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

**2007**

Department of the Treasury  
Internal Revenue Service (77)

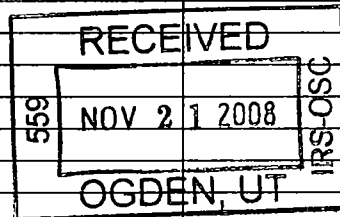
*Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements*

For calendar year **2007**, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

G Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of foundation <b>THE SCHMIDT FAMILY FOUNDATION</b>	A Employer identification number <b>20-4170342</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>555 BRYANT STREET</b>	B Telephone number <b>650-461-8099</b>
	Room/suite <b>370</b>	C If exemption application is pending, check here <input type="checkbox"/>
	City or town, state, and ZIP code <b>PALO ALTO, CA 94301</b>	D 1 Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ <b>223,350,447.</b>	(Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I	Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(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	143,469,165.		N/A	
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	220,517.	220,517.		STATEMENT 1
4	Dividends and interest from securities	4,305,314.	4,305,314.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	120,839,913.			
b	Gross sales price for all assets on line 6a <b>150,827,646.</b>				
7	Capital gain net income (from Part IV, line 2)		120,839,913.		
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	150,954.	150,954.		STATEMENT 3
12	<b>Total</b> Add lines 1 through 11	268,985,863.	125,516,698.		
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees <b>STMT 4</b>	92,041.	0.		73,536.
b	Accounting fees <b>STMT 5</b>	84,954.	0.		16,056.
c	Other professional fees <b>STMT 6</b>	392,311.	8,071.		384,240.
17	Interest				
18	Taxes <b>STMT 7</b>	1,577,523.	90,072.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	1,415.	0.		574.
22	Printing and publications	112,154.	0.		112,154.
23	Other expenses <b>STMT 8</b>	256,014.	7,500.		242,038.
24	<b>Total operating and administrative expenses</b> Add lines 13 through 23	2,516,412.	105,643.		828,598.
25	Contributions, gifts, grants paid	7,725,553.			7,905,000.
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25	10,241,965.	105,643.		8,733,598.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	258,743,898.			
b	<b>Net investment income</b> (if negative, enter -0-)		125,411,055.		
c	<b>Adjusted net income</b> (if negative, enter -0-)			N/A	



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<b>Part II Balance Sheets</b> <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	6,541,131.	3,725,155.	3,725,155.
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges		129,879.	129,879.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments land buildings and equipment basis ▶ Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other <span style="float: right;">STMT 11</span>	78,339,554.	214,439,482.	214,439,482.
14 Land, buildings, and equipment: basis ▶ <span style="float: right;">3,770,403.</span> Less accumulated depreciation ▶		3,770,403.	3,770,403.	
15 Other assets (describe ▶ <span style="float: right;">STATEMENT 12</span> )	0.	1,285,528.	1,285,528.	
<b>16 Total assets (to be completed by all filers)</b>	<b>84,880,685.</b>	<b>223,350,447.</b>	<b>223,350,447.</b>	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	138,059.	209,654.	
	18 Grants payable	5,545,722.	5,366,275.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ <b>TAXES PAYABLE</b> )	478,422.	65,543.	
<b>23 Total liabilities (add lines 17 through 22)</b>	<b>6,162,203.</b>	<b>5,641,472.</b>		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31</b>			
	24 Unrestricted	78,718,482.	217,708,975.	
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 27 through 31</b>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
<b>30 Total net assets or fund balances</b>	<b>78,718,482.</b>	<b>217,708,975.</b>		
<b>31 Total liabilities and net assets/fund balances</b>	<b>84,880,685.</b>	<b>223,350,447.</b>		

**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	78,718,482.
2 Enter amount from Part I, line 27a	2	258,743,898.
3 Other increases not included in line 2 (itemize) ▶ <span style="float: right;">SEE STATEMENT 9</span>	3	238,110.
4 Add lines 1, 2, and 3	4	337,700,490.
5 Decreases not included in line 2 (itemize) ▶ <span style="float: right;">SEE STATEMENT 10</span>	5	119,991,515.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	217,708,975.

