



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



Return of Private Foundation

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning APR 1, 2013, and ending MAR 31, 2014

Name of foundation S.T.A.R FOUNDATION INC.		A Employer identification number 13-6161266
Number and street (or P.O. box number if mail is not delivered to street address) 122 BAYBERRY PLACE		B Telephone number 3369402338
City or town, state or province, country, and ZIP or foreign postal code ADVANCE, NC 27006-8408		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 1,602,327. (Part I, column (d) must be on cash basis.)	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	1,269.		N/A	
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	1,020.	1,020.		STATEMENT 1
	4 Dividends and interest from securities	31,462.	31,462.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	7,402.			
	b Gross sales price for all assets on line 6a	103,997.			
	7 Capital gain net income (from Part IV, line 2)		7,402.		
	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	41,153.	39,884.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	12,000.	3,960.	AUG 10 2014	8,040.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees	STMT 3	4,160.	2,080.	2,080.
	c Other professional fees				
	17 Interest				
	18 Taxes	STMT 4	1,354.	608.	1,235.
	19 Depreciation and depletion		326.	0.	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses	STMT 5	8,036.	2,651.	5,385.
	24 Total operating and administrative expenses. Add lines 13 through 23		25,876.	9,299.	16,740.
	25 Contributions, gifts, grants paid		75,850.		75,850.
26 Total expenses and disbursements. Add lines 24 and 25		101,726.	9,299.	92,590.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-60,573.			
b Net investment income (if negative, enter -0-)			30,585.		
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	16,287.	41,302.	41,302.
	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			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	602,884.	527,004.	1,550,012.
	c Investments - corporate bonds			
	Liabilities	11 Investments - land, buildings, and equipment basis ▶		
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶ 4,909.				
Less accumulated depreciation STMT 8 ▶ 4,412.		823.	497.	497.
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)		630,510.	579,319.	1,602,327.
17 Accounts payable and accrued expenses		1,673.		
18 Grants payable				
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 9)	0.	11,055.	
23 Total liabilities (add lines 17 through 22)	1,673.	11,055.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	24 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 ▶ ☒			
	27 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	628,837.	568,264.	STATEMENT 6	
30 Total net assets or fund balances	628,837.	568,264.		
31 Total liabilities and net assets/fund balances	630,510.	579,319.		

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	628,837.
2 Enter amount from Part I, line 27a	2	-60,573.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	568,264.
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	568,264.

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 STATEMENT				
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	103,997.	96,595.	7,402.

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			7,402.

2 Capital gain net income or (net capital loss) $\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$		2	7,402.
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 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))
2012	80,153.	1,314,812.	.060962
2011	72,009.	1,177,691.	.061144
2010	91,600.	1,114,987.	.082153
2009	58,601.	892,223.	.065680
2008	75,974.	876,692.	.086660

2 Total of line 1, column (d)	2	.356599
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	.071320
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	1,485,807.
5 Multiply line 4 by line 3	5	105,968.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	306.
7 Add lines 5 and 6	7	106,274.
8 Enter qualifying distributions from Part XII, line 4	8	92,590.

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

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

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)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	612.
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	612.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	612.
6 Credits/Payments:			
a 2013 estimated tax payments and 2012 overpayment credited to 2013		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	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	612.
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 2014 estimated tax ☐ Refunded ☐		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 the 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 2013 or the taxable year beginning in 2013 (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 (2013)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>RICHARD SMOLOWE</u> Telephone no. ► <u>336-940-2338</u> Located at ► <u>122 BAYBERRY PLACE, ADVANCE, NC</u> ZIP+4 ► <u>27006-8408</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u> <u>N/A</u>			
16	At any time during calendar year 2013, 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	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 2013?	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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No If "Yes," list the years ► _____, _____, _____		
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.) <u>N/A</u>	2b	
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 2013 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 2013.) <u>N/A</u>	3b	
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 2013?	4b	X

Form 990-PF (2013)

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 ☒ Nob 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)?
Organizations relying on a current notice regarding disaster assistance check hereN/A
► ☐

5b

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

7b

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
SEE STATEMENT 10		12,000.	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

Form 990-PF (2013)

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

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2013)

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 1,468,163.
b	Average of monthly cash balances	1b 40,271.
c	Fair market value of all other assets	1c
d	Total (add lines 1a, b, and c)	1d 1,508,434.
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 1,508,434.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 22,627.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 1,485,807.
6	Minimum investment return. Enter 5% of line 5	6 74,290.

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 74,290.
2a	Tax on investment income for 2013 from Part VI, line 5	2a 612.
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 612.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 73,678.
4	Recoveries of amounts treated as qualifying distributions	4 0.
5	Add lines 3 and 4	5 73,678.
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 73,678.

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 92,590.
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 92,590.
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 92,590.

