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

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning , 2010, and ending

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

ARMSTRONG MCDONALD FOUNDATION
P. O. BOX 70110
TUCSON, AZ 85737-0110

A Employer identification number

36-3458711

B Telephone number (see the instructions)

520-742-2667/52

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 ☐

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, column (c), line 16)

\$ 16,214,025.

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

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE

1 Contributions, gifts, grants, etc., received (att sch)

2 Ck ☒ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 7,647,474.

7 Capital gain net income (from Part IV, line 2)

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/(loss) (att sch)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11. See Statement 1

13 Compensation of officers, directors, trustees, etc.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) See St 2

b Accounting fees (attach sch) See St 3

c Other prof fees (attach sch) See St 4

17 Interest

18 Taxes (attach schedule) (see instr) See Stm 5

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

See Statement 6

24 Total operating and administrative expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid Stmt 7

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

ADMINISTRATIVE EXPENSES AND OPERATING

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	18,355.		
	2 Savings and temporary cash investments	609,802.	964,120.	964,120.
	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 (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	13,649.	7,673.	7,673.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	10,223,977.	8,633,920.	11,241,767.
	c Investments — corporate bonds (attach schedule)	3,652,442.	4,709,970.	4,000,465.
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	14,518,225.	14,315,683.	16,214,025.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET FUND ASSETS OR BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
FUND ASSETS OR BALANCES	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	14,518,225.	14,315,683.	
	30 Total net assets or fund balances (see the instructions)	14,518,225.	14,315,683.	
	31 Total liabilities and net assets/fund balances (see the instructions)	14,518,225.	14,315,683.	

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	14,518,225.
2 Enter amount from Part I, line 27a	2	-202,542.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	14,315,683.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	14,315,683.

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 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1a See Statement 8			
b			
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			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	184,088.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div>	3	0.

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 (column (b) divided by column (c))
2009	821,554.	13,875,719.	0.059208
2008	497,056.	16,551,399.	0.030031
2007	1,030,781.	19,128,572.	0.053887
2006	1,214,795.	17,742,925.	0.068466
2005	861,504.	16,729,921.	0.051495

2 Total of line 1, column (d)	2	0.263087
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.052617
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	14,825,696.
5 Multiply line 4 by line 3	5	780,084.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,805.
7 Add lines 5 and 6	7	785,889.
8 Enter qualifying distributions from Part XII, line 4	8	786,019.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary — see instr.)			
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	5,805.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	5,805.
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	5,805.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	13,478.	
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	13,478.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	7,673.	
11 Enter the amount of line 10 to be credited to 2011 estimated tax	11	0.	
		7,673.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) AZ		
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? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

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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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>www.armstrongmcdonaldfoundation.org</u>	13	X	
14	The books are in care of <u>GREGORY L. HEISEY, CPA, PC</u> Telephone no. <u>520-742-4697</u> Located at <u>405 W. COOL DRIVE, SUITE 105 TUCSON AZ</u> ZIP + 4 <u>85704</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country	16	Yes	No X

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

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(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		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 the instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3a 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		
b If 'Yes,' did it have excess business holdings in 2010 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 2010.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/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?

6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 9		0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		0.	0.	0.

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 (see instructions). If none, enter 'NONE'.

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
HARTLINE INVESTMENT CORPORATION 20 NORTH WACKER DRIVE; STE 3820 CHICAGO, IL 60606	INVESTMENT MGMT.	54,405.
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
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	14,930,388.
b Average of monthly cash balances	1b	720,308.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	15,650,696.
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	15,650,696.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	825,000.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	14,825,696.
6 Minimum investment return. Enter 5% of line 5	6	741,285.

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	741,285.
2a Tax on investment income for 2010 from Part VI, line 5	2a	5,805.	
b Income tax for 2010 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c		5,805.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3		735,480.
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5		735,480.
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7		735,480.

