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

2011

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

, and ending

Name of foundation D.W. MCMILLAN FOUNDATION		A Employer identification number 63-6044830
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 867	Room/suite	B Telephone number (251) 867-4881
City or town, state, and ZIP code BREWTON, AL 36427		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> Foreign organizations meeting the 85% test, 2. check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 26,424,531.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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		1,031,277.	1,031,277.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		225,328.			
b Gross sales price for all assets on line 6a 5,845,145.					
7 Capital gain net income (from Part IV, line 2)			225,328.		
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					
12 Total. Add lines 1 through 11		1,256,605.	1,256,605.		
13 Compensation of officers, directors, trustees, etc.		119,004.	77,353.		41,651.
14 Other employee salaries and wages		82,008.	53,305.		28,703.
15 Pension plans, employee benefits		15,000.	9,750.		5,250.
16a Legal fees		7,952.	6,362.		1,590.
b Accounting fees		20,250.	0.		0.
c Other professional fees		69,022.	69,022.		0.
17 Interest					
18 Taxes		89,389.	10,333.		5,294.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		5,732.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		408,357.	226,125.		82,488.
25 Contributions, gifts, grants paid		1,168,400.			1,168,400.
26 Total expenses and disbursements. Add lines 24 and 25		1,576,757.	226,125.		1,250,888.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-320,152.			
b Net investment income (if negative, enter -0-)			1,030,480.		
c Adjusted net income (if negative, enter -0-)				N/A	

3 p

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	81,145.	114,837.	114,837.
	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	13,174,596.	14,162,508.	15,314,400.
	c Investments - corporate bonds STMT 8	11,280,014.	10,102,546.	10,469,066.
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 ▶ <u>TIMBERLAND</u>)	288,195.	288,195.	526,228.	
16 Total assets (to be completed by all filers)	24,823,950.	24,668,086.	26,424,531.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	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	24,823,950.	24,988,238.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	0.	-320,152.		
30 Total net assets or fund balances	24,823,950.	24,668,086.		
31 Total liabilities and net assets/fund balances	24,823,950.	24,668,086.		

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	24,823,950.
2 Enter amount from Part I, line 27a	2	-320,152.
3 Other increases not included in line 2 (itemize) ▶ <u>TRANSFER FROM D.W. MCMILLAN TRUST</u>	3	164,288.
4 Add lines 1, 2, and 3	4	24,668,086.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	24,668,086.

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 SEE SUPPLEMENT ATTACHED		P		
b CAPITAL GAINS DIVIDENDS				
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 5,806,032.		5,619,817.	186,215.
b 39,113.			39,113.
c			
d			
e			

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

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			186,215.
b			39,113.
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	225,328.
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))
2010	1,177,452.	25,607,299.	.045981
2009	1,380,047.	23,684,341.	.058268
2008	1,433,075.	26,779,917.	.053513
2007	1,368,468.	30,282,413.	.045190
2006	1,359,371.	28,270,348.	.048085

2 Total of line 1, column (d)	2	.251037
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	.050207
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	26,579,169.
5 Multiply line 4 by line 3	5	1,334,460.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	10,305.
7 Add lines 5 and 6	7	1,344,765.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	1,250,888.

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	20,610.
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	20,610.
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	20,610.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	41,040.	
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	41,040.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	20,430.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> 20,430. Refunded <input type="checkbox"/>	11	0.	

