



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

OMB No 1545-0052

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 **APR 1, 2011**, and ending **MAR 31, 2012**

Name of foundation*

A Employer identification number

S.T.A.R FOUNDATION INC.**13-6161266**

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

122 BAYBERRY PLACE

B Telephone number

3369402338

City or town, state, and ZIP code

ADVANCE, NC 27006-8408C 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 changeD 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 foundationE 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)

\$ 1,279,642.

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).)

(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	125.		N/A	
	2	Check ☒ if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	377.	377.		STATEMENT 1
	4	Dividends and interest from securities	32,558.	32,558.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	93,281.			
	b	Gross sales price for all assets on line 6a	428,709.			
	7	Capital gain net income (from Part IV, line 2)		93,281.		
	8	Net short-term capital gain				
Operating and Administrative Expenses	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	126,341.	126,216.		
	13	Compensation of officers, directors, trustees, etc.	11,082.	3,657.		7,425.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees	4,155.	2,077.		2,078.
	c	Other professional fees				
	17	Interest				
	18	Taxes	2,064.	546.		1,110.
	19	Depreciation and depletion	355.	0.		
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses	11,610.	3,826.		7,771.
	24	Total operating and administrative expenses. Add lines 13 through 23	29,266.	10,106.		18,384.
	25	Contributions, gifts, grants paid	53,625.			53,625.
	26	Total expenses and disbursements. Add lines 24 and 25	82,891.	10,106.		72,009.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	43,450.			
	b	Net investment income (if negative, enter -0-)		116,110.		
	c	Adjusted net income (if negative, enter -0-)			N/A	

123501
12-02-11

LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

13540813 138745 5225010

2011.04010 S.T.A.R FOUNDATION INC.

52250101

3

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			
	2 Savings and temporary cash investments	50,153.	212,383.	212,383.
	3 Accounts receivable ▶ 10,516.			
	Less: allowance for doubtful accounts ▶	10,516.	10,516.	10,516.
	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		60.	
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	595,488.	476,604.	1,055,938.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶ 3,977.				
Less: accumulated depreciation STMT 8 ▶ 3,172.	1,160.	805.	805.	
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	657,317.	700,368.	1,279,642.	
Liabilities	17 Accounts payable and accrued expenses	399.		
	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)	399.	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	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	656,918.	700,368.	STATEMENT 6
	30 Total net assets or fund balances	656,918.	700,368.	
31 Total liabilities and net assets/fund balances	657,317.	700,368.		

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	656,918.
2 Enter amount from Part I, line 27a	2	43,450.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	700,368.
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	700,368.

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			
b SEE ATTACHED STATEMENTS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 428,709.		335,428.	93,281.

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			
b			
c			
d			
e			93,281.

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	93,281.
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	91,600.	1,114,987.	.082153
2009	58,601.	892,223.	.065680
2008	75,974.	876,692.	.086660
2007	93,108.	1,149,255.	.081016
2006	117,125.	1,283,956.	.091222

2 Total of line 1, column (d)	2	.406731
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	.081346
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,177,691.
5 Multiply line 4 by line 3	5	95,800.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,161.
7 Add lines 5 and 6	7	96,961.
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	72,009.

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 ☐ and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	2,322.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		3	2,322.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	2,322.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
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		
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		0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		8.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		2,330.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be. Credited to 2012 estimated tax	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
2 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
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) NONE		
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

Form 990-PF (2011)

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?	13	X	
Website address ► N/A				
14	The books are in care of ► RICHARD SMOLOWE	Telephone no. ► 336-940-2338		
Located at ► 122 BAYBERRY PLACE, ADVANCE, NC		ZIP+4 ► 27006-8408		
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?	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?	☐ 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		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?		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 ►	☐ Yes ☒ 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.)	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?	☐ 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.)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		X

Form 990-PF (2011)

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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

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

☐ Yes ☒ No

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

N/A

7b

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

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

(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
SEE STATEMENT 9		11,082.	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

Form 990-PF (2011)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,116,345.
b	Average of monthly cash balances	1b	79,280.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,195,625.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,195,625.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	17,934.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,177,691.
6	Minimum investment return. Enter 5% of line 5	6	58,885.