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	786,019.
b Program-related investments — total from Part IX-B	1b	
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	786,019.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	5,805.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	780,214.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				735,480.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				120,608.
f Total of lines 3a through e	120,608.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 786,019.				
a Applied to 2009, 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 2010 distributable amount				735,480.
e Remaining amount distributed out of corpus	50,539.			
5 Excess distributions carryover applied to 2010 (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	171,147.			
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 2009 Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions) .	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	171,147.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				120,608.
e Excess from 2010				50,539.

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				
Total			3a	
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	185.	
4	Dividends and interest from securities			14	442,986.	
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					184,088.
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a	BLACKSTONE GRP. DIVIDEND					9,000.
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				443,171.	193,088.
13	Total. Add line 12, columns (b), (d), and (e)				13	636,259.

(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	50 3458711
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	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		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.

[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		

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	 Signature of officer or trustee		6/23/11 Date	 Trustee Title
	Print/Type preparer's name GREGORY L. HEISEY, CPA		Preparer's signature 	Date 5-28-11
Paid Preparer Use Only	Firm's name Gregory L. Heisey, CPA, PC		Check if <input type="checkbox"/> if self-employed	PTIN N/A
	Firm's address PO Box 36925 Tucson, AZ 85740-6925		Firm's EIN N/A	Phone no 520-742-4697

BAA

Form 990-PF (2010)

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
BLACKSTONE GRP. DIVIDEND	\$ 9,000.		
Total	\$ 9,000.	\$ 0.	\$ 0.

Statement 2
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUFFIELD	\$ 577.	\$ 288.		\$ 289.
Total	\$ 577.	\$ 288.	\$ 0.	\$ 289.

Statement 3
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
HEISEY, CPA	\$ 12,150.	\$ 6,075.		\$ 6,075.
Total	\$ 12,150.	\$ 6,075.	\$ 0.	\$ 6,075.

Statement 4
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
BANK OF AMERICA./SCHWAB	\$ 7,602.			\$ 7,602.
FOUNDATION ADVISORS	16,700.			16,700.
HARTLINE ADVISORS	37,705.	\$ 37,705.		
Total	\$ 62,007.	\$ 37,705.	\$ 0.	\$ 24,302.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 5
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXCISE TAX	\$ 5,805.			
EXCISE TAX ADDITIONAL-2009	171.			
Total	\$ 5,976.	\$ 0.	\$ 0.	\$ 0.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
COMPUTER CHARGES	\$ 1,692.	\$ 846.		\$ 846.
INSURANCE	990.	495.		495.
OFFICE	826.	413.		413.
Total	\$ 3,508.	\$ 1,754.	\$ 0.	\$ 1,754.

Statement 7
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity: Animal Welfare
 Donee's Name: Zoological Society of San Diego
 Donee's Address: P.O. Box 120551
 San Diego, CA 92112
 Relationship of Donee:
 Organizational Status of Donee: PUBLIC CHARITY
 Amount Given: \$ 55,848.

Class of Activity: Children & Youth
 Donee's Name: Tucson Children's Museum
 Donee's Address: 200 South 6th Avenue
 Tucson, AZ 85701
 Relationship of Donee:
 Organizational Status of Donee: PUBLIC CHARITY
 Amount Given: 27,500.

Class of Activity: Education
 Donee's Name: Bellevue University
 Donee's Address: 1000 Galvin Road South
 Omaha, NE 68005
 Relationship of Donee:
 Organizational Status of Donee: PUBLIC CHARITY
 Amount Given: 50,000.