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
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. <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"/> AL, FL		
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

N/A

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 ► N/A	13	X	
14	The books are in care of ► DANIEL W. MCMILLAN Telephone no. ► Located at ► P.O. BOX 867, BREWTON, AL ZIP+4 ► 36427			
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 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? See 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 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here	1b	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 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 ►	<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. ►		
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

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

5b

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

If "Yes" to 6b, file Form 8870

☐ Yes ☒ No

7b

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

☐ Yes ☒ No

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

N/A

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

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

(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
ED LEIGH MCMILLAN II	TRUSTEE			
P.O. BOX 867				
BREWTON, AL 36427	0.00	50,004.	0.	0.
JOHN D FINLAY JR	TRUSTEE			
P.O. BOX 867				
BREWTON, AL 36427	0.00	33,000.	0.	0.
MICHAEL N HOKE	TRUSTEE			
3040 VALLEY RIDGE ROAD				
HOOVER, AL 35242	0.00	18,000.	0.	0.
ALLISON R SINROD	TRUSTEE			
4380 D'EVEROUX DRIVE				
PENSACOLA, FL 35204	0.00	18,000.	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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Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

S (continued)

(c) Compensation

Total number of others receiving over \$50,000 for professional services

0

Summary of Direct Charitable Activities

Expenses

2

3

4

Summary of Program-Related Investments

Amount

2

All other program-related investments. See instructions

3

Total. Add lines 1 through 3

0.

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	26,229,744.
b	Average of monthly cash balances	1b	227,956.
c	Fair market value of all other assets	1c	526,228.
d	Total (add lines 1a, b, and c)	1d	26,983,928.
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	26,983,928.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	404,759.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,579,169.
6	Minimum investment return. Enter 5% of line 5	6	1,328,958.

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	1,328,958.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	20,610.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	20,610.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,308,348.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,308,348.
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	1,308,348.

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	1,250,888.
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	1,250,888.
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	1,250,888.

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				1,308,348.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			1,166,840.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 1,250,888.				
a Applied to 2010, but not more than line 2a			1,166,840.	
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				84,048.
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).)	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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				1,224,300.
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 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
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
a <i>Paid during the year</i> SEE SUPPLEMENT ATTACHED				1,168,400.
Total			▶ 3a	1,168,400.
b <i>Approved for future payment</i> NONE				
Total			▶ 3b	0.

Part XVII


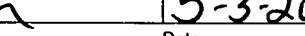
Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | 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 | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | 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 | | |
| | | |
| | | |
| | | |

Sign Here	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.				May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	 Signature of officer or trustee		Date 15-3-2012		Title Trustee	
Paid Preparer Use Only	Print/Type preparer's name JOHN H. REAMEY		Preparer's signature 		Date 5-1-12	
	Check <input type="checkbox"/> if self-employed		PTIN P00527796			
	Firm's name ▶ BOOHAKER, SCHILLACI & COMPANY, PC				Firm's EIN ▶ 63-1035621	
	Firm's address ▶ 601 VESTAVIA PARKWAY SUITE 300 BIRMINGHAM, AL 35216				Phone no. 205/824-1617	

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BANKTRUST INTEREST	547,208.	0.	547,208.
UBS	523,182.	39,113.	484,069.
TOTAL TO FM 990-PF, PART I, LN 4	1,070,390.	39,113.	1,031,277.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL EXPENSE	7,952.	6,362.		1,590.
TO FM 990-PF, PG 1, LN 16A	7,952.	6,362.		1,590.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	20,250.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	20,250.	0.		0.

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 FEES	68,022.	68,022.		0.
AGENCY & CUSTODY FEES	1,000.	1,000.		0.
TO FORM 990-PF, PG 1, LN 16C	69,022.	69,022.		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
PROPERTY TAXES	500.	500.		0.
PAYROLL TAXES	15,127.	9,833.		5,294.
FEDERAL EXCISE TAXES	73,762.	0.		0.
TO FORM 990-PF, PG 1, LN 18	89,389.	10,333.		5,294.

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
DUES	3,000.	0.		0.
INSURANCE	1,250.	0.		0.
MISCELLANEOUS	1,285.	0.		0.
OFFICE EXPENSE	197.	0.		0.
TO FORM 990-PF, PG 1, LN 23	5,732.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
	14,162,508.	15,314,400.
TOTAL TO FORM 990-PF, PART II, LINE 10B	14,162,508.	15,314,400.