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	58,885.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	2,322.
b	Income tax for 2011. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,322.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	56,563.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	56,563.
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	56,563.

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	72,009.
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	72,009.
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	72,009.

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.

Form 990-PF (2011)

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				56,563.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	55,235.			
b From 2007	38,917.			
c From 2008	32,629.			
d From 2009	14,702.			
e From 2010	51,123.			
f Total of lines 3a through e	192,606.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$	72,009.			
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				56,563.
e Remaining amount distributed out of corpus	15,446.			
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	208,052.			
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				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	55,235.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	152,817.			
10 Analysis of line 9:				
a Excess from 2007	38,917.			
b Excess from 2008	32,629.			
c Excess from 2009	14,702.			
d Excess from 2010	51,123.			
e Excess from 2011	15,446.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon:				
a "Assets" alternative test - enter:				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c "Support" alternative test - enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

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 Paid during the year				
SEE STATEMENT ATTACHED	NONE	509A	GENERAL PURPOSE	53,625.
Total			3a	53,625.
b Approved for future payment				
NONE				
Total			3b	0.

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
	(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			14	377.		
4 Dividends and interest from securities			14	32,558.		
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			18	93,281.		
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)		0.		126,216.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	126,216.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B

Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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.)? ☒ Yes ☐ No	
	 Signature of officer or trustee		8/13/12 Date		PRES. Title	
Paid Preparer Use Only	Print/Type preparer's name JOSEPH P. SILLS		Preparer's signature 		Date 8/13/12	
	Check ☐ if self-employed		PTIN P00194921			
	Firm's name ▶ THE DANIEL PROFESSIONAL GRP INC				Firm's EIN ▶ 56-1215661	
	Firm's address ▶ 4400 SILAS CREEK PKY SUITE 200 WINSTON-SALEM, NC 27104				Phone no. 336-768-3290	

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/10-3/31/11
EIN: 13-6161266

Charitable Organization	Amount
National Federation of the Blind	\$300.00
The Salvation Army	250 00
Institute of Noetic Sciences	50.00
World Jewish Congress Foundation	5,000.00
Perkins School for the Blind	1,000.00
SOS Children's Villages	375.00
American Jewish Committee	1,500.00
American Society for Yad Vashem Inc.	250.00
US Fund for UNICEF	300.00
National Federation of the Blind	200.00
Doctors Without Borders	1,000.00
Covenant House	150.00
American Red Cross (NW NC Chapter)	500.00
Environmental Defense Fund	500 00
Foundation Fighting Blindness	1,500.00
The Hand to Heart Project	1,000.00
New Israel Fund	1,500 00
Hadassah	500.00
The Trust for Public Land	750.00
Lighthouse International	1,000 00
Friends of the Earth	250.00
Helen Keller International	1,000.00
Winston-Salem Rescue Mission	150.00
KBR Hospice Home	1,500.00
American Friends of Magen David Adom	300.00
American Committee for the Weizmann Institute of Science	300 00
Oxfam America	750.00
Greenpeace Fund, Inc	300.00
NY Institute for Special Education (Camp Wanaqua)	1,000.00
Camera	100.00
Rainforest Action Network	150.00
Rainforest Alliance	150 00
Sierra Club Foundation	750.00
The Jerusalem Foundation, Inc.	500.00
UNC-TV (PBS)	250.00
National Federation of the Blind	150.00
The Salvation Army	250.00
CARE	750.00
FINCA	300.00
Accion International	300.00
Technoserve	400.00
National Camps for Blind Children	175.00
Covenant House	150.00
Save the Children	750.00
American Friends Service Committee	500.00
Sanjay Asran Research Fd	1,000.00
Norris Cotton Cancer Center	1,500.00
Project Hope	300.00
Macula Vision Research Foundation	1,000.00