Class of Activity: Education
 Donee's Name: College of St. Mary
 Donee's Address: 700 Mercy Road

ARMSTRONG MCDONALD FOUNDATION

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Statement 7 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Relationship of Donee:	Omaha, NE 68106	
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		\$ 44,990.
Class of Activity:	Education	
Donee's Name:	College of Ozarks	
Donee's Address:	PO Box 17 Point Lookout, MO 65726	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		250,000.
Class of Activity:	Education	
Donee's Name:	Hastings College Fdn	
Donee's Address:	11422 Miracle Hills Dr Ste 550 Omaha, NE 68154	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		75,000.
Class of Activity:	Education	
Donee's Name:	Omaha Street School	
Donee's Address:	3223 N 45th Street Omaha, NE 68104	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		14,100.
Class of Activity:	Health	
Donee's Name:	Carondolet Foundation	
Donee's Address:	120 N. Tucson Blvd Tucson, AZ 85716	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		55,990.
Class of Activity:	Health	
Donee's Name:	Casa de los Ninos	
Donee's Address:	1101 N. 4th Avenue Tucson, AZ 85705	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		30,000.
Class of Activity:	Health	
Donee's Name:	Southern Az Aids Foundation	
Donee's Address:	375 S. Euclid Avenue Tucson, AZ 85719	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		43,000.
Class of Activity:	Relief & Social	
Donee's Name:	Arizona's Children Association	
Donee's Address:	2700 S. 8th Ave. Tucson, AZ 85713	

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 7 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		\$ 25,000.
Class of Activity:	Relief & Social	
Donee's Name:	Mobile Meals of Tucson	
Donee's Address:	3003 S. Country Club Ste 219 Tucson, AZ 85713	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		8,000.
Class of Activity:	Children & Youth	
Donee's Name:	Big Brothers Big Sisters of the Midlands	
Donee's Address:	10831 OLD MILL ROAD, SUITE #400 Omaha, NE 68154	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		3,000.
Class of Activity:	Special Needs	
Donee's Name:	Mosaic	
Donee's Address:	2226 W. NORTHERN AVE., SUITE C140 PHOENIX, AZ 85021	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		25,000.
Class of Activity:	Special Needs	
Donee's Name:	N. W. School for the Hearing Impaired	
Donee's Address:	P. O. Box 31325 Seattle, WA 98103	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		7,500.
Class of Activity:	Health	
Donee's Name:	Cascade Foundation	
Donee's Address:	P.O. Box 40397 Tucson, AZ 85717	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		27,500.
Class of Activity:	Special Needs	
Donee's Name:	A.R.C.H.	
Donee's Address:	1550 W. Colter St. Tucson, AZ 85015	
Relationship of Donee:		
Organizational Status of Donee:	PUBLIC CHARITY	
Amount Given:		7,500.
Total		\$ <u>749,928.</u>