FORM 990-PF

CORPORATE BONDS

STATEMENT 8

DESCRIPTIONBOOK VALUEFAIR MARKET
VALUE10,102,546.10,469,066.

TOTAL TO FORM 990-PF, PART II, LINE 10C

10,102,546.10,469,066.

FORM 990-PF	GRANT APPLICATION SUBMISSION INFORMATION	STATEMENT	9
	PART XV, LINES 2A THROUGH 2D		

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

DANIEL W. MCMILLAN
P.O. BOX 867
BREWTON, AL 36427

TELEPHONE NUMBER

251-867-4881

FORM AND CONTENT OF APPLICATIONS

PROOF OF NEED AND QUALIFICATION AS POOR & NEEDY RESIDENT OF ESCAMBIA
COUNTY, AL OR FL

ANY SUBMISSION DEADLINES

RESTRICTIONS AND LIMITATIONS ON AWARDS

GEOGRAPHICAL AREA OF ESCAMBIA COUNTY, AL OR ESCAMBIA COUNTY, FL

D. W. MCMILLAN FOUNDATION - 63-6044830
SUPPLEMENT TO FORM 990-PF
GAIN OR (LOSS) ON SALE OF ASSETS
For the Year Ended December 31, 2011

Description	Date Acquired	Date Sold	Proceeds	Cost	Gain (Loss)
Citigroup, Inc Nts					
6 5% 200M	02/20/2001	01/18/2011	\$ 200,000 00	\$ 200,000 00	\$ -
Halliburton Co					
1,660 Shs	10/29/2010	02/09/2011	76,055 41	50,198 40	25,857 01
Clorox Co					
177 Shs	08/28/2009	02/17/2011	12,308 96	10,412 20	1,896 76
Caterpillar Fin Svs Corp					
6% 200M	02/19/2009	02/15/2011	200,000 00	200,000 00	-
Walmart Stores					
320 Shs	04/28/2009	03/10/2011	16,878 04	15,665 25	1,212 79
Qualcomm Co					
7,000 Shs	05/04/2010	03/15/2011	367,509 74	266,886 55	100,623 19
GMACC					
7 25% 150M	05/09/2001	03/02/2011	150,000 00	150,000 00	-
Dow Chemical Co Nts					
5 7% 200M	02/26/2010	03/15/2011	200,000 00	200,000 00	-
Coca-Cola					
5 75% 250M	05/10/2001	03/15/2011	250,000 00	247,390 00	2,610 00
American Home Products					
6 95% 100M	08/06/2002	03/15/2011	100,000 00	100,000 00	-
Hewlett Packard Co					
9,900 Shs	01/12/2011	03/31/2011	405,541 76	451,654 83	(46,113 07)
Clorox Co					
2,823 Shs	08/28/2009	04/26/2011	194,077 80	166,065 85	28,011 95
Citigroup, Inc					
Cash in Lieu	01/24/2004	05/09/2011	13 36	150 59	(137 23)
Georgia Pacific Corp					
8 125% 350M	02/28/2002	03/15/2011	350,000 00	337,284 50	12,715 50
Walmart Stores, inc					
5,180 Shs	04/28/2009	06/06/2011	281,821 29	253,581 20	28,240 09
FHLMC					
4 5% 200M	11/30/2006	06/09/2011	216,145 99	200,594 21	15,551 78
FHLMC					
4 5% 250M	11/30/2006	06/06/2011	269,840 72	249,851 85	19,988 87
The Dow Chemical					
7 2% 250M	06/02/2009	06/15/2011	250,000 00	250,000 00	-
Petrohawk Energy Corp					
3,680 Shs	02/04/2011	07/15/2011	140,394 10	76,101 66	64,292 44
PNC Funding Corp B/E					
5 625% 200M	05/08/2009	02/11/2017	219,174 75	177,279 25	41,895 50
Akamai Tehnologies, Inc					
7,900 Shs	03/02/2011	08/02/2011	189,110 51	300,928 38	(111,817 87)
J P Morgan Chase & Co					
2,200 Shs	03/24/2011	08/03/2011	87,613 31	100,159 18	(12,545 87)
Microsoft Corp					
4,900 Shs	07/24/2003	08/08/2011	131,598 73	155,082 92	(23,484 19)
Alcoa, Inc					
12,000 Shs	11/03/2010	08/17/2011	154,472 24	156,599 70	(2,127 46)
GE					
8,190 Shs	08/01/2002	08/08/2011	136,330 13	238,238 14	(101,908 01)
Halliburton					
2,015 Shs	10/29/2010	08/08/2011	98,156 81	60,933 60	37,223 21
Lincoln National Corp					
1,200 Shs	10/18/2010	08/08/2011	26,635 24	30,877 56	(4,242 32)
Peabody					
600 Shs	07/22/2010	08/08/2011	26,273 91	26,995 20	(721 29)
Intel Corp					
3,600 Shs	05/03/1999	08/19/2011	69,253 44	113,557 50	(44,304 06)

