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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****Note.** The foundation may be able to use a copy of this return to satisfy state reporting requirements**2011****For calendar year 2011 or tax year beginning , and ending**

Name of foundation MOUNTAIN SPIRIT FOUNDATION		A Employer identification number 75-2737791
Number and street (or P.O. box number if mail is not delivered to street address) 9626 MELTON LANE		B Telephone number (see instructions) (972) 731-7944
City or town, state, and ZIP code FRISCO TX 75034		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 184,555	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	
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)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check ☒ if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	39	39		
4 Dividends and interest from securities	5,345	5,345		
5 a Gross rents		0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	-120			
b Gross sales price for all assets on line 6a	12,517			
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	0	0	0	
12 Total. Add lines 1 through 11	5,264	5,384	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	335	0	0	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see instructions)	57	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	1,140	0	0	0
24 Total operating and administrative expenses. Add lines 13 through 23	1,532	0	0	0
25 Contributions, gifts, grants paid	7,000			7,000
26 Total expenses and disbursements. Add lines 24 and 25	8,532	0	0	7,000
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-3,268			
b Net investment income (if negative, enter -0-)		5,384		
c Adjusted net income (if negative, enter -0-)			0	

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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	102,566	12,599	12,599
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ 0			
	Less: allowance for doubtful accounts ▶ 0	0	0	0
	4 Pledges receivable ▶ 0			
	Less: allowance for doubtful accounts ▶ 0	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶ 0			
	Less: allowance for doubtful accounts ▶ 0	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	84,180	171,771	171,956
	c Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11 Investments—land, buildings, and equipment basis ▶ 0			
	Less: accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	0	0	0
	14 Land, buildings, and equipment: basis ▶ 0			
	Less: accumulated depreciation (attach schedule) ▶ 0	0	0	0
	15 Other assets (describe ▶)	0	0	0
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	186,746	184,370	184,555
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe ▶)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
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	0	0	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	186,746	184,370	
Net Assets or Fund Balances	30 Total net assets or fund balances (see instructions)	186,746	184,370	
	31 Total liabilities and net assets/fund balances (see instructions)	186,746	184,370	

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	186,746
2 Enter amount from Part I, line 27a	2	-3,268
3 Other increases not included in line 2 (itemize) ▶ See Attached Statement	3	1,042
4 Add lines 1, 2, and 3	4	184,520
5 Decreases not included in line 2 (itemize) ▶ Dividend Reported in 2011/Paid in 2012	5	150
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	184,370

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 2,724 shs Wells Fargo Advan	P	12/31/2010	1/7/2011
b 1164 shs Wells Fargo Advan	P	10/22/2009	1/7/2011
c 2 shs Wells Fargo Advantage	P	11/30/2009	1/7/2011
d 2 shs Wells Fargo Advangage	P	12/31/2009	1/7/2011
e 1 sh Wells Fargo Advantage	P	1/4/2010	1/7/2011

(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 441	0	445	-4
b 12,024	0	12,140	-116
c 21	0	21	0
d 21	0	21	0
e 10	0	10	0

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a 0	0	0	-4
b 0	0	0	-116
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

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	-120
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 instructions) If (loss), enter -0- in Part I, line 8	3	-4

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 (col. (b) divided by col. (c))
2010	3,500	185,231	0.018895
2009	1,500	182,135	0.008236
2008	23,000	270,008	0.085183
2007	30,000	327,268	0.091668
2006	414,874	454,675	0.912463

2 Total of line 1, column (d)	2	1.116445
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	0.223289
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	189,427
5 Multiply line 4 by line 3	5	42,297
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	54
7 Add lines 5 and 6	7	42,351
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	7,000

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 ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)			
	b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1		108
	c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (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		108
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5		Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		108
6		Credits/Payments			
	a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		0
	b	Exempt foreign organizations—tax withheld at source	6b		
	c	Tax paid with application for extension of time to file (Form 8868)	6c		0
	d	Backup withholding erroneously withheld	6d		
7		Total credits and payments. Add lines 6a through 6d	7		0
8		Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		0
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		108
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0
11		Enter the amount of line 10 to be. Credited to 2012 estimated tax 0 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 page 19 of 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. ► \$ (2) On foundation managers. ► \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$		
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, col. (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <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 2011 or the taxable year beginning in 2011 (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

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 ► LAURIE A. MULLINS, CPA Telephone no ► (972) 335-3630 Located at ► 3000 TWIN LAKES DRIVE PROSPER TX ZIP+4 ► 75078			
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			
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? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ 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) ☐ Yes ☒ 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	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? ☐ Yes ☒ No If "Yes," list the years ► 20____, 20____, 20____, 20____		
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. ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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)? (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/AOrganizations 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

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?**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
WILLIAM F. HAYES P.O. BOX 5970 FRISCO TX 75035	TRUSTEE	.00	0	0
CHRISTIE H. SACKETT 9626 MELTON LANE FRISCO TX 75034	TRUSTEE	.00	0	0
		.00	0	0
		.00	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 ☐

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		0
		0
		0
		0
		0
		0
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	0
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	175,214
b	Average of monthly cash balances	1b	17,098
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	192,312
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	192,312
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	2,885
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	189,427
6	Minimum investment return. Enter 5% of line 5	6	9,471

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	9,471
2a	Tax on investment income for 2011 from Part VI, line 5	2a	108
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	108
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	9,363
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	9,363
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	9,363

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	7,000
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,000
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,000

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				9,363
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	392,392			
b From 2007	14,037			
c From 2008	9,678			
d From 2009	0			
e From 2010	0			
f Total of lines 3a through e	416,107			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 7,000				
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				7,000
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).)	2,363			2,363
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	413,744			
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				
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)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	390,029			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	23,715			
10 Analysis of line 9:				
a Excess from 2007	14,037			
b Excess from 2008	9,678			
c Excess from 2009	0			
d Excess from 2010	0			
e Excess from 2011	0			