ARMSTRONG MCDONALD FOUNDATION

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Statement 8
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	200 GOOGLE INC CLASS-A	Purchased	Various	1/06/2010
2	7500 TARGET CORP	Purchased	Various	1/28/2010
3	5100 TARGET CORP	Purchased	Various	12/22/2010
4	8000 MICROSOFT CORP	Purchased	Various	2/05/2010
5	3000 BURLINGTON NORTHERN	Purchased	Various	2/12/2010
6	200000 CHARLES SCHWAB	Purchased	Various	3/01/2010
7	7000 BRITISH PETROLEUM	Purchased	Various	4/30/2010
8	7000 VESSEL MGMT SVCS	Purchased	Various	5/20/2010
9	175000 CATERPILLAR FIN SERV	Purchased	Various	6/01/2010
10	10000 CAREFUSION CORP	Purchased	Various	6/23/2010
11	2000 BERKSHIRE HATHAWAY-B	Purchased	Various	6/23/2010
12	1500 NOVO-NORDISK ADR	Purchased	Various	8/18/2010
13	2500 VISA INC CL-A	Purchased	Various	8/18/2010
14	4500 JOHNSON AND JOHNSON	Purchased	Various	8/25/2010
15	16000 AQUA AMERICA	Purchased	Various	8/30/2010
16	10000 GP STRATEGIES CORP	Purchased	Various	9/17/2010
17	5000 PROCTER & GAMBLE	Purchased	Various	9/17/2010
18	18000 BLACKSTONE GROUP	Purchased	Various	9/17/2010
19	800 APPLE, INC.	Purchased	Various	9/28/2010
20	2081 GP STRATEGIES CORP	Purchased	Various	10/05/2010
21	5000 ANHEUSER-BUSCH INBEV	Purchased	Various	10/14/2010
22	8250 GOLDMAN SACHS-SATURN	Purchased	Various	11/03/2010
23	10000 GP STRATEGIES CORP	Purchased	Various	11/05/2010
24	7500 WAL-MART DE MEX ADR	Purchased	Various	11/18/2010
25	8000 VESSEL MGMT SVCS	Purchased	Various	11/20/2010
26	6000 BOEING CO.	Purchased	Various	11/22/2010
27	7000 CONOCOPHILLIPS	Purchased	Various	11/22/2010
28	15500 CISCO SYSTEMS, INC.	Purchased	Various	11/22/2010
29	15000 GENERAL ELECTRIC	Purchased	Various	11/22/2010
30	4400 MONSANTO CO NEW DEL	Purchased	Various	11/22/2010
31	5500 PEPSICO, INC.	Purchased	Various	11/22/2010
32	200000 AMERICAN EXPRESS	Purchased	Various	11/26/2010
33	10000 BEST BUY, INC.	Purchased	Various	12/14/2010
34	3750 GOLDMAN SACHS-SATURN	Purchased	Various	12/17/2010

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	121,748.		99,426.	22,322.				\$ 22,322.
2	388,480.		322,294.	66,186.				66,186.
3	304,966.		291,729.	13,237.				13,237.
4	223,061.		230,968.	-7,907.				-7,907.
5	300,000.		291,180.	8,820.				8,820.
6	200,000.		205,690.	-5,690.				-5,690.
7	363,309.		293,352.	69,957.				69,957.
8	7,000.		7,134.	-134.				-134.
9	175,000.		178,878.	-3,878.				-3,878.
10	238,190.		248,870.	-10,680.				-10,680.
11	157,772.		79,793.	77,979.				77,979.
12	131,479.		55,567.	75,912.				75,912.
13	182,389.		123,138.	59,251.				59,251.
14	260,772.		288,356.	-27,584.				-27,584.
15	315,452.		278,264.	37,188.				37,188.
16	86,899.		87,037.	-138.				-138.
17	304,561.		254,055.	50,506.				50,506.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 8 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
18	191,270.		272,500.	-81,230.				\$ -81,230.
19	226,415.		206,025.	20,390.				20,390.
20	18,973.		18,110.	863.				863.
21	315,270.		260,041.	55,229.				55,229.
22	206,250.		174,405.	31,845.				31,845.
23	94,674.		87,034.	7,640.				7,640.
24	207,073.		166,335.	40,738.				40,738.
25	8,000.		8,153.	-153.				-153.
26	380,568.		446,639.	-66,071.				-66,071.
27	427,194.		461,959.	-34,765.				-34,765.
28	302,701.		352,176.	-49,475.				-49,475.
29	238,343.		260,850.	-22,507.				-22,507.
30	267,510.		306,908.	-39,398.				-39,398.
31	355,133.		371,873.	-16,740.				-16,740.
32	200,000.		206,600.	-6,600.				-6,600.
33	358,391.		448,772.	-90,381.				-90,381.
34	88,631.		79,275.	9,356.				9,356.
Total								\$ 184,088.

Statement 9
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
LAURIE L. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	President 0	\$ 0.	\$ 0.	\$ 0.
RYAN M. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
CORBY L. LUST 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
TODD McDONALD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Vice President 0	0.	0.	0.
MICHAEL J. BOUCHARD 12549 N. LA CHOLLA BLVD. TUCSON, AZ 85742	Secretary/Treas 0	0.	0.	0.
Total		\$ 0.	\$ 0.	\$ 0.