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 (2013)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				73,678.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008	32,629.			
b From 2009	14,702.			
c From 2010	51,123.			
d From 2011	15,446.			
e From 2012	14,841.			
f Total of lines 3a through e	128,741.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$	92,590.			
a Applied to 2012, 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 2013 distributable amount				73,678.
e Remaining amount distributed out of corpus	18,912.			
5 Excess distributions carryover applied to 2013 (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:	147,653.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				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 2008 not applied on line 5 or line 7	32,629.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	115,024.			
10 Analysis of line 9:				
a Excess from 2009	14,702.			
b Excess from 2010	51,123.			
c Excess from 2011	15,446.			
d Excess from 2012	14,841.			
e Excess from 2013	18,912.			

N/A

- ▶

☐ 4942(1)(3) or ☐ 4942(1)(5)

- [illegible]

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 AS PDF 122 BAYBERRY PLACE ADVANCE, NC 27009	NONE	509A	GENERAL PURPOSE	75,850.
Total			3a	75,850.
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)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		Related or exempt function income
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	1,020.		
4 Dividends and interest from securities			14	31,462.		
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	7,402.		
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.		39,884.		0.
13 Total. Add line 12, columns (b), (d), and (e)						39,884.

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

[illegible]

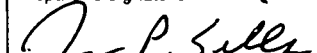
Part XVII	Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations
------------------	--

- | | | Yes | No |
|--|---|-------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| | a Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 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		Date <u>8/1/14</u>		Title MANAGER	
Paid Preparer Use Only	Print/Type preparer's name JOSEPH P. SILLS		Preparer's signature 		Date <u>7/31/14</u>	
	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	

Form 990-PF (2013)

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	250SHS ENERGY TRANSFER EQUITY	P	12/04/09	03/17/14
b	500SHS GAMCO GLOBAL GOLD NAT RES	P	03/12/12	03/17/14
c	500SHS GMACO NAT RES GOLD AND	P	05/30/12	03/17/14
d	500SHS MICROSOFT	P	11/13/12	03/19/14
e	500SHS SOLAR CAPITAL LTD	P	12/08/10	10/23/13
f	1000SHS HEALTHCARE TR OF AMERICA	P	01/28/13	09/16/13
g	500SHS FREEPRT-MCMRAN CPR & GLD	P	07/24/12	05/20/13
h	500SHS GAMCO GLOBAL GOLD NAT RES	P	03/21/12	04/17/13
i	200SHS KINDER MORGAN ENERGY	P	11/15/12	04/24/13
j				
k				
l				
m				
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 11,620.		5,622.	5,998.
b 5,205.		8,124.	-2,919.
c 5,485.		7,231.	-1,746.
d 19,590.		13,634.	5,956.
e 11,325.		12,605.	-1,280.
f 10,775.		10,525.	250.
g 16,282.		16,131.	151.
h 5,201.		7,956.	-2,755.
i 18,514.		14,767.	3,747.
j			
k			
l			
m			
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			5,998.
b			-2,919.
c			-1,746.
d			5,956.
e			-1,280.
f			250.
g			151.
h			-2,755.
i			3,747.
j			
k			
l			
m			
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	7,402.
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

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/13-3/31/14
EIN: 13-6161266

Charitable Organization	Amount
Hadassah	\$1,000.00
Winston-Salem Rescue Mission	150.00
Save the Children	1,000.00
World Jewish Congress Foundation	7,500.00
American Committee for the Weizmann Institute of Science	200.00
Doctors Without Borders	1,000.00
New Israel Fund	1,000.00
Project Hope	500.00
The Jerusalem Foundation, Inc.	500.00
Greenpeace Fund, Inc.	500.00
Helen Keller International	2,000.00
The Salvation Army	250.00
Human Rights Watch	250.00
Foundation Fighting Blindness	1,000.00
American Red Cross - NWNC Chapter	500.00
NY Institute for Special Education (Camp Wanagun)	1,000.00
Oxfam America	1,000.00
UNC-TV (PBS)	250.00
American Friends Service Committee	750.00
Camera	250.00
American Jewish World Service	1,000.00
Jewish National Fund	1,500.00
Macula Vision Research Foundation	1,500.00
National Camps for Blind Children	350.00
American Society for Yad Vashem Inc.	250.00
Winston-Salem Rescue Mission, Inc.	200.00
K.B.R. Hospice Home	1,500.00
Norris Cotton Cancer Center	1,000.00
Conservation International Foundation	1,000.00
Save the Children	250.00
National Federation of the Blind	250.00
Orbis International	350.00
American Jewish Committee	2,000.00
Anti-Defamation League	1,000.00
International Rescue Committee	1,500.00
World Jewish Congress, American Section	2,500.00
The Salvation Army	250.00
Guiding Eyes for the Blind, Inc.	150.00
The Nature Conservancy - NC Chapter	400.00
National Camps for Blind Children	250.00
National Federation of the Blind	250.00
Student Action with Farmworkers	500.00
Jewish Institute for the Blind, Jerusalem	750.00
Macula Vision Research Foundation	1,500.00
Environmental Defense Fund	250.00
Perkins School for the Blind	1,000.00
Sierra Club Foundation	500.00
CARE	500.00
American Indian College Fund	50.00
American Friends of Magen David Adom	500.00
Boy's Town Jerusalem Foundation of America	300.00