**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	150,827,646.	29,987,733.	120,839,913.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			120,839,913.	
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	120,839,913.	
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))
2006	1,218,542.	30,023,868.	.040586
2005			
2004			
2003			
2002			
2 Total of line 1, column (d)			2 .040586
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 .040586
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5			4 138,057,216.
5 Multiply line 4 by line 3			5 5,603,190.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,254,111.
7 Add lines 5 and 6			7 6,857,301.
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 12,504,001.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter: _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,254,111.
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	1,254,111.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	1,254,111.
6	Credits/Payments:		
a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	1,500,049.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	40,000.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	1,540,049.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	285,938.
11	Enter the amount of line 10 to be Credited to 2008 estimated tax <input checked="" type="checkbox"/> 285,938. Refunded <input checked="" type="checkbox"/>	11	0.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
d		
e		
2		X
3		X
4a		X
4b		
5		X
6		X
7	X	
8a		
8b	X	
9		X
10		X

N/A

**Part VII-A Statements Regarding Activities** (continued)

<p><b>11a</b> 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)</p>	11a	<input checked="" type="checkbox"/>	
<p><b>b</b> If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?</p>	11b		<input checked="" type="checkbox"/>
<p><b>12</b> Did the foundation acquire a direct or indirect interest in any applicable insurance contract?</p>	12		<input checked="" type="checkbox"/>
<p><b>13</b> Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.THESCHMIDTFAMILYFOUNDATION.ORG</u></p>	13	<input checked="" type="checkbox"/>	
<p><b>14</b> The books are in care of ► <u>JEANNE HUEY</u> Telephone no ► <u>(650) 461-8086</u> Located at ► <u>555 BRYANT STREET, #370, PALO ALTO, CA</u> ZIP+4 ► <u>94301</u></p>			
<p><b>15</b> 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</p>	15		N/A

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

		Yes		No
<b>File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.</b>				
<p><b>1a</b> During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p><b>b</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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here</p>	1b			N/A
<p><b>c</b> 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 2007?</p>	1c			<input checked="" type="checkbox"/>
<p><b>2</b> 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)):</p> <p><b>a</b> At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years: _____</p> <p><b>b</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 )</p>	2b			N/A
<p><b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► _____</p>				
<p><b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p><b>b</b> If "Yes," did it have excess business holdings in 2007 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 2007 )</p>	3b			N/A
<p><b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a			<input checked="" type="checkbox"/>
<p><b>b</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 2007?</p>	4b			<input checked="" type="checkbox"/>

**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 propoganda, 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)?  Yes  No  
 Organizations relying on a current notice regarding disaster assistance check here  N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?  Yes  No  
 If "Yes," attach the statement required by Regulations section 53 4945-5(d) N/A

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?  Yes  No  
 If you answered "Yes" to 6b, also 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?  Yes  No

**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
WENDY SCHMIDT 555 BRYANT STREET #347 PALO ALTO, CA 94301	PRESIDENT/DIRECTOR 20.00	0.	0.	0.
ERIC SCHMIDT 555 BRYANT STREET #347 PALO ALTO, CA 94301	VICE PRESIDENT/DIRECTOR 0.50	0.	0.	0.
SOPHIE SCHMIDT 555 BRYANT STREET #370 PALO ALTO, CA 94301	VICE PRESIDENT/DIRECTOR 0.20	0.	0.	0.
JOE ROSE 555 BRYANT STREET #370 PALO ALTO, CA 94301	TREASURER 0.50	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

**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
HILLSPIRE LLC 505 HAMILTON AVENUE. #210, PALO ALTO, CA 94301	ACCOUNTING, INVESTMENT AND MGMT	174,320.

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 11TH HOUR PROJECT - THE GOAL IS TO BROADEN GLOBAL AWARENESS AND HELP FIND NEW AUDIENCES FOR THIS URGENT MESSAGE TO SOLVE THE CLIMATE PROBLEM.	737,400.
2 NANTUCKET PROJECT - THE MISSION IS TO WORK WITH THE TOWN OF NANTUCKET AND THE REGIONAL TRANSIT AUTHORITY TO HELP DEVELOP A BETTER MODEL FOR THE ISLAND'S SEASONAL BUS SYSTEM.	142,891.
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  SEE STATEMENT 13	3,770,403.
2	
3 All other program-related investments. See instructions	
Total. Add lines 1 through 3 <span style="float: right;">▶</span>	3,770,403.