N/A

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☐ 4942(i)(3) or ☐ 4942(i)(5)

Tax year	Prior 3 years			(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008	
0	0			0

0	0	0	0	0
0	0	0	0	0

0	0	0	0	0
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				0
0	0	0	0	0

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				0
				0

				0
0	0			0

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				0
				0

				0
				0

				0
				0

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>				
AUBURN UNIVERSITY FOUNDATION	NONE	PUBLIC	EDUCATION	2,500
ROTARY FOUNDATION IN COLORADO	NONE	PUBLIC	MEDICAL	2,000
MS 150	NONE	PUBLIC	MEDICAL	1,500
FRISCO EDUCATION FOUNDATION	NONE	PUBLIC	EDUCATION	1,000
Total			▶ 3a	7,000
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Form **990-PF** (2011)

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Amount		CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improvements	Depreciation	Net Gain or Loss
		Long Term CG Distributions	Short Term CG Distributions												
1	X	2 724 shs Wells Fargo Advan		94975J540			12/31/2010	P	1/7/2011	441	445	Cost			-4
2	X	1164 shs Wells Fargo Advan		94975J540			10/22/2009	P	1/7/2011	12,024	12,140	Cost			-116
3	X	2 shs Wells Fargo Advantage		94975J540			11/30/2009	P	1/7/2011	21	21	Cost			0
4	X	2 shs Wells Fargo Advantage		94975J540			12/31/2009	P	1/7/2011	21	21	Cost			0
5	X	1 sh Wells Fargo Advantage		94975J540			1/4/2010	P	1/7/2011	10	10	Cost			0
6															0
7															0
8															0
9															0
10															0
Totals															
Securities										12,517	12,637				-120
Other sales										0	0				0

Line 16b (990-PF) - Accounting Fees

		335	0	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MICHELLE R. KALLUS, CPA, CFP	335			
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income				
3	Income tax	57			
4					
5					
6					
7					
8					
9					
10					
		57	0	0	0

Line 23 (990-PF) - Other Expenses

		1,140	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Fund Raising				
2	INVESTMENT MGMT FEES	1,139			
3	BANK CHARGES	1			
4					
5					
6					
7					
8					
9					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

					84,180	171,771	89,865	171,956
	Description	Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year		
1	BLACKROCK GLOBAL ALLOC	715	12,509	12,924	13,523	13,060		
2	BLACKROCK INFLATION	837	8,577	8,983	8,727	9,781		
3	FIRST EAGLE	765	8,386	34,317	9,645	34,650		
4	IVY ASSET STRATEGY	368	8,168	8,289	8,941	8,275		
5	PIMCO LOW DURATION	1,265	12,663	13,000	12,815	13,025		
6	ROBECO BP LONG SHORT	567	8,867	9,907	10,194	10,797		
7	OAKMARK EQUITY	502	12,399	12,811	13,517	13,604		
8	WELLS FARGO ADVANTAGE	1,209	12,611	0	12,503	0		
9	NATIXIS ASG GLOBAL	3,295	0	35,203	0	34,078		
10	JP MORGAN STRATEGIC INCOME	3,061	0	36,337	0	34,686		

Part III (990-PF) - Changes in Net Assets or Fund Balances

Line 3 - Other increases not included in Part III, Line 2

1	O/S check-Frisco Education Foundation	1	1,000
2	Adjustment	2	42
3	Total	3	1,042

Line 5 - Decreases not included in Part III, Line 2

1	Dividend Reported in 2011/Paid in 2012	1	150
2	Total	2	150

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours
1	WILLIAM F. HAYES		P.O. BOX 5970	FRISCO	TX	75035		TRUSTEE	0.00
2	CHRISTIE H SACKETT		9626 MELTON LANE	FRISCO	TX	75034		TRUSTEE	0.00
3									
4									
5									
6									
7									
8									
9									
10									

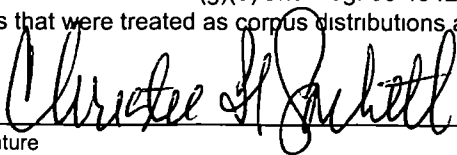
Part

	0	0	0	0
	Compensation	Benefits	Expense Account	Explanation
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Elections

Election for Treatment of Unused Prior Year Corpus Distributions

Pursuant to IRC Section 4942(g)(3) and Reg. 53.4942(a)-3(c)(2)(iv), the Foundation elects to treat unused prior tax year's distributions that were treated as corpus distributions as distributions from corpus in the current tax year.



Officer Signature

TRUSTEE

Title

2010 MOUNTAIN SPIRIT FOUNDATION 75-2737791

AVERAGE MONTHLY FAIR MARKET VALUE OF SECURITIES
FORM 990-PF, PART X, LINE 1A

SECURITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	173,244	176,511	176,765	181,441	179,661	178,969	179,540	173,313	165,579	173,227	172,360	171,957

TOTALS 2,102,567 NUMBER OF MONTHS 12

AVERAGE MONTHLY FAIR MARKET VALUE 175,214

2010 MOUNTAIN SPIRIT FOUNDATION 75-2737791

AVERAGE MONTHLY CASH BALANCES
FORM 990-PF, PART X, LINE 1B

SECURITY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	19,928	19,941	19,945	19,134	17,138	17,141	16,809	16,419	16,421	16,097	13,598	12,599

TOTALS 205,170 NUMBER OF MONTHS 12

AVERAGE MONTHLY CASH BALANCES 17,098