Description	Date Acquired	Date Sold	Proceeds	Cost	Gain (Loss)
Amgen, Inc					
3,000 Shs	01/24/2004	10/10/2011	172,598 47	189,275 00	(16,676 53)
IBS					
1,875 Shs	06/25/2003	10/10/2011	347,516 56	154,673 44	192,843 12
Peabody					
3,000 Shs	07/22/2010	10/10/2011	108,105 04	134,975 99	(26,870 95)
FNMA					
5% 250M	11/30/2006	10/15/2011	250,000 00	250,000 00	-
GNMA 11 5		12/31/2011	160 20	160 20	-
GNMA 9 0		12/31/2011	559 60	559 60	-
Option -Uniliver NV NY	11/21/2011	06/02/2011	7,149 02	-	7,149 02
Option-Pepsico, Inc	12/21/2011	08/26/2011	10,190 09	7,693 77	2,496 32
Option-Proctor & Gamble	12/21/2011	08/26/2011	9,371 58	7,548 88	1,822 70
Option-Kimberly Clark	12/05/2011	09/16/2011	6,599 87	4,500 00	2,099 87
Option-McDonald	12/27/2011	11/09/2011	10,439 79	19,285 00	(8,845 21)
Option-Intel Corp	08/19/2011	05/20/2011	20,375 33	3,043 22	17,332 11
Option - Peabody Energy Corp	08/17/2011	06/09/2011	4,732 52	270 00	4,462 52
Option - Halliburton Cp	08/17/2011	06/09/2011	5,324 36	3,877 97	1,446 39
Option - Peabody Energy Corp	06/08/2011	06/02/2011	5,273 86	2,836 97	2,436 89
Option - Alcoa, Inc	08/17/2011	06/02/2011	14,619 93	3,028 33	11,591 60
Option - Johnson & Johnson	09/27/2011	06/01/2011	6,192 18	300 00	5,892 18
Option - Petrohawk Energy	07/15/2011	07/08/2011	7,617 09	51,300 00	(43,682 91)
Option-Microsoft Corp		11/10/2011	10,739 96	-	10,739 96 **
Option-Unilever NV NY		12/01/2011	17,999 65	-	17,999 65 **
Option-A T & T		08/23/2011	13,242 70	-	13,242 70 **
Option-Lincoln Nat'l		09/09/2011	11,522 81	-	11,522 81 **
Option-Johnson & Johnson		09/28/2011	8,459 83	-	8,459 83 **
Option-Cons Energy Inc		10/11/2011	35,999 30	-	35,999 30 **
Option-Abbott Labs		10/20/2011	19,337 82	-	19,337 82 **
Capital Gain Distributions:					
Colonial Properties			584 04	-	584 04
Plum Creek			28,560 00	-	28,560 00
Weyerhaeuser			9,969 00	-	9,969 00
			<u>5,962,446 84</u>	<u>5,619,816 89</u>	<u>342,629 95</u>