**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	135,495,525.
b	Average of monthly cash balances	1b	4,021,321.
c	Fair market value of all other assets	1c	642,764.
d	<b>Total</b> (add lines 1a, b, and c)	1d	140,159,610.
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	140,159,610.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	2,102,394.
5	<b>Net value of noncharitable-use assets</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	138,057,216.
6	<b>Minimum investment return</b> Enter 5% of line 5	6	6,902,861.

**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	6,902,861.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	1,254,111.
b	Income tax for 2007. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,254,111.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,648,750.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5,648,750.
6	Deduction from distributable amount (see instructions)	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	5,648,750.

**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	8,733,598.
b	Program-related investments - total from Part IX-B	1b	3,770,403.
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	<b>Qualifying distributions</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	12,504,001.
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	1,254,111.
6	<b>Adjusted qualifying distributions</b> Subtract line 5 from line 4	6	11,249,890.

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				5,648,750.
2 Undistributed income, if any, as of the end of 2006				
a Enter amount for 2006 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2007:				
a From 2002				
b From 2003				
c From 2004				
d From 2005				
e From 2006	1,218,542.			
f Total of lines 3a through e	1,218,542.			
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$ 12,504,001.				
a Applied to 2006, 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) **	8,073,759.			
d Applied to 2007 distributable amount				4,430,242.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a))	1,218,508.			1,218,508.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	8,073,793.			
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 2006. Subtract line 4a from line 2a Taxable amount - see instr.			0.	
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				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 2002 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2008 Subtract lines 7 and 8 from line 6a	8,073,793.			
10 Analysis of line 9:				
a Excess from 2003				
b Excess from 2004				
c Excess from 2005				
d Excess from 2006	34.			
e Excess from 2007	8,073,759.			

\*\* SEE STATEMENT 14

**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 2007, 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)

	Tax year		Prior 3 years		(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
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					
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 the 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).)

**SEE STATEMENT 15**

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

**JEANNE HUEY, 650-461-8099**  
**555 BRYANT STREET #370, PALO ALTO, CA 94301**

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

**SEE GRANT GUIDELINE ATTACHMENT**

c Any submission deadlines:

**SEE GRANT GUIDELINE ATTACHMENT**

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

**SEE GRANT GUIDELINE ATTACHMENT**





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

- 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?
- |                                                                                                                                                                                                                                                                                                                                                                                               | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of:                                                                                                                                                                                                                                                                                                          |     |    |
| (1) Cash                                                                                                                                                                                                                                                                                                                                                                                      |     | X  |
| (2) Other assets                                                                                                                                                                                                                                                                                                                                                                              |     | X  |
| b Other transactions:                                                                                                                                                                                                                                                                                                                                                                         |     |    |
| (1) Sales of assets to a noncharitable exempt organization                                                                                                                                                                                                                                                                                                                                    |     | X  |
| (2) Purchases of assets from a noncharitable exempt organization                                                                                                                                                                                                                                                                                                                              |     | X  |
| (3) Rental of facilities, equipment, or other assets                                                                                                                                                                                                                                                                                                                                          |     | X  |
| (4) Reimbursement arrangements                                                                                                                                                                                                                                                                                                                                                                |     | X  |
| (5) Loans or loan guarantees                                                                                                                                                                                                                                                                                                                                                                  |     | X  |
| (6) Performance of services or membership or fundraising solicitations                                                                                                                                                                                                                                                                                                                        |     | X  |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees                                                                                                                                                                                                                                                                                                            |     | 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 |     |    |

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions and sharing arrangements
		N/A	

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		

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 or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here:  *Jane W. Hrey* Signature of officer or trustee       11/17/08 Date       *Chief Financial Officer* Title

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
	<i>[Signature]</i>	11/14/08	<input type="checkbox"/>	
Firm's name (or yours if self-employed), address and ZIP code			EIN	Phone no.
IRELAND SAN FILIPPO, LLP 1075 NORTH TENTH STREET SAN JOSE, CALIFORNIA 95112				(408) 286-7780

**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

**2007**

Name of organization

**THE SCHMIDT FAMILY FOUNDATION**

Employer identification number

**20-4170342**

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

 501(c)( ) (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions )**General Rule-**

- 
- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II.)

