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

2011

Department of the Treasury
Internal Revenue Service

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

For calendar year 2011, or tax year beginning , 2011, and ending

THE MILLSTREET FOUNDATION, INC.
1100 ALMA STREET #210
MENLO PARK, CA 94025A Employer identification number
20-1826618

B Telephone number (see the instructions)

G Check all that apply: ☐ Initial return ☐ Initial Return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name changeH Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 3,132,145.
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)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. ... ☐

Part I Analysis of Revenue and

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

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

1 Contributions, gifts, grants, etc, received (att sch)

2 Ck ☒ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 1,711,057.

7 Capital gain net income (from Part IV, line 2)

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)

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) SEE ST. 1

b Accounting fees (attach sch) SEE ST 2

c Other prof fees (attach sch) SEE ST 3

17 Interest

18 Taxes (attach schedule)(see instrs) SEE STM 4

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings.

22 Printing and publications

23 Other expenses (attach schedule) SEE STATEMENT 5

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

25 Contributions, gifts, grants paid PART XV

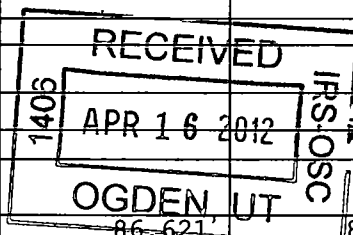
26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

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

c Adjusted net income (if negative, enter -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		483,312.	179,802.	179,802.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U.S. and state government obligations (attach schedule)				
	b	Investments — corporate stock (attach schedule)		1,728,492.	1,774,905.	2,208,405.
	c	Investments — corporate bonds (attach schedule)		582,698.	732,101.	743,938.
	LIABILITIES	11	Investments — land, buildings, and equipment basis			
		Less: accumulated depreciation (attach schedule)				
12		Investments — mortgage loans				
13		Investments — other (attach schedule)				
14		Land, buildings, and equipment basis				
		Less: accumulated depreciation (attach schedule)				
15		Other assets (describe)				
16		Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		2,794,502.	2,686,808.	3,132,145.
17		Accounts payable and accrued expenses		154.	740.	
18		Grants payable				
19	Deferred revenue					
20	Loans from officers, directors, trustees, & other disqualified persons					
21	Mortgages and other notes payable (attach schedule)					
22	Other liabilities (describe)					
23	Total liabilities (add lines 17 through 22)		154.	740.		
NET ASSETS OR FUND BALANCES	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.					
	27	Capital stock, trust principal, or current funds		32.	32.	
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		2,794,316.	2,686,036.	
	30	Total net assets or fund balances (see instructions)		2,794,348.	2,686,068.	
	31	Total liabilities and net assets/fund balances (see instructions)		2,794,502.	2,686,808.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,794,348.
2	Enter amount from Part I, line 27a	2	-108,281.
3	Other increases not included in line 2 (itemize). SEE STATEMENT 6	3	1.
4	Add lines 1, 2, and 3	4	2,686,068.
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	2,686,068.

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	MORGAN STANLEY ST	P	VARIOUS	VARIOUS
b	MORGAN STANLEY LT	P	VARIOUS	VARIOUS
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 666,942.		675,578.	-8,636.
b 1,044,115.		1,005,387.	38,728.
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			-8,636.
b			38,728.
c			
d			
e			

2 Capital gain net income or (net capital loss).	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	30,092.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6).	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>		3	-8,636.

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

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

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

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

☐ Yes☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010			
2009			
2008			
2007			
2006			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	1,732.
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	1,732.
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	1,732.
6 Credits/Payments.			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	2,960.	
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	2,960.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,228.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax 1,228. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
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.		
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? 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
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? 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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) N/A		
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 2011 or the taxable year beginning in 2011 (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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address: <u>N/A</u>	13	X	
14	The books are in care of <u>MICHELE A COOK, CPA</u> Telephone no <u>408-293-3004</u> Located at <u>1530 THE ALAMEDA #200 SAN JOSE CA</u> ZIP + 4 <u>95126</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	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			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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes <input checked="" 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 instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
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 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)	3b	N/A
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 2011?	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)? (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? ☐ Yes ☐ No

N/A

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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? ☐ Yes ☒ No

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
PAUL HEGARTY 1100 ALMA STREET #210 MENLO PARK, CA 94025	CEO 2.00	0.	0.	0.
WILLIAM MCCLURE 1100 ALMA STREET #210 MENLO PARK, CA 94025	SECRETARY 1.00	0.	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.

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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	3,289,058.
b	Average of monthly cash balances	1b	74,066.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	3,363,124.
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	3,363,124.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	50,447.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,312,677.
6	Minimum investment return. Enter 5% of line 5	6	165,634.

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	165,634.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,732.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,732.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	163,902.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	163,902.
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	163,902.