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/13-3/31/14
EIN: 13-6161266

Charitable Organization	Amount
Novant Health Foundation Forsyth Medical Center	150.00
American Children's Home	150.00
Perkins School for the Blind	1,000.00
Jewish National Fund	1,000.00
Orbis International	350.00
Guiding Eyes for the Blind, Inc.	250.00
Second Harvest Food Bank of NW NC	250.00
Davie County United Way	1,000.00
Doctors Without Borders	1,000.00
Trust for Public Land	250.00
SOS Children's Villages	375.00
Special Olympics	150.00
National Federation of the Blind	250.00
Winston-Salem Rescue Mission	200.00
Physicians for Social Responsibility	50.00
The Salvation Army	250.00
Cedars Home for Children Foundation	750.00
New Israel Fund	500.00
Save the Children	1,000.00
The Hand to Heart Project	500.00
Charity Watch	50.00
Cheyenne River Indian Outreach	25.00
BV Christmas Gift Fund	200.00
Davie Community Foundation	1,000.00
American Indian College Fund	75.00
Orbis International	400.00
Helen Keller International	1,000.00
Jewish Institute for the Blind - Jerusalem	500.00
Friend of the Israel Defence Forces	500.00
New York Inst. For Special Education	250.00
American Friends of Magen David Adom	750.00
Lighthouse International	500.00
Duke Cancer Institute	250.00
National Federation of the Blind	250.00
CARE	1,000.00
SOS Children's Villages-USA	300.00
Rainforest Alliance	250.00
Orbis International	1,000.00
Friends of the Earth	250.00
Technoserve	400.00
The Sierra Club Foundation	1,000.00
Make a Wish Foundation	100.00
Simon Wiesenthal Center	250.00
The Trust for Public Land	500.00
Mercy Corps	250.00
B'nai B'rith International	250.00
Environmental Defense Fund	500.00
American Society for Yad Vashem Inc.	250.00
Finca	250.00
National Federation of the Blind	250.00
Covenant House	200.00

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/13-3/31/14
EIN: 13-6161266

Charitable Organization	Amount
American Friends of Magen David Adom	500.00
US Fund for UNICEF	500.00
Engineers with Borders USA	2,500.00
Rainforest Action Network	225.00
Camera	300.00
Orbis International	1,000.00
The Salvation Army	250.00
The Wilderness Society	100.00
Perkins School for the Blind	1,500.00
Lighthouse International	1,000.00
Human Rights Watch	250.00
American Indian College Fund	100.00
National Federation of the Blind	250.00
Guide Dog Foundation for the Blind, Inc.	200.00
Second Harvest Food Bank of NW NC	100.00
Greenpeace Fund, Inc.	500.00
American Red Cross - NWNC Chapter	500.00
Total	<u>\$75,850.00</u>

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
MERRILL LYNCH	1,020.	1,020.	
TOTAL TO PART I, LINE 3	1,020.	1,020.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MERRILL LYNCH	31,462.	0.	31,462.	31,462.	
TO PART I, LINE 4	31,462.	0.	31,462.	31,462.	

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	4,160.	2,080.		2,080.
TO FORM 990-PF, PG 1, LN 16B	4,160.	2,080.		2,080.

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	925.	608.		1,235.
FEDERAL TAX	429.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,354.	608.		1,235.

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	3,021.	996.		2,025.	
OFFICE EXPENSE & PRINTING	2,368.	781.		1,587.	
TELEPHONE & ONLINE	2,647.	874.		1,773.	
TO FORM 990-PF, PG 1, LN 23	8,036.	2,651.		5,385.	

FORM 990-PF	OTHER FUNDS		STATEMENT	6
DESCRIPTION	(A) BEGINNING OF YEAR	(B) END OF YEAR		
	628,837.	568,264.		
TOTAL TO FORM 990-PF, PART II, LINE 29	628,837.	568,264.		

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
MERRILL LYNCH	527,004.	1,550,012.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	527,004.	1,550,012.		

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.	3,704.	273.	
COMPUTER	932.	708.	224.	
TOTAL TO FM 990-PF, PART II, LN 14	4,909.	4,412.	497.	

FORM 990-PF	OTHER LIABILITIES	STATEMENT	9
DESCRIPTION	BOY AMOUNT	EOY AMOUNT	
CREDIT CARD PAYABLE	0.	11,055.	
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	11,055.	

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	10
-------------	---	-----------	----

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	12,000.	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		12,000.	0.	0.

2013 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		HY17	3,977.				3,977.	3,527.		177.	3,704.
	* 990-PF PG 1 TOTAL						3,977.				3,977.	3,527.		177.	3,704.
	FURNITURE & FIXTURES														
	OTHER														
27	COMPUTER	04/29/12	200DB	5.00		HY17	932.			466.	466.	93.		149.	242.
	* 990-PF PG 1 TOTAL OTHER						932.			466.	466.	93.		149.	242.
	* GRAND TOTAL 990-PF PG 1						4,909.			466.	4,443.	3,620.		326.	3,946.
	DEPR														

325111
05-01-13

(D) - Asset disposed

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