ARMSTRONG MCDONALD FOUNDATION

36-3458711

Statement 10
Form 990-PF, Part X, Line 4
Explanation of Cash Deemed Held for Charitable Activities

SEE STATEMENT 10

Statement 11
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:

Name:

WWW.ARMSTRONGMCDONALDFOUNDATION.ORG

Care Of:

Street Address:

City, State, Zip Code:

Telephone:

Form and Content:

APPLICATION MUST BE DOWNLOADED FROM WEBSITE AT
WWW.ARMSTRONGMCDONALDFOUNDATION.ORG AND COMPLETED IN ITS
ENTIRETY, INCLUDING ALL REQUIRED ATTACHMENTS.
PER WEBSITE

Submission Deadlines:

Restrictions on Awards:

Hartline Investment Corporation
REALIZED GAINS AND LOSSES
ARMSTRONG MCDONALD FOUNDATION (9435-4413)
From 12-31-09 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
01-06-10	200	GOOGLE INC CLASS A	99,407	121,748	22,340
01-28-10	7,500	TARGET CORPORATION	322,294	388,480	66,186
02-05-10	8,000	MICROSOFT CORP	230,968	223,061	-7,907
02-12-10	3,000	BURLINGTON NORTHERN INC	291,180	300,000	8,820
03-01-10	200,000	CHARLES SCHWAB 8.050% Due 03-01-10	205,690	200,000	-5,690
04-30-10	7,000	BRITISH PETROLEUM	293,352	363,309	69,957
05-20-10	7,000	VESSEL MGMT SVCS 6.08%24 SHIP FING DUE 05/20/24 6.080% Due 05-20-24	7,134	7,000	-134
06-01-10	175,000	CATERPILLAR FIN SERV 4.300% Due 06-01-10	178,878	175,000	-3,878
06-23-10	10,000	CAREFUSION CORP	248,870	238,190	-10,680
06-23-10	2,000	BERKSHIRE HATHAWAY B NEW CLASS B	79,793	157,772	77,979
07-01-10	0	FRONTIER COMMUNICATIONS	3	3	0
08-18-10	1,500	NOVO-NORDISK ADR	55,567	131,479	75,912
08-18-10	2,500	VISA INC CL A CLASS A	123,138	182,389	59,251
08-25-10	4,500	JOHNSON & JOHNSON	288,356	260,772	-27,584
08-30-10	16,000	AQUA AMERICA	278,264	315,452	37,188
09-17-10	10,000	G P STRATEGIES CORP	87,037	86,899	-138
09-17-10	5,000	PROCTER & GAMBLE	254,055	304,561	50,506
09-17-10	18,000	BLACKSTONE GROUP	272,500	191,270	-81,230
09-28-10	600	APPLE INC	154,519	169,813	15,294
09-28-10	100	APPLE INC	25,753	28,301	2,548
09-28-10	100	APPLE INC	25,753	28,301	2,548
09-29-10	1,301	G P STRATEGIES CORP	11,323	11,936	613
10-05-10	400	G P STRATEGIES CORP	3,481	3,611	130
10-05-10	100	G P STRATEGIES CORP	870	903	32
10-05-10	100	G P STRATEGIES CORP	870	901	30
10-05-10	100	G P STRATEGIES CORP	870	901	30
10-05-10	80	G P STRATEGIES CORP	696	721	24
10-14-10	5,000	ANHEUSER-BUSCH INBEV ADRF SPONSORED ADR 1 A	260,041	315,270	55,229
11-03-10	8,250	GOLDMAN SACHS - SATURN 6%	174,405	206,250	31,845
11-05-10	3,200	G P STRATEGIES CORP	27,852	30,333	2,481
11-05-10	2,100	G P STRATEGIES CORP	18,278	19,780	1,502
11-05-10	1,800	G P STRATEGIES CORP	15,667	17,136	1,469
11-05-10	600	G P STRATEGIES CORP	5,222	5,658	436
11-05-10	500	G P STRATEGIES CORP	4,352	4,714	363
11-05-10	300	G P STRATEGIES CORP	2,611	2,856	245