**Special Rules-**

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year ) ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)LHA For Paperwork Reduction Act Notice, see the Instructions  
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

Employer identification number

**THE SCHMIDT FAMILY FOUNDATION**

**20-4170342**

**Part I Contributors** (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	<u>ERIC &amp; WENDY SCHMIDT</u> <u>555 BRYANT STREET #347</u> <u>PALO ALTO, CA 94301</u>	\$ <u>119,309,441.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>	<u>THE SCHMIDT FAMILY LIVING TRUST</u> <u>555 BRYANT STREET #347</u> <u>PALO ALTO, CA 94301</u>	\$ <u>18,409,415.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	<u>SCHMIDT INVESTMENTS LP</u> <u>555 BRYANT STREET #347</u> <u>PALO ALTO, CA 94301</u>	\$ <u>5,750,309.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Name of organization

Employer identification number

THE SCHMIDT FAMILY FOUNDATION

20-4170342

**Part II Noncash Property** (See Specific Instructions )

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	SEE ATTACHED SCHEDULE OF STOCK CONTRIBUTIONS	\$ 119,309,441.	VARIOUS
2	11/30/07 - 26,392 SHARES OF GOOGLE, INC. 12/05/07 - 805 SHARES OF EHEALTH, INC.	\$ 18,409,415.	VARIOUS
3	8,255 SHARES OF GOOGLE, INC.	\$ 5,750,309.	11/30/07
		\$	
		\$	
		\$	

**The Schmidt Family Foundation (EIN 20-4170342)**  
**Schedule B - Contribution Detail**  
**For the Year Ended 12/31/2007**

<b>Donor</b>	<b>Contribution Date</b>	<b>Security Description</b>	<b>Shares Received</b>	<b>FMV</b>
Eric & Wendy Schmidt	01/25/07	Google Inc	23,034	\$ 11,403,674
Eric & Wendy Schmidt	02/22/07	Google Inc	23,034	11,040,542
Eric & Wendy Schmidt	03/26/07	Google Inc	23,034	10,602,781
Eric & Wendy Schmidt	04/24/07	Google Inc	23,034	11,004,839
Eric & Wendy Schmidt	05/24/07	Google Inc	23,034	10,949,212
Eric & Wendy Schmidt	06/25/07	Google Inc	23,034	12,189,247
Eric & Wendy Schmidt	07/25/07	Google Inc	23,034	11,777,054
Eric & Wendy Schmidt	08/27/07	Google Inc	23,034	11,849,265
Eric & Wendy Schmidt	09/24/07	Google Inc	23,034	13,031,025
Eric & Wendy Schmidt	10/25/07	Google Inc	23,034	15,461,803
				<b><u>\$ 119,309,441</u></b>

THE SCHMIDT FAMILY FOUNDATION

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 11,517 SHARES GOOGLE INC CL A	D	01/25/07	01/25/07
b 11,517 SHARES GOOGLE INC CL A	D	01/25/07	01/29/07
c 26,816 SHARES ISHARES TR MSCI EAFE	P	09/15/06	02/22/07
d 11,517 SHARES GOOGLE INC CL A	D	02/22/07	02/23/07
e 3,184 SHARES ISHARES TR MSCI EAFE	P	09/15/06	02/23/07
f 23,632 SHARES ISHARES TR MSCI EAFE	P	10/10/06	02/23/07
g 26,816 SHARES ISHARES TR MSCI EAFE	P	11/06/06	02/26/07
h 11,517 SHARES GOOGLE INC CL A	D	02/22/07	02/27/07
i 21,368 SHARES ISHARES TR MSCI EAFE	P	10/10/06	02/28/07
j 5,448 SHARES ISHARES TR MSCI EAFE	P	11/06/06	02/28/07
k 11,517 SHARES GOOGLE INC CL A	D	03/26/07	03/27/07
l 11,517 SHARES GOOGLE INC CL A	D	03/26/07	03/28/07
m 11,517 SHARES GOOGLE INC CL A	D	04/24/07	04/27/07
n 11,517 SHARES GOOGLE INC CL A	D	04/24/07	04/30/07
o 5,000,000 SHARES UNITED STATES TREAS NTS 3.125809	P	03/16/07	05/14/07

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5,681,771.		3,455.	5,678,316.
b 5,687,203.		3,455.	5,683,748.
c 2,001,099.		1,738,143.	262,956.
d 5,431,263.		3,455.	5,427,808.
e 238,570.		206,379.	32,191.
f 1,770,691.		1,576,814.	193,877.
g 2,018,909.		1,862,550.	156,359.
h 5,234,149.		3,455.	5,230,694.
i 1,555,391.		1,425,751.	129,640.
j 396,564.		378,400.	18,164.
k 5,327,350.		3,455.	5,323,895.
l 5,327,570.		3,455.	5,324,115.
m 5,526,926.		3,455.	5,523,471.
n 5,498,061.		3,455.	5,494,606.
o 4,883,984.		4,899,786.	-15,802.