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	160,000.
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	160,000.
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	160,000.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7.				163,902.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only.			0.	
b Total for prior years. 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007	3,344.			
c From 2008	2,316.			
d From 2009	2,502.			
e From 2010				
f Total of lines 3a through e.	8,162.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 160,000.				
a Applied to 2010, 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 2011 distributable amount				160,000.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	3,902.			3,902.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	4,260.			
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 2010. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012.				0.
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 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	4,260.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008	1,758.			
c Excess from 2009	2,502.			
d Excess from 2010				
e Excess from 2011				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> SEE STATEMENT 7				
Total			3a	160,000.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					6,345.
4 Dividends and interest from securities					50,184.
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					30,092.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					86,621.
13 Total. Add line 12, columns (b), (d), and (e)				13	86,621.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

	Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash		X
(2) Other assets		X
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization		X
(2) Purchases of assets from a noncharitable exempt organization		X
(3) Rental of facilities, equipment, or other assets		X
(4) Reimbursement arrangements		X
(5) Loans or loan guarantees		X
(6) Performance of services or membership or fundraising solicitations		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign
Here**

Signature of officer or trustee

X 4/6/12
Date

► ~~CEO~~ Secretary / CFC
Title

May the IRS discuss this return with the preparer shown below (see instructions)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

MICHELE A. VASSAR

Preparer's signature _____

MICHELE A. VASSAR

Date _____

3/24/12

Check ☐ if
self-employed

PTIN	
------	--

P01213761

Firm's name ▶ ALLEN & COOK, INC., CPA'S

Firm's address ▶ 1530 THE ALAMEDA SUITE 200

SAN JOSE, CA 95126

Firm's EIN ▶ 94-2680604

Phone no (408) 293-3004

BAA

Form 990-PF (2011)

2011

FEDERAL STATEMENTS

PAGE 1

CLIENT 4576

THE MILLSTREET FOUNDATION, INC.

20-1826618

3/24/12

10:17AM

STATEMENT 1
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	\$ 65.		\$ 65.	
TOTAL	<u>\$ 65.</u>	<u>\$ 0.</u>	<u>\$ 65.</u>	<u>\$ 0.</u>

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 FEES	\$ 3,555.		\$ 3,555.	
TOTAL	<u>\$ 3,555.</u>	<u>\$ 0.</u>	<u>\$ 3,555.</u>	<u>\$ 0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MGMT FEES	\$ 26,028.		\$ 26,028.	
TOTAL	<u>\$ 26,028.</u>	<u>\$ 0.</u>	<u>\$ 26,028.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL	\$ 4,810.		\$ 4,810.	
FOREIGN TAXES	332.		332.	
FRANCHISE	10.		10.	
TOTAL	<u>\$ 5,152.</u>	<u>\$ 0.</u>	<u>\$ 5,152.</u>	<u>\$ 0.</u>

2011

FEDERAL STATEMENTS

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CLIENT 4576

THE MILLSTREET FOUNDATION, INC.

20-1826618

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STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LICENSES & FEES	\$ 70.		\$ 70.	
POSTAGE	32.		32.	
TOTAL	<u>\$ 102.</u>	<u>\$ 0.</u>	<u>\$ 102.</u>	<u>\$ 0.</u>

STATEMENT 6
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

ROUNDING				\$ 1.
TOTAL				<u>\$ 1.</u>

STATEMENT 7
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
THE NUEVA SCHOOL 6565 SKYLINE BOULEVARD HILLSBOROUGH, CA 94010-6221, CA 94010	NONE	501C3	TO FUND/SUPPORT PERSONNEL AND PROGRAM NECESSITIES REQUIRED TO FACILITATE STUDENTS LEARNING AND DEVELOPMENT.	\$ 5,000.
STANFORD UNIVERSITY 326 GALVEZ STREET STANFORD, CA 94305-6105,	NONE	501C3	TO SUPPORT THE NEEDS OF THE STANFORD LIVELY ARTS-ODD YEARS.	110,000.
PHILANTHROPY WORKSHOP WEST 201 CALIFORNIA ST., SUITE 630 SAN FRANCISCO, CA 94111	NONE	501C3	FUNDS TO BE USED IN THE ORGANIZATIONS EFFORTS TO EDUCATE, INSPIRE AND ACTIVATE A PEER NETWORK OF EFFECTIVE, ENGAGED AND INNOVATIVE PHILANTHROPISTS.	10,000.

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FEDERAL STATEMENTS

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THE MILLSTREET FOUNDATION, INC.