Hartline Investment Corporation
REALIZED GAINS AND LOSSES
ARMSTRONG MCDONALD FOUNDATION (9435-4413)
From 12-31-09 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
11-05-10	200	G P STRATEGIES CORP	1,741 ✓	1,890	149
11-05-10	200	G P STRATEGIES CORP	1,741 ✓	1,884	143
11-05-10	100	G P STRATEGIES CORP	870 ✓	952	82
11-05-10	100	G P STRATEGIES CORP	870 ✓	952	82
11-05-10	100	G P STRATEGIES CORP	870	952	82
11-05-10	100	G P STRATEGIES CORP	870	950	80
11-05-10	100	G P STRATEGIES CORP	870	950	80
11-05-10	100	G P STRATEGIES CORP	870	949	79
11-05-10	100	G P STRATEGIES CORP	870	948	78
11-05-10	100	G P STRATEGIES CORP	870	946	76
11-05-10	100	G P STRATEGIES CORP	870	943	73
11-05-10	100	G P STRATEGIES CORP	870	943	73
11-05-10	100	G P STRATEGIES CORP	870	942	72
11-18-10	2,500	WAL-MART DE MEX ADR	55,445	69,046	13,600
11-18-10	2,500	WAL-MART DE MEX ADR	55,445	69,021	13,575
11-18-10	2,000	WAL-MART DE MEX ADR	44,356	55,197	10,840
11-18-10	500	WAL-MART DE MEX ADR	11,089	13,809	2,720
11-20-10	8,000	VESSEL MGMT SVCS	8,153	8,000	-153
		6.08%24 SHIP FING DUE			
		05/20/24			
		6.080% Due 05-20-24			
11-22-10	3,700	BOEING CO	275,427	234,682	-40,746
11-22-10	800	BOEING CO	59,552	50,743	-8,809
11-22-10	700	BOEING CO	52,108	44,400	-7,708
11-22-10	350	BOEING CO	26,054	22,200	-3,854
11-22-10	200	BOEING CO	14,888	12,686	-2,202
11-22-10	100	BOEING CO	7,444	6,343	-1,101
11-22-10	100	BOEING CO	7,444	6,343	-1,101
11-22-10	50	BOEING CO	3,722	3,171	-551
11-22-10	5,200	CONOCOPHILLIPS	343,169	317,344	-25,825
11-22-10	800	CONOCOPHILLIPS	52,795	48,822	-3,973
11-22-10	400	CONOCOPHILLIPS	26,398	24,411	-1,987
11-22-10	400	CONOCOPHILLIPS	26,398	24,411	-1,987
11-22-10	200	CONOCOPHILLIPS	13,199	12,206	-993
11-22-10	15,500	CISCO SYSTEMS INC	352,176	302,701	-49,475
11-22-10	7,284	GENERAL ELECTRIC COMPANY	126,669	115,736	-10,932
11-22-10	2,400	GENERAL ELECTRIC COMPANY	41,736	38,136	-3,600
11-22-10	2,400	GENERAL ELECTRIC COMPANY	41,736	38,136	-3,600
11-22-10	800	GENERAL ELECTRIC COMPANY	13,912	12,712	-1,200
11-22-10	616	GENERAL ELECTRIC COMPANY	10,712	9,788	-924

