COST	48,631.	48,216.
30000 PROCTER & GAMBLE	COST	33,541.	33,584.
15000 GNMA 11-24 TB 400CRG	COST	14,456.	14,283.
CORPORATE BONDS - ACCRUED INT PER STMT	COST	0.	4,159.
GOVERNMENT BONDS - ACCRUED INT PER STMT	COST	0.	105.
	TOTAL	\$ 458,917.	\$ 469,639.

STATEMENT 7
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

PAYROLL TAX PAYABLE	\$ 422.
TOTAL	\$ 422.

STATEMENT 8
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

<u>ITEM</u>	<u>(A) DESCRIPTION</u>	<u>(B) HOW ACQUIRED</u>	<u>(C) DATE ACQUIRED</u>	<u>(D) DATE SOLD</u>
1	KEMET CORPORATION - CASH IN LIEU	PURCHASED	VARIOUS	11/04/2010
2	200 LUBRIZOL CORP	PURCHASED	4/12/2004	11/17/2010
3	416 THE DIRECT TV GROUP	PURCHASED	7/19/2002	11/17/2010
4	184 THE DIRECT TV GROUP	PURCHASED	6/05/2006	11/17/2010
5	20000 BRIGGS & STRATTON	PURCHASED	3/11/2008	1/19/2011
6	20000 DELUXE CORP	PURCHASED	5/01/2007	3/24/2011
7	35000 JOHN HANCOCK LIFE	PURCHASED	2/22/2008	11/15/2010
8	20000 TEVA PHARMACEUTICAL	PURCHASED	2/16/2007	1/20/2011
9	15000 TOYS R US	PURCHASED	7/31/2002	6/24/2011

STATEMENT 10 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

SUBMISSION DEADLINES: USED.
 N/A
 RESTRICTIONS ON AWARDS: FUNDS MUST BE USED TO SUPPORT ORPHAN CHILDREN.

STATEMENT 11
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
100 FRIENDS PROJECT 2140 SHATTUCK AVENUE #2050 BERKELEY, CA 94704	NONE	EXEMPT	SUPPORT THE PROJECT'S ORPHANAGES	\$ 15,000.
HEALTH & HABITAT 76 LEE STREET MILL VALLEY, CA 94941	NONE	EXEMPT	SUPPORT HEALTH & HABITAT'S ORPHANAGE	15,000.
NEPALESE YOUTH OPPORTUNITY FOUNDATION 3030 BRIDGEWAY, SUITE 123 SAUSALITO, CA 94965	NONE	EXEMPT	SUPPORT THE FOUNDATION'S ORPHANAGES	20,000.
CHILDREN'S HUNGER RELIEF FUND 182 FARMERS LANE, STE 200 SANTA ROSA, CA 95405	NONE	EXEMPT	SUPPORT OF THE FUND'S ISAAC NEWTON ACADEMY	10,000.
TRES ISLAS ORPHANAGE FUND 3717 MONROE AVENUE CHEYENNE, WY 82001	NONE	EXEMPT	PROVIDE SUPPORT FOR THE CHILDREN OF TRES ISLAS ORPHANAGE	10,000.
HOMES FOR ORPHANS OF MEXICAN EXTRACTION 2510-G LAS POSAS ROAD CAMARILLO, CA 93010	NONE	EXEMPT	IN SUPPORT OF THE NINOS DE BAJA PROGRAM	30,000.
TOTAL				\$ <u>100,000.</u>