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			5,678,316.
b			5,683,748.
c			262,956.
d			5,427,808.
e			32,191.
f			193,877.
g			156,359.
h			5,230,694.
i			129,640.
j			18,164.
k			5,323,895.
l			5,324,115.
m			5,523,471.
n			5,494,606.
o			-15,802.

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

THE SCHMIDT FAMILY FOUNDATION

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 1,040,000 SHARES UNITED STATES TREAS NTS 2.625% 0	P	03/16/07	05/14/07
b 5,000,000 SHARES UNITED STATES TREAS NOTES 4.625%	P	03/16/07	05/14/07
c 2,000,000 UNITED STATES TREAS NTS 2.625% 03/15/20	P	03/16/07	05/18/07
d 11,517 SHARES GOOGLE INC CL A	D	05/24/07	05/24/07
e 11,517 SHARES GOOGLE INC CL A	D	05/24/07	05/25/07
f 11,517 SHARES GOOGLE INC CL A	D	06/25/07	06/26/07
g 11,517 SHARES GOOGLE INC CL A	D	06/25/07	06/27/07
h 11,517 SHARES GOOGLE INC CL A	D	07/25/07	07/27/07
i 11,517 SHARES GOOGLE INC CL A	D	07/25/07	07/31/07
j 11,517 SHARES GOOGLE INC CL A	D	08/27/07	08/28/07
k 11,517 SHARES GOOGLE INC CL A	D	08/27/07	08/31/07
l 11,517 SHARES GOOGLE INC CL A	D	09/24/07	09/25/07
m 11,517 SHARES GOOGLE INC CL A	D	09/24/07	09/26/07
n 5,000,000 UNITED STATES TREAS NTS 3.625% 07/15/2	P	09/14/07	09/27/07
o 5,000,000 UNITED STATES TREAS NTS 3.375% 09/15/20	P	09/14/07	09/27/07

(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 1,001,813.		1,005,194.	-3,381.
b 4,982,422.		4,991,087.	-8,665.
c 1,924,375.		1,933,463.	-9,088.
d 5,469,960.		3,455.	5,466,505.
e 5,547,776.		3,455.	5,544,321.
f 6,108,082.		3,455.	6,104,627.
g 6,031,139.		3,455.	6,027,684.
h 5,874,294.		3,455.	5,870,839.
i 5,934,868.		3,455.	5,931,413.
j 5,877,654.		3,455.	5,874,199.
k 5,918,311.		3,455.	5,914,856.
l 6,521,293.		3,455.	6,517,838.
m 6,541,235.		3,455.	6,537,780.
n 4,969,938.		4,963,225.	6,713.
o 4,944,922.		4,937,841.	7,081.

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			-3,381.
b			-8,665.
c			-9,088.
d			5,466,505.
e			5,544,321.
f			6,104,627.
g			6,027,684.
h			5,870,839.
i			5,931,413.
j			5,874,199.
k			5,914,856.
l			6,517,838.
m			6,537,780.
n			6,713.
o			7,081.

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

THE SCHMIDT FAMILY FOUNDATION

**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 11,517 SHARES GOOGLE INC CL A	D	10/25/07	10/26/07
b 11,517 SHARES GOOGLE INC CL A	D	10/25/07	10/30/07
c CAPITAL GAINS DIVIDENDS			
d			
e			
f			
g			
h			
i			
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 7,749,397.		3,455.	7,745,942.
b 7,977,890.		3,455.	7,974,435.
c 872,776.			872,776.
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col (h)) Gains (excess of col (h) gain over col. (k), but not less than "-0-")
(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			7,745,942.
b			7,974,435.
c			872,776.
d			
e			
f			
g			
h			
i			
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	120,839,913.
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	AMOUNT
FIDELITY INVESTMENT	220,517.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	220,517.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIDELITY INVESTMENT	5,178,090.	872,776.	4,305,314.
TOTAL TO FM 990-PF, PART I, LN 4	5,178,090.	872,776.	4,305,314.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	150,954.	150,954.	
TOTAL TO FORM 990-PF, PART I, LINE 11	150,954.	150,954.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	92,041.	0.		73,536.
TO FM 990-PF, PG 1, LN 16A	92,041.	0.		73,536.