Hartline Investment Corporation
REALIZED GAINS AND LOSSES
ARMSTRONG MCDONALD FOUNDATION (9435-4413)
From 12-31-09 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
11-22-10	500	GENERAL ELECTRIC COMPANY	8,695	7,945	-750
11-22-10	400	GENERAL ELECTRIC COMPANY	6,956	6,356	-600
11-22-10	400	GENERAL ELECTRIC COMPANY	6,956	6,356	-600
11-22-10	200	GENERAL ELECTRIC COMPANY	3,478	3,178	-300
11-22-10	2,900	MONSANTO CO NEW DEL	202,280	176,311	-25,969
11-22-10	400	MONSANTO CO NEW DEL	27,901	24,319	-3,582
11-22-10	300	MONSANTO CO NEW DEL	20,926	18,242	-2,683
11-22-10	250	MONSANTO CO NEW DEL	17,438	15,199	-2,239
11-22-10	200	MONSANTO CO NEW DEL	13,950	12,159	-1,791
11-22-10	150	MONSANTO CO NEW DEL	10,463	9,120	-1,343
11-22-10	100	MONSANTO CO NEW DEL	6,975	6,080	-895
11-22-10	100	MONSANTO CO NEW DEL	6,975	6,080	-895
11-22-10	2,700	PEPSICO INC.	182,560	174,332	-8,228
11-22-10	400	PEPSICO INC.	27,046	25,831	-1,215
11-22-10	200	PEPSICO INC.	13,523	12,915	-608
11-22-10	200	PEPSICO INC.	13,523	12,913	-610
11-22-10	200	PEPSICO INC.	13,523	12,913	-610
11-22-10	100	PEPSICO INC.	6,761	6,458	-304
11-22-10	100	PEPSICO INC.	6,761	6,458	-304
11-22-10	100	PEPSICO INC.	6,761	6,458	-304
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-22-10	100	PEPSICO INC.	6,761	6,457	-305
11-26-10	200,000	AMERICAN EXPRESS 5.200% Due 11-26-10	206,600	200,000	-6,600
12-14-10	10,000	BEST BUY INC	448,772	358,391	-90,381
12-17-10	3,750	GOLDMAN SACHS - SATURN 6%	79,275	88,630	9,355

Hartline Investment Corporation
REALIZED GAINS AND LOSSES
ARMSTRONG MCDONALD FOUNDATION (9435-4413)
From 12-31-09 Through 12-31-10

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
12-22-10	5,100	TARGET CORPORATION	291,729	304,966	13,237
TOTAL GAINS					647,432
TOTAL LOSSES					-463,344
					184,088
NO CAPITAL GAINS DISTRIBUTIONS					

STATEMENT 10

Why Cash Balances in Excess of 1.5% of the FMV of the Foundation's Noncharitable Assets Should Be Excluded

Name: Armstrong McDonald Foundation
Federal ID No.: 36-3458711
Year Ending: 12-31-10

Form 990-PF, Part X, Line 4

In accordance with Reg. 53.4942(a)-2(c)(3)(iv), the above referenced foundation is excluding from its minimum investment return (MIR) calculation a total of \$825,000 in cash that it deems held for charitable activities. This amount is in excess of 1.5% of the fair market value of the foundation's noncharitable assets. The following information is submitted in support of the exclusion from MIR of this amount:

1. Fair Market value of foundation's noncharitable assets: \$14,825,696
2. 1.5% of line 1: \$222,385
3. Facts and circumstances justifying the exclusion of an amount in excess of the amount on line 2:

The Grants to be paid during 2011 will be \$ 797,000

The 2011 charitable operating and administrative expenses are
expected to be \$ 28,000

TOTAL Cash Needed for Expenses & Disbursements \$ 825,000

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns*

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization	Employer identification number
	ARMSTRONG MCDONALD FOUNDATION	36-3458711
	Number, street, and room or suite number. If a P.O. box, see instructions.	
	P. O. BOX 70110	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	TUCSON, AZ 85737-0110	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► GREGORY L. HEISEY, CPA, PC

Telephone No. ► 520-742-4697 FAX No. ► 520-742-1859

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 11, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☒ calendar year 20 10 or
 - ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	5,805.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	13,478.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.**BAA For Paperwork Reduction Act Notice, see Instructions.**Form **8868** (Rev. 1-2011)