LESS: UNSETTLED OPTIONS

(117,302 07)

Total Gain(Loss)

225,327 88

Proceeds per 1099s:

Stocks	3,042,264 85
Bonds	2,655,881 26
	<u>5,698,146 11</u>
CG Distributions	39,113 04
Options	107,885 62
Unsettled **	<u>117,302 07</u>
	<u><u>5,962,446 84</u></u>

**D. W. MCMILLAN FOUNDATION
SUPPLEMENT TO STATEMENT OF PRINCIPAL
CASH BASIS
December 31, 2011**

Distributions to Charity

Tri-County Medical Center	\$ 20,000 00
Frederic Ozanam Charities	10,000 00
Escambia County Comm	12,000 00
Escambia County, AL Mental Health	10,000 00
Escambia County, AL Community	5,000 00
Covenant Hospice, Inc-Pensacola, FL	10,000 00
Escambia County, Health Dept-FL	40,000 00
Alzheimer's Family Service	5,000 00
Sav-A-Life	10,000 00
Esc Co , AL Regional Child Advocacy Center	10,000 00
Brewton Habitat for Humane Society	5,000 00
Lupus Support Network-Pensacola, FL	5,000 00
Appleton Volunteer Fire Dept	5,000 00
Manna Food Bank, Inc -Pensacola, FL	10,000 00
Christian Benevolent Fund	30,000 00
Lakeview Center Foundation-FL	10,000 00
Volunteers of America	5,000 00
Escambia County, AL Extension Service	15,000 00
United Fund of Atmore, AL	5,000 00
Children's Home Society, FL	36,000 00
American Red Cross	5,000 00
Pensacola Habitat for Humanity, Inc	10,000 00
Carlisa, Inc	5,000 00
Brewton Area YMCA, Inc	30,000 00
Atmore Area YMCA, Inc	5,000 00
Big Bros/Big Sisters N/W FL	10,000 00
Greater Brewton Community Foundation	10,000 00
YMCA of Northwest, FL	20,000 00
Town of Flomaton-Hurricane Park Fund	7,500 00
Pollard McCall Jr High	500 00
The Christmas Project	3,000 00
Baptist Hospital, Pensacola	30,000 00
Gulf Coast Council-Boy Scouts of America	15,000 00
Covenant Hospice, Inc-Brewton	5,000 00
Greater Esc FL Comm Foundation	15,000 00
Association for Retarded Citizens, FL	10,000 00
Esc Co AL-Health Department	40,000 00
Escambia Co , AL Healthcare Authority	60,000 00
Children's Hospital-Sacred Hrt, FL	10,000 00
Healing of the Soul Outreach	5,000 00
HIV Care Center, Inc	20,000 00
Jefferson Davis Community College, AL	30,000 00
Disabled Adults & Children Fund, AL	7,000 00
Lion's Club Eye Fund	5,000 00
Lower Alabama Pediatrics STARS	3,000 00
Sacred Heart Hospital-FL	30,000 00
Salvation Army-Pensacola, FL	24,000 00
Department of Human Resources Escambia Co , AL	160,000 00
United Way of Escambia Co FL	25,000 00
United Fund of Brewton/E Brewton, AL	12,000 00
Waterfront Rescue Mission-FL	24,000 00
W S Neal High School	4,400 00
Gulf Coast Kid's House	5,000 00
Escambia Co, AL Fire & Rescue Squad	5,000 00
Escambia County Commission-Victim A	20,000 00
Catholic Charities of N/W FL	<u>240,000 00</u>

**D. W. MCMILLAN FOUNDATION
SUPPLEMENT TO STATEMENT OF PRINCIPAL
CASH BASIS
December 31, 2011**

Total Distributions to Charity

\$ 1,168,400.00

See Accountants' Compilation Report