FORM 990-PF	OTHER EXPENSES			STATEMENT 8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	0.	0.		34.
BANK CHARGES	125.	0.		0.
MEMBERSHIP & SUBSCRIPTIONS	585.	0.		0.
INSURANCE	7,936.	0.		7,553.
MEALS	59,440.	0.		58,840.
OFFICE SUPPLIES	1,692.	0.		0.
OUTSIDE SERVICES	7,551.	7,500.		0.
TELEPHONE	6,319.	0.		3,245.
ADVERTISING	42,915.	0.		42,915.
POSTAGE	8,257.	0.		8,257.
UTILITIES	50.	0.		50.
GRAPHICS/WEB DESIGN	30,729.	0.		30,729.
OTHER PROGRAM EXPENSES	90,415.	0.		90,415.
TO FORM 990-PF, PG 1, LN 23	256,014.	7,500.		242,038.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 9
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DESCRIPTION	AMOUNT
UNREALIZED GAIN ON ALTERNATIVE INVESTMENTS	238,110.
TOTAL TO FORM 990-PF, PART III, LINE 3	238,110.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 10
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DESCRIPTION	AMOUNT
UNREALIZED LOSS	751,175.
STEP-UP IN BASIS OF DONATED SECURITIES SOLD	119,240,340.
TOTAL TO FORM 990-PF, PART III, LINE 5	119,991,515.



FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INVESTMENT FIDELITY	FMV	203,078,792.	203,078,792.
FARALLON CAPITAL PARTNERS	FMV	945,700.	945,700.
UNSETTLED STOCK PROCEEDS	FMV	0.	0.
HIGHVISTA, LLC	FMV	5,287,868.	5,287,868.
FARALLON CAPITAL PARTNERS	FMV	5,127,122.	5,127,122.
TOTAL TO FORM 990-PF, PART II, LINE 13		214,439,482.	214,439,482.

FORM 990-PF OTHER ASSETS STATEMENT 12

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DIVIDENDS RECEIVABLE	0.	1,001,787.	1,001,787.
INTEREST RECEIVABLE	0.	283,141.	283,141.
DEPOSITS	0.	600.	600.
TO FORM 990-PF, PART II, LINE 15		1,285,528.	1,285,528.

FORM 990-PF SUMMARY OF PROGRAM-RELATED INVESTMENTS STATEMENT 13

DESCRIPTION

NANTUCKET PROJECT - THE SCHMIDT FAMILY FOUNDATION PURCHASED PROPERTY IN NANTUCKET THROUGH GREENHOUND LLC, A DISREGARDED ENTITY FOR FEDERAL TAX PURPOSES, FOR USE IN THE DEVELOPMENT OF AN ENVIRONMENTALLY FRIENDLY TRANSIT MODEL IN DOWNTOWN NANTUCKET.

AMOUNT

TO FORM 990-PF, PART IX-B, LINE 1

3,770,403.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION  
53.4942(A)-3(D)(2) TO TREAT  
EXCESS QUALIFYING DISTRIBUTIONS  
AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 14

PURSUANT TO IRC SEC. 4942(H)(2) AND REG. 53.4942(A)-3(D)(2), THE  
SCHMIDT FAMILY FOUNDATION HERBY ELECTS TO TREAT CURRENT YEAR  
QUALIFYING DISTRIBUTIONS IN EXCESS OF THE IMMEDIATELY PRECEDING TAX  
YEAR'S UNDISTRIBUTED INCOME AND THE AMOUNT NEEDED TO SATISFY THE  
CURRENT YEAR DISTRIBUTION REQUIREMENTS AS BEING MADE OUT OF CORPUS.