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STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
HUMAN RIGHTS WATCH 350 FIFTH AVE., 34TH FLOOR NEW YORK, NY 10118	NONE	501C3	FUNDS TO BE USED IN THE ORGANIZATIONS EFFORTS TO PROTECT THE HUMAN RIGHTS OF PEOPLE AROUND THE WORLD.	\$ 25,000.
LUCILLE PACKARD 400 HAMILTON AVE., SUITE 340 PALO ALTO, CA 94301	NONE	501C3	FUNDS TO BE USED IN THE ORGANIZATIONS EFFORTS TO PROVIDE MEDICAL COSTS TO CHILDREN.	10,000.
TOTAL				\$ <u>160,000.</u>

Morgan Stanley

Private Wealth Management

Supplemental Report

555 California Street
San Francisco, CA 94104
(415) 576-2004

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14-78CC2 : THE MILLSTREET FOUNDATION INC ATTN: WILLIAM L MCCLURE
01/01/2011 to 12/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss)	
						Short Term	Long Term
400,000	WILLIAMS COS THE COM	05/19/2010	01/05/2011	8,121.56	9,880.87	1,759.31	
1,000,000	WILLIAMS COS THE COM	01/09/2007	01/05/2011	25,538.00	24,702.18		(835.82)
900,000	WILLIAMS COS THE COM	01/04/2005	01/05/2011	21,374.46	22,231.96		857.50
265,000,000	JPMORGAN CHASE & CO 6.75% DUE 02/01/2011 @ 100.00	03/05/2010	02/01/2011	265,000.00	265,000.00		
150,000,000	JPMORGAN CHASE & CO 6.75% DUE 02/01/2011 @ 100.00	11/03/2008	02/01/2011	150,000.00	150,000.00		
600,000	DIRECTV GROUP INC CL A	01/09/2008	02/08/2011	13,008.00	25,844.44		12,836.44
275,000	DIRECTV GROUP INC CL A	01/09/2008	02/17/2011	5,962.00	12,130.01		6,168.01
200,000	WAL MART STORES INC	01/12/2010	03/02/2011	10,905.84	10,375.68		(530.16)
50,000	WAL MART STORES INC	01/12/2010	03/02/2011	2,726.46	2,595.96		(130.50)
600,000	WAL MART STORES INC	10/06/2009	03/02/2011	29,627.94	31,151.46		1,523.52
165,000,000	CHEVRON PHILLIPS SER B 7.00% DUE 03/15/2011 @ 100.00	07/22/2009	03/15/2011	165,000.00	165,000.00		
800,000	CISCO SYSTEMS INC	01/21/2005	03/28/2011	14,616.00	13,893.25		(722.75)
950,000	CISCO SYSTEMS INC	01/06/2005	03/28/2011	17,860.00	16,498.24		(1,361.76)
300,000	HEWLETT PACKARD CO USDI	03/28/2011	05/17/2011	12,747.99	10,899.15	(1,848.84)	
350,000	AMERICA MOVIL SAB DE CV	01/11/2005	06/02/2011	5,597.67	17,973.55		12,375.88
150,000	AMERICA MOVIL SAB DE CV	01/06/2005	06/02/2011	2,493.00	7,702.95		5,209.95
100,000	INTEL CORP	10/07/2005	06/02/2011	2,385.00	2,214.80		(170.20)
1,000,000	INTEL CORP	12/08/2004	06/02/2011	23,230.00	22,147.97		(1,082.03)
1,400,000	INTEL CORP	12/01/2004	06/02/2011	31,920.00	31,007.16		(912.84)
800,000	TEXTRON INC COM	08/02/2010	06/02/2011	17,029.60	18,057.01	1,027.41	
1,000,000	TEXTRON INC COM	02/02/2010	06/02/2011	20,669.90	22,571.26		1,901.36
475,000	WILLIAMS COS THE COM	06/17/2010	06/02/2011	10,009.06	14,549.91	4,540.85	
25,000	WILLIAMS COS THE COM	05/19/2010	06/02/2011	507.60	765.79		258.19
1,000,000	BANK OF AMERICA CORP	05/07/2010	07/12/2011	16,179.90	10,329.80		(5,850.10)
1,000,000	BANK OF AMERICA CORP	03/03/2010	07/12/2011	16,537.00	10,329.80		(6,207.20)

