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Return of Private Foundation

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

OMB No. 1545-0052

2014

Department of the Treasury

Internal Revenue Service

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.

Open to Public Inspection

For calendar year 2014 or tax year beginning APR 1, 2014, and ending MAR 31, 2015

Name of foundation
S.T.A.R FOUNDATION INC.

Number and street (or P O box number if mail is not delivered to street address) Room/suite
122 BAYBERRY PLACE

City or town, state or province, country, and ZIP or foreign postal code
ADVANCE, NC 27006-8408

A Employer identification number
13-6161266

B Telephone number
3369402338

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐
 2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 1,556,984.** (Part I, column (d) must be on cash basis.)

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		879.	879.		STATEMENT 1
4 Dividends and interest from securities		25,562.	25,562.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		2,761.			
b Gross sales price for all assets on line 6a		220,855.			
7 Capital gain net income (from Part IV, line 2)			2,761.		
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		29,202.	29,202.		
13 Compensation of officers, directors, trustees, etc		12,000.	3,960.		8,040.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		4,605.	2,303.		2,302.
c Other professional fees					
17 Interest					
18 Taxes STMT 4		1,530.	303.		615.
19 Depreciation and depletion		89.	0.		
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 5		4,518.	1,493.		3,025.
24 Total operating and administrative expenses. Add lines 13 through 23		22,742.	8,059.		13,982.
25 Contributions, gifts, grants paid		79,706.			79,706.
26 Total expenses and disbursements. Add lines 24 and 25		102,448.	8,059.		93,688.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-73,246.			
b Net investment income (if negative, enter -0-)			21,143.		
c Adjusted net income (if negative, enter -0-)				N/A	

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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	41,302.	35,392.	35,392.
	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	527,004.	449,801.	1,510,668.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Liabilities	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶ 4,909.			
	Less accumulated depreciation STMT 8 ▶ 4,501.	497.	408.	408.
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	579,319.	496,117.	1,556,984.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 9)	11,055.	1,099.	
	23 Total liabilities (add lines 17 through 22)	11,055.	1,099.	
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	568,264.	495,018.	STATEMENT 6
	30 Total net assets or fund balances	568,264.	495,018.	
	31 Total liabilities and net assets/fund balances	579,319.	496,117.	

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	568,264.
2 Enter amount from Part I, line 27a	2	-73,246.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	495,018.
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	495,018.

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 220,855.		218,094.	2,761.	
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) 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		
a				
b				
c				
d				
e			2,761.	
2 Capital gain net income or (net capital loss)		2		2,761.
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))
2013	92,590.	1,485,807.	.062316
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
2 Total of line 1, column (d)			2 .332255
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 .066451
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4 1,656,607.
5 Multiply line 4 by line 3			5 110,083.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 211.
7 Add lines 5 and 6			7 110,294.
8 Enter qualifying distributions from Part XII, line 4			8 93,688.

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	423.
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	423.
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	423.
6 Credits/Payments:			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	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		423.
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 2015 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
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	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	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	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?	6	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	7	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	8b	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	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 2014, 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 FinCEN Form 114, (formerly 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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? 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	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 2014 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 2014.)	N/A	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 2014?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (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)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

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

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
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.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

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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.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,631,922.
b	Average of monthly cash balances	1b	49,913.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,681,835.
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	1,681,835.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	25,228.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,656,607.
6	Minimum investment return. Enter 5% of line 5	6	82,830.

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	82,830.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	423.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	423.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	82,407.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	82,407.
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	82,407.

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	93,688.
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	93,688.
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	93,688.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				82,407.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009	14,702.			
b From 2010	51,123.			
c From 2011	15,446.			
d From 2012	14,841.			
e From 2013	18,912.			
f Total of lines 3a through e	115,024.			
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$	93,688.			
a Applied to 2013, 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 2014 distributable amount				82,407.
e Remaining amount distributed out of corpus	11,281.			
5 Excess distributions carryover applied to 2014 (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	126,305.			
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 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	14,702.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	111,603.			
10 Analysis of line 9:				
a Excess from 2010	51,123.			
b Excess from 2011	15,446.			
c Excess from 2012	14,841.			
d Excess from 2013	18,912.			
e Excess from 2014	11,281.			

N/A

- b**
- Check box to indicate whether the foundation is a private operating foundation described in section
- ☐
- 4942(j)(3) or
- ☐
- 4942(j)(5)

- [illegible]

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 or e-mail address 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 AS PDF 122 BAYBERRY PLACE ADVANCE, NC 27009	NONE	509A	GENERAL PURPOSE	79,706.
Total			3a	79,706.
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	879.		
4 Dividends and interest from securities			14	25,562.		
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	2,761.		
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.		29,202.		0.
13 Total. Add line 12, columns (b), (d), and (e)						29,202.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

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

- | | | Yes | No |
|----------|--|-------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 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, this is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.





Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instr. 7)?
☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	JOSEPH P. SILLS	<i>J. P. Sills</i>	8/13/15		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.

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	1000SHS ANNALY CAP MGMT INC	P	08/09/11	05/27/14
b	1000SHS AMERICAN RLTY CAP PPTYS	P	03/17/14	12/09/14
c	500SHS AMERICAN RLTY CAP PPTYS	P	03/17/14	12/29/14
d	1000SHS EAGLE ROCK ENERGY	P	01/22/13	12/09/14
e	250SHS FREPRT-MCMRAB CPR & GOLD	P	04/17/13	07/18/14
f	500SHS FREPRT-MCMRAN INC.	P	12/10/14	02/03/15
g	500SHS GLAXO SMITH KLINE	P	08/07/14	10/15/14
h	200SHS KINDER MORGAN ENERGY	P	11/15/12	08/19/14
i	550SHS KINDER MORGAN ENERGY	P	03/19/14	08/19/14
j	100SHS LEGACY RESERVES LP	P	11/09/12	04/14/14
k	300SHS LINN ENERGY LLC	P	06/07/11	02/06/15
l	300SHS MAGELLAN MIDSTREAM	P	08/31/04	09/23/14
m	1000SHS NATURAL RESOURCE PTNRS	P	07/21/14	02/21/13
n	750SHS SEADRILL LTD	P	05/05/11	12/22/14
o	CASH IN LIEU	P	08/10/12	02/05/15

(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 11,705.		16,990.	-5,285.
b 9,125.		14,487.	-5,362.
c 4,142.		7,243.	-3,101.
d 2,460.		8,281.	-5,821.
e 9,537.		7,041.	2,496.
f 9,289.		12,400.	-3,111.
g 21,391.		23,600.	-2,209.
h 19,560.		12,741.	6,819.
i 53,789.		39,855.	13,934.
j 25,324.		21,850.	3,474.
k 3,973.		8,381.	-4,408.
l 25,765.			25,765.
m 16,005.		19,648.	-3,643.
n 8,754.		25,577.	-16,823.
o 36.			36.

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			-5,285.
b			-5,362.
c			-3,101.
d			-5,821.
e			2,496.
f			-3,111.
g			-2,209.
h			6,819.
i			13,934.
j			3,474.
k			-4,408.
l			25,765.
m			-3,643.
n			-16,823.
o			36.

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	2,761.
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

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	879.	879.	
TOTAL TO PART I, LINE 3	879.	879.	

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	25,562.	0.	25,562.	25,562.	
TO PART I, LINE 4	25,562.	0.	25,562.	25,562.	

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	4,605.	2,303.		2,302.
TO FORM 990-PF, PG 1, LN 16B	4,605.	2,303.		2,302.

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	918.	303.		615.
FEDERAL TAX	612.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,530.	303.		615.

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	783.	259.		524.
OFFICE EXPENSE & PRINTING	1,150.	380.		770.
TELEPHONE & ONLINE	2,585.	854.		1,731.
TO FORM 990-PF, PG 1, LN 23	4,518.	1,493.		3,025.

FORM 990-PF	OTHER FUNDS		STATEMENT	6
DESCRIPTION	(A) BEGINNING OF YEAR	(B) END OF YEAR		
	568,264.	495,018.		
TOTAL TO FORM 990-PF, PART II, LINE 29	568,264.	495,018.		

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
MERRILL LYNCH	449,801.	1,510,668.		
TOTAL TO FORM 990-PF, PART II, LINE 10B	449,801.	1,510,668.		

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.	797.	135.	
TOTAL TO FM 990-PF, PART II, LN 14	4,909.	4,501.	408.	

FORM 990-PF	OTHER LIABILITIES	STATEMENT	9
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DESCRIPTION	BOY AMOUNT	EOY AMOUNT
CREDIT CARD PAYABLE	11,055.	1,099.
TOTAL TO FORM 990-PF, PART II, LINE 22	11,055.	1,099.

2014 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.	3,704.		0.	3,704.
	* 990-PF PG 1 TOTAL						3,977.				3,977.	3,704.		0.	3,704.
	FURNITURE & FIXTURES														
	OTHER														
27	COMPUTER	04/29/12	200DB	5.00		HY17	932.			466.	466.	242.		89.	331.
	* 990-PF PG 1 TOTAL OTHER						932.			466.	466.	242.		89.	331.
	* GRAND TOTAL 990-PF PG 1 DEPR						4,909.			466.	4,443.	3,946.		89.	4,035.