FORM 990-PF

PART XV - LINE 1A  
LIST OF FOUNDATION MANAGERS

STATEMENT 15

NAME OF MANAGER

WENDY SCHMIDT  
ERIC SCHMIDT

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 16

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
COLUMBIA UNIVERSITY 100 HAVEN AVE., TOWER 3, STE. 25F, NEW YORK, NY 10032	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	50,000.
CENTER FOR INVESTIGATIVE REPORTING 2927 NEWBURY ST., STE A, BERKELEY, CA 94703	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	300,000.
NATURAL RESOURCES DEFENSE COUNCIL 40 W. 20TH ST., NEW YORK, NY 10011	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	1000000.
THE VOTE SOLAR INITIATIVE 300 BRANNAN ST., #609, SAN FRANCISCO, CA 94107	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	15,000.
CORNELL UNIVERSITY - CORNELL GLOBAL LABOR INSTITUTE 16 EAST 34TH ST., 4TH FLOOR, NEW YORK, NY 10016	NONE SOCIAL SERVICES/SOCIAL	PUBLIC CHARITY BENEFITS	5,000.
THE REGENERATION PROJECT P.O. BOX 29336, THE PRESIDIO, SAN FRANCISCO, CA 94129	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	75,000.

TIDES FOUNDATION GLOBAL SUPPORT FUND P.O. BOX 29903, SAN FRANCISCO, CA 94129	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	25,000.
GREENPEACE FUND, INC. 702 H STREET NW, STE #300,, WASHINGTON DC, 20001	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	100,000.
EARTH ISLAND INSTITUTE, INC. 300 BROADWAY ST., SAN FRANCISCO, CA 94133	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	20,000.
NRPE (NATIONAL RELIGIOUS PARTNERSHIP FOR THE ENVIRONMENT) 49 S. PLEASANT ST., #301, AMHERST, MA 01002	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	100,000.
NANTUCKET SHELLFISH ASSOCIATION P.O. BOX 1244, NANTUCKET, MA 02554	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	15,000.
CAROLINA FOR KIBERA, INC UNC CHAPEL HILL, CAMPUS BOX #5145, CHAPEL HILL, NC 27599-5145	NONE HEALTH & HUMAN SERVICES	PUBLIC CHARITY	500,000.
CALIFORNIA ACADEMY OF SCIENCES 55 CONCOURSE, GOLDEN GATE PARK, SAN FRANCISCO, CA 94118	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	500,000.
ORPHANS OF RWANDA 123 EAST 70TH STREET, NEW YORK, NY 10021	NONE SOCIAL SERVICES/SOCIAL	PUBLIC CHARITY BENEFITS	75,000.
THE ENERGY FOUNDATION 1012 TORNEY AVE. #1, SAN FRANCISCO, CA 94129	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	500,000.

NATURAL CAPITAL INSTITUTE (FISCAL NONE SPONSOR FOR GREEN FOR ALL) 3 GATE FIVE ROAD, SAUSALITO, CA 94965	SOCIAL SERVICES/SOCIAL BENEFITS	PUBLIC CHARITY	125,000.
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SCHWAB CHARITABLE GIFT FUND 101 MONTGOMERY ST., SAN FRANCISCO, CA 94104	NONE GENERAL	PUBLIC CHARITY	4500000.
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TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u>7,905,000.</u>
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FORM 990-PF

GRANTS AND CONTRIBUTIONS  
APPROVED FOR FUTURE PAYMENT

STATEMENT 17

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
COLUMBIA UNIVERSITY 100 HAVEN AVE., TOWER 3, STE. 25F, NEW YORK, NY 10014	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	100,000.
CALIFORNIA ACADEMY OF SCIENCES 55 CONCOURSE, GOLDEN GATE PARK, SAN FRANCISCO, CA 94118	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	500,000.
CENTER FOR INVESTIGATIVE REPORTING 2927 NEWBURY ST., STE A, BERKELEY, CA 94703	NONE ENVIRONMENTAL/ANIMALS	PUBLIC CHARITY	500,000.
CHANGE IN PRESENT VALUE DISCOUNT N/A	NONE NONE	NONE	220,553.
PAYMENTS ON PRIOR YEAR GRANTS PAYABLE (INCLUDED ON LINE 25 COLUMN A) N/A	NONE NONE	NONE	-1500000.
TOTAL TO FORM 990-PF, PART XV, LINE 3B			-179,447.



