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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 changeTHE MCCONNELL FOUNDATION
800 SHASTA VIEW DRIVE
REDDING, CA 96003

A Employer identification number

94-6102700

B Telephone number (see the instructions)

(530) 226-6200

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 foundationI Fair market value of all assets at end of year
(from Part II, column (c), line 16)

\$ 378,303,939.

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 Check ☒ 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) 810,005.

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

b Gross sales price for all assets on line 6a 98,772,348.

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)

SEE STATEMENT 1

12 Total. Add lines 1 through 11

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 Other income (attach schedule) SEE ST 5

19 Depreciation (attach sch) and depletion

20 Other party UT

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 PART XV

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-)

914,1516 15

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	2,200.	2,200.	2,200.
	2 Savings and temporary cash investments	21,169,365.	2,925,088.	2,974,121.
	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) ▶ 1,600,000.			
	Less: allowance for doubtful accounts ▶	1,636,115.	1,600,000.	1,600,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	90,016.	156,712.	156,712.
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	218,779,541.	229,087,834.	274,298,695.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis	33,700,258.		
LIABILITIES	Less: accumulated depreciation (attach schedule) SEE STMT 7 ▶ 3,672,966.	30,934,026.	30,027,292.	31,737,536.
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)	1,343,139.	3,365,870.	1,396,959.
	14 Land, buildings, and equipment: basis	55,783,107.		
	Less: accumulated depreciation (attach schedule) SEE STMT 8 ▶ 11,151,437.	44,084,239.	44,631,670.	44,631,670.
	15 Other assets (describe ▶ SEE STATEMENT 9)	13,135,533.	21,554,779.	21,506,046.
	16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I)	331,174,174.	333,351,445.	378,303,939.
	17 Accounts payable and accrued expenses		5,086,970.	
	18 Grants payable		10,150,760.	
	19 Deferred revenue	5,369,843.	892,411.	
FUND ASSETS	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ SEE STATEMENT 10)	7,560,782.	16,343,780.	
	23 Total liabilities (add lines 17 through 22)	12,930,625.	32,473,921.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	299,986,806.	281,145,299.	
	25 Temporarily restricted	18,256,743.	19,732,225.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input 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			
	30 Total net assets or fund balances (see the instructions)	318,243,549.	300,877,524.	
	31 Total liabilities and net assets/fund balances (see the instructions)	331,174,174.	333,351,445.	

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	318,243,549.
2 Enter amount from Part I, line 27a	2	-7,620,492.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	310,623,057.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 11	5	9,745,533.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	300,877,524.

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)
1 a			
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			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
a			
b			
c			
d			
e			

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	4,260,893.
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) (see the instructions). If (loss), enter -0- in Part I, line 8 	3	750,178.

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	14,846,831.	252,187,177.	0.058872
2008	12,196,252.	315,758,069.	0.038625
2007	18,377,935.	364,253,783.	0.050454
2006	17,582,658.	348,800,411.	0.050409
2005	16,786,070.	332,779,756.	0.050442

2 Total of line 1, column (d)	2	0.248802
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	0.049760
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	301,123,982.
5 Multiply line 4 by line 3	5	14,983,929.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	97,572.
7 Add lines 5 and 6	7	15,081,501.
8 Enter qualifying distributions from Part XII, line 4	8	16,856,404.

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 97,572.
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 97,572.
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 97,572.
6 Credits/Payments.		
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 50,043.	
b Exempt foreign organizations — tax withheld at source.	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c 35,000.	
d Backup withholding erroneously withheld.	6d	
7 Total credits and payments. Add lines 6a through 6d.	7 85,043.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8 1,199.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9 13,728.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11	

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?	X	
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) <input type="checkbox"/> CA		
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 <i>General Instruction G</i> ? <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>HTTP://WWW.MCCONNELLFOUNDATION.ORG</u>	13	X	
14	The books are in care of <u>LEE W. SALTER</u> Telephone no. <u>(530) 226-6200</u> Located at <u>800 SHASTA VIEW DR. REDDING CA</u> ZIP + 4 <u>96003</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> N/A			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 checked="" type="checkbox"/> Yes	<input 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.	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? If 'Yes,' list the years: 20__, 20__, 20__, 20__	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see 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: 20__, 20__, 20__, 20__		
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)?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? ☒ 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? ☐ Yes ☒ No

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? ☐ Yes ☒ No N/A**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (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
LEE W. SALTER 800 SHASTA VIEW DRIVE REDDING, CA 96003	PRESIDENT & 60.00	413,357.	34,350.	0.
JOHN MANCASOLA 800 SHASTA VIEW DRIVE REDDING, CA 96003	EX VP, SECT 50.00	348,128.	34,350.	0.
DOREETA DOMKE 800 SHASTA VIEW DRIVE REDDING, CA 96003