428111
05-01-14

(D) - Asset disposed

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

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/14-3/31/15
EIN: 13-6161266

Charitable Organization	Amount
Jewish National Fund	\$2,000.00
Save the Children	1,500.00
World Jewish Congress Foundation	7,500.00
American Jewish Committee	2,000.00
Physicians for Social Responsibility	50.00
International Rescue Committee	1,500.00
American Jewish World Service	1,500.00
Winston-Salem Rescue Mission	201.00
American Committee for the Weizmann Institute of Science	250.00
Helen Keller International	2,000.00
The Salvation Army	250.00
Hadassah	1,000.00
National Federation of the Blind	250.00
Foundation Fighting Blindness	1,500.00
Oxfam America	1,000.00
NY Institute for Special Education (Camp Wnangun)	1,000.00
Guiding Eyes for the Blind, Inc.	350.00
U.S. Olympic Challenge	100.00
Casa of Philadelphia County	2,500.00
American Jewish Committee	1,500.00
The Jerusalem Foundation	750.00
UNC-TV	250.00
Doctors Without Borders	1,000.00
Duke Cancer Institute	500.00
National Camps for Blind Children	500.00
Friends of the Israel Defense Forces	500.00
The Wilderness Society	100.00
American Friends of Magen David Adom	500.00
Winston-Salem Rescue Mission	200.00
Mayo Clinic	200.00
American Friends Service Committee	1,000.00
Friends of Norris Cotton Cancer Center	500.00
KBR Hospice Home	2,000.00
Camera	250.00
Project Hope	750.00
The Salvation Army	250.00
Special Olympics	100.00
Jewish Institute for the Blind - Jerusalem	1,000.00
National Federation of the Blind	250.00
World Jewish Congress Foundation	2,500.00
The Nature Conservancy - NC Chapter	500.00
America Children's Home	200.00
Boy's Town Jerusalem Foundation of America	500.00
New Israel Fund	1,500.00
American Friends of Yad Eliezer	250.00
Mercy Corps	250.00
National Federation of the Blind	250.00
SOS Children's Villages	375.00
Conservation International Fund	1,000.00
Orbis International	1,000.00
Jewish National Fund	2,500.00

S.T.A.R. Foundation, Inc.
Grants & Donations
4/1/14-3/31/15
EIN: 13-6161266

Charitable Organization	Amount
Hadassah	1,000.00
American Jewish Committee	2,000.00
Friends of Yad Sarah	250.00
Guide Dog Foundation for the Blind, Inc.	200.00
Perkins School for the Blind	1,500.00
Wake Forest Baptist Medical Center	500.00
National Audubon Society	150.00
United Way of Davie County	1,000.00
Save the Children	1,500.00
Winston-Salem Rescue Mission	200.00
American Indian College Fund	150.00
Lighthouse International	1,000.00
American Friends Opmagen David Adom	500.00
Macula Vision Research Foundation	2,000.00
Hillel	180.00
Anti-Defamation League	500.00
Cedars Home for Children Foundation	750.00
Guiding Eyes for the Blind, Inc.	350.00
Winston-Salem Symphony	175.00
National Foundation for the Blind	200.00
CARE	500.00
The Hand to Heart Project	500.00
World Jewish Congress Foundation	2,500.00
Charity Watch	50.00
Hadassah	1,000.00
US Fund for UNICEF	500.00
Davie Community Foundation	1,000.00
American Jewish World Service	500.00
Helen Keller International	1,000.00
Orbis International	1,000.00
NY Institute for Special Education (Camp Wnangun)	200.00
The Salvation Army	250.00
Anti-Defamation League	500.00
Ocean Conservancy	25.00
Friends of the Israel Defense Forces	250.00
Jewish Institute for the Blind - Jerusalem	500.00
Mits Aoki Legacy Foundation	750.00
Duke Eye Center	1,000.00
CARE	1,000.00
Sierra Club Foundation	1,000.00
Friends of the Earth	300.00
Make A Wish Foundation	100.00
Simon Wiesenthal Center	250.00
American Society for Yad Vashem Inc.	250.00
National Federation of the Blind	250.00
Human Rights Watch	250.00
Guide Dog Foundation for the Blind, Inc.	300.00
Winston-Salem Rescue Mission	200.00
SIS Children's Villages-USA	300.00
Total	<u>\$79,706.00</u>