## GUIDELINES FOR GRANT EVALUATION & APPLICATIONS

### **The Schmidt Family Foundation Mission Statement**

The Schmidt Family Foundation is a private foundation formed in February 6, 2006 and organized exclusively for charitable, scientific, literary and educational purposes within the meaning of Section 501(c) (3) of Internal Revenue Code of 1986, as amended. The Foundation also operates various charity programs to support educations, in particular the rapid deployment of renewable energy technologies.

### **Grantmaking Interests**

The Schmidt Family Foundation makes grants to organizations and community projects that support only those charitable activities that are bi-partisan in nature of particular interest in scientific, literary and educational efforts.

Applicants must have 501(c)(3) status.

### **Special Emphases**

The Schmidt Family Foundation supports all meaningful efforts to aid the change in public perception and the transition from an oil-dependent society to one that operates on a renewable and sustainable energy platform.

### **Types of Support**

The Schmidt Family Foundation offers both grants and potential collaboration on special projects.

### **Application Deadlines and Instructions**

Applications are accepted year round. You may use hard copy or email. Mail to Jeanne W. Huey, Chief Financial Officer of The Schmidt Family Foundation, 555 Bryant Street, #370, Palo Alto, CA 94301, or to [staff@theschmidt.org](mailto:staff@theschmidt.org)

### **Guidelines for Preparing Grant Applications**

1. Complete the Support Application Form (attached).
2. Submit one complete proposal to accompany the Program Support Application Form. The following information should be included:

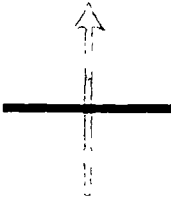
- a. A cover letter and proposal with the following information, in **6 pages or fewer (your printed collateral material may contain much of the following)**:
- Your mission and geographic focus;
  - Goals of the proposed work (immediate and long-range);
  - Implementation plan to achieve the goals;
  - Impact on the communities involved—what will have changed as a result of the grant;
  - Partners in the community that are also working on the same issues, and how you are coordinating with them;
  - Criteria and procedures that will be used to evaluate the proposed work;
  - Plan for securing funding beyond the grant period;
  - Principal staff that will be working on the program/project and their qualifications;
  - The best day of the week and time of day for a site visit by the Foundation staff if needed.
- b. Your organization's current operating budget, plus your project's budget—including income and expenses.
- c. Your organization's most recent financial statements (income and balance sheet) and audit.
- d. Copy of the IRS letter determining your 501(c)(3) nonprofit status.
- e. List of your board of directors.
- f. Attach copies of any significant materials, newsletters, brochures, articles, etc., which shed light on the project's or your organization's activities

**3. Former Grantees:** Organizations that have received funding from the foundation must have completed the *Funding Evaluation Form*. In addition to submitting a copy of this evaluation form, former grantees need only supply budget information and any other new information that has arisen since the last application was submitted.

The Schmidt Family Foundation will notify all program support applicants of funding decisions by mail. Thank you for applying to the Schmidt Family Foundation.

For more information, please contact: Jeanne W. Huey at (650) 461-8086 or [staff@theschmidt.org](mailto:staff@theschmidt.org).



↑  
SCHMIDT  FAMILY FOUNDATION

GRANT SUPPORT APPLICATION FORM

**Background Information**

Program or project title: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Web site: \_\_\_\_\_

Contact person: \_\_\_\_\_

Title: \_\_\_\_\_

**Information about the Request**

Date of application: \_\_\_\_\_ Amount requested: \$ \_\_\_\_\_

Type of Support (please check)

( ) Project ( ) General Operating ( ) Capacity Building ( ) Technical Assistance ( )  
Emergency

What geographic area will be served?  
\_\_\_\_\_

Approx. number of people served? \_\_\_\_\_

Time period covered by funding? \_\_\_\_\_

**Organizational Information**

How long has the organization been in existence?  
\_\_\_\_\_

Number of paid staff: Full time \_\_\_\_ Part time \_\_\_\_

How often does your board meet? \_\_\_\_\_

IRS 501(c)(3) number: \_\_\_\_\_

**Financial Information**

Total income of organization (most recent fiscal year):  
\_\_\_\_\_

Total expenses of organization (most recent fiscal year):  
\_\_\_\_\_

If project:

Total expenses budgeted for the project: \_\_\_\_\_

Amount raised for the project so far: \_\_\_\_\_

Please list the other funding sources on an attached page, with amount funded per source.