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14-78CC2 : THE MILLSTREET FOUNDATION INC ATTN: WILLIAM L MCCLURE
01/01/2011 to 12/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss)	
						Short Term	Long Term
1,000.000	BANK OF AMERICA CORP	02/02/2010	07/12/2011	15,537.00	10,329.80		(5,207.20)
1,200.000	BANK OF AMERICA CORP	12/11/2009	07/12/2011	18,431.88	12,395.76		(6,036.12)
1,000.000	LAZARD LTD COM	01/05/2011	07/12/2011	40,529.00	34,189.34	(6,339.66)	
600.000	MERCK & CO	02/08/2011	08/01/2011	19,941.06	19,846.06	(95.00)	
350.000	MERCK & CO	01/05/2011	08/01/2011	12,759.29	11,576.87	(1,182.42)	
300.000	MERCK & CO	08/02/2010	08/01/2011	10,507.80	9,923.03	(584.77)	
700.000	MERCK & CO	04/20/2010	08/01/2011	25,296.18	23,153.73		(2,142.45)
750.000	ISHARES TR S&P EURO PLUS COM STK	01/29/2010	08/10/2011	27,445.05	25,392.56		(2,052.49)
1,500.000	ISHARES TR S&P EURO PLUS COM STK	01/27/2010	08/10/2011	56,345.85	50,785.12		(5,560.73)
150.000	ALBEMARLE CORP COM	01/05/2011	09/02/2011	8,267.30	7,225.74	(1,041.56)	
800.000	ALCOA INC COM	04/20/2010	09/02/2011	11,063.92	9,703.81		(1,360.11)
1,000.000	ALCOA INC COM	02/02/2010	09/02/2011	13,778.40	12,129.77		(1,648.63)
600.000	CISCO SYSTEMS INC	05/31/2006	09/02/2011	11,850.00	9,302.46		(2,547.54)
500.000	CISCO SYSTEMS INC	10/07/2005	09/02/2011	8,845.00	7,752.05		(1,092.95)
600.000	CISCO SYSTEMS INC	06/28/2005	09/02/2011	11,532.00	9,302.46		(2,229.54)
100.000	CISCO SYSTEMS INC	01/21/2005	09/02/2011	1,827.00	1,550.41		(276.59)
150.000	GENERAL DYNAMICS CORP COM	11/18/2008	09/02/2011	8,058.72	9,179.55		1,120.83
400.000	GENERAL DYNAMICS CORP COM	12/17/2004	09/02/2011	21,269.60	24,478.81		3,209.21
2,500.000	GENERAL ELEC CO	01/12/2010	09/02/2011	41,774.75	39,352.74		(2,422.01)
1,400.000	GENERAL ELEC CO	01/05/2009	09/02/2011	23,800.00	22,037.54		(1,762.46)
1,000.000	MIETLIFE INC COMM STOCK	05/07/2010	09/02/2011	41,060.00	30,910.40		(10,149.60)
500.000	MICROSOFT CORP USD.0 01	09/09/2010	09/02/2011	12,047.80	12,905.60	857.80	
100.000	MICROSOFT CORP USD.0 01	08/02/2010	09/02/2011	2,629.70	2,581.12		(48.58)
400.000	PENNEY(J C) CO INC USD.50 COM STK	02/02/2009	09/02/2011	6,586.92	10,177.80		3,590.88
1,000.000	PENNEY(J C) CO INC USD.50 COM STK	07/07/2008	09/02/2011	36,849.00	25,444.51		(11,404.49)
450.000	AMERICA MOVIL SAB DE CV	01/11/2005	10/12/2011	3,598.50	10,544.01		6,945.51

Morgan Stanley

Private Wealth Management

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Realized Gains & Losses
14-78CC2 : THE MILL STREET FOUNDATION INC ATTN: WILLIAM L MCCLURE
01/01/2011 to 12/31/2011
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss)	
						Short Term	Long Term
100.000	APPLE INC	02/02/2009	10/12/2011	9,017.64	40,647.21		31,629.57
250.000	HSBC HOLDINGS PLC ADR	03/31/2009	10/12/2011	4,621.89	10,450.39		5,828.50
250.000	HSBC HOLDINGS PLC ADR	03/31/2009	10/12/2011	4,621.88	10,450.40		5,828.52
800.000	MKT VC HYLD MUN 1.776% DUE @ 0.00	08/01/2011	10/12/2011	23,388.00	23,479.54	91.54	
700.000	AMERICA MOVIL SAB DE CV	12/03/2008	11/04/2011	10,100.30	17,781.97		7,681.67
350.000	AMERICA MOVIL SAB DE CV	01/11/2005	11/04/2011	2,798.83	8,890.98		6,092.15
45,000.000	GOLDMAN SACHS GP 6.600% DUE 01/15/2012 @ 100.00	01/18/2011	12/20/2011	45,185.50	45,148.50	(37.00)	
150.000	BHP BILLITON LTD ADR	09/02/2011	12/23/2011	12,310.01	10,645.50	(1,664.51)	
200.000	BHP BILLITON LTD ADR	03/02/2011	12/23/2011	18,898.00	14,194.01	(4,703.99)	
165,000.000	NEW CINGULAR WIRELESS SER 8.125% DUE 05/01/2012 @ 100.00	04/05/2011	12/28/2011	169,343.69	169,343.69		
TOTAL PORTFOLIO				1,680,964.44	1,711,056.44	*(9,220.84)	* *39,312.84