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/10-3/31/11
EIN: 13-6161266

Charitable Organization	Amount
Winston-Salem Rescue Mission	125 00
National Federation of the Blind	150.00
Compassion & Choices	100.00
International Rescue Committee	1,000.00
American Jewish World Service	1,000.00
Earth Justice	500.00
The Nature Conservancy	500.00
Second Harvest Food Bank of NW NC	150.00
University of Florida (scholarship Austin Hewlett)	1,000.00
Anti-Defamation League	1,000.00
The Salvation Army	250.00
American Institute of Philanthropy	50.00
Special Olympics of North Carolina	50.00
Colel Chabad (feed hungry children)	150.00
American Children's Home (PO Box 1288, Lexington NC 27293)	100.00
Children's Defense Fund	250.00
National Federation of the Blind	200.00
World Jewish Congress Foundation	1,500.00
Jewish National Fund	500.00
US Olympic Committee	100.00
African Wildlife Foundation	100 00
Lehigh University	100.00
American Red Cross-Disaster Relief Fund	100.00
American Jewish Committee	1,500.00
Camera	250.00
Make-A-Wish Foundation	100.00
Cedars Home for Children Foundation	750.00
Jewish Institute for the Blind Jerusalem	250.00
Human Rights Watch	100.00
Foundation Fighting Blindness	1,000.00
Winston-Salem Rescue Mission	150 00
Helen Keller International	500.00
New York Inst. For Special Education	350.00
National Federation of the Blind	250.00
The Salvation Army	250 00
St. Joseph's Indian School	25 00
Macula Vision Research Foundation	1,000.00
Light House International	1,000.00
Crisis Control Ministry	100.00
Conservation International	750.00
AHRC NYC Foundation	100.00
Simon Wiesenthal Center	100.00
American Committee for the Weizmann Institute of Science	300.00
Fractured Atlas (501(c) 3 vehicle)	2,500.00
Environmental Defense Action Fund	500.00
BV Christmas Gift Fund	225.00
Total	<u>\$53,625.00</u>

S.T.A.R FOUNDATION INC.

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	350SHS CENTURYLINK INC	P	10/13/09	05/05/11
b	349SHS LOOMIS SAYLES STRATEGIC INCM	P	03/15/10	05/02/11
c	1000SHS PROSPECT CAPITAL CORP	P	12/07/06	06/20/11
d	1025SHS PIMCO TOTAL RTN FD CL C	P	08/24/09	06/07/11
e	500SHS PIMCO HIGH INCOME	P	12/23/10	06/07/11
f	1210SHS NORTHSTAR RLTY FIN CORP	P	06/14/06	07/12/11
g	1000SHS ONEOK PARTNERS LP	P	10/19/04	07/13/11
h	650SHS PIMCO STRATEGIC GLOBAL	P	08/10/09	08/02/11
i	365SHS VENTAS INC.	P	07/31/92	08/08/11
j	1400SHS OMEGA HEALTHCARE INVS	P	07/20/11	08/09/11
k	500SHS APPOLLO INVESTMENT CORP	P	02/14/07	09/12/11
l	750SHS PIMCO INCOME STRATEGY	P	06/02/10	09/16/11
m	500SHS 1500SHS CBRE CLARION GLOBAL	P	10/12/07	09/14/11
n	500SHS VENTAS INC.	P	07/08/02	09/19/11
o	1000SHS TWO HARBORS INVT CORP	P	06/23/11	10/04/11

(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 14,189.		11,665.	2,524.
b 5,457.		5,000.	457.
c 10,569.		18,550.	-7,981.
d 11,338.		11,000.	338.
e 7,095.		6,240.	855.
f 4,979.		11,905.	-6,926.
g 43,637.		10,210.	33,427.
h 7,211.		6,380.	831.
i 16,799.		6,492.	10,307.
j 20,488.		28,265.	-7,777.
k 4,205.		11,879.	-7,674.
l 7,782.		7,985.	-203.
m 10,897.		30,565.	-19,668.
n 26,364.		11,550.	14,814.
o 7,650.		10,580.	-2,930.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			2,524.
b			457.
c			-7,981.
d			338.
e			855.
f			-6,926.
g			33,427.
h			831.
i			10,307.
j			-7,777.
k			-7,674.
l			-203.
m			-19,668.
n			14,814.
o			-2,930.

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

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

S.T.A.R FOUNDATION INC.

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	500SHS APPOLLO INVESTMENT CORP	P	02/14/07	10/28/11
b	2500SHS CHIMERA INVESTMENT CORP	P	10/26/10	12/27/11
c	500SHS APPOLLO INVESTMENT CORP	P	09/06/07	12/27/11
d	500SHS HCP INC	P	01/23/04	12/27/11
e	750SHS ENTERPRISE PRDTS PRTN LP	P	08/06/07	12/27/11
f	500SHS MAGELLAN MIDSTREAM	P	09/30/04	12/27/11
g	500SHS AT&T	P	02/23/11	12/27/11
h	500SHS FIFTH ST FIN CORP	P	02/01/11	12/27/11
i	500SHS LINN ENERGY LLC	P	03/01/11	12/27/11
j	600SHS SEADRILL LTD	P	07/13/11	12/27/11
k	650SHS KINDERMORGAN ENERGY	P	08/06/07	01/26/12
l	250SHS ENERGY TRANSFER PARTNERS LP	P	09/15/08	12/31/11
m	CASH IN LIEU		07/01/02	08/01/11
n				
o				

(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 4,230.		11,879.	-7,649.
b 6,520.		10,430.	-3,910.
c 3,235.		11,022.	-7,787.
d 20,534.		13,476.	7,058.
e 34,074.		6,714.	27,360.
f 33,559.		4,658.	28,901.
g 14,884.		14,155.	729.
h 4,790.		6,405.	-1,615.
i 18,964.		17,716.	1,248.
j 20,199.		21,080.	-881.
k 57,671.		21,451.	36,220.
l 11,357.		8,176.	3,181.
m 32.			32.
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			-7,649.
b			-3,910.
c			-7,787.
d			7,058.
e			27,360.
f			28,901.
g			729.
h			-1,615.
i			1,248.
j			-881.
k			36,220.
l			3,181.
m			32.
n			
o			

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	93,281.
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

2011 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	C o n v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
16	FURNITURE & FIXTURES														
	FURNITURE AND FIXTURES	08/31/06	200DB	7.00		HV17	3,977.				3,977.	2,817.		355.	3,172.
	* 990-PF PG 1 TOTAL						3,977.				3,977.	2,817.		355.	3,172.
	FURNITURE & FIXTURES														
	* GRAND TOTAL 990-PF PG 1						3,977.				3,977.	2,817.		355.	3,172.
	DEPR														

128111
05-01-11

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
MERRILL LYNCH	377.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	377.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MERRILL LYNCH	32,558.	0.	32,558.
TOTAL TO FM 990-PF, PART I, LN 4	32,558.	0.	32,558.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,155.	2,077.		2,078.
TO FORM 990-PF, PG 1, LN 16B	4,155.	2,077.		2,078.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAX	1,656.	546.		1,110.
FEDERAL TAX	408.	0.		0.
TO FORM 990-PF, PG 1, LN 18	2,064.	546.		1,110.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
DUES & SUBSCRIPTIONS	495.	163.		332.	
OFFICE EXPENSE & PRINTING	8,687.	2,866.		5,821.	
TELEPHONE & ONLINE	2,415.	797.		1,618.	
PENALTIES	13.	0.		0.	
TO FORM 990-PF, PG 1, LN 23	11,610.	3,826.		7,771.	

FORM 990-PF	OTHER FUNDS		STATEMENT	6
DESCRIPTION	(A) BEGINNING OF YEAR	(B) END OF YEAR		
	656,918.	700,368.		
TOTAL TO FORM 990-PF, PART II, LINE 29	656,918.	700,368.		

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
MERRILL LYNCH	476,604.	1,055,938.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	476,604.	1,055,938.		

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT	8
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE		
FURNITURE AND FIXTURES	3,977.	3,172.	805.		
TOTAL TO FM 990-PF, PART II, LN 14	3,977.	3,172.	805.		

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RICHARD SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006-8408	PRESIDENT 10.00	11,082.	0.	0.
ALAN SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006-8408	DIRECTOR 0.00	0.	0.	0.
JILL SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006-8408	DIRECTOR 0.00	0.	0.	0.
JONATHAN SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006-8408	DIRECTOR 0.00	0.	0.	0.
ANN SMOLOWE 122 BAYBERRY PLACE ADVANCE, NC 27006-8408	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		11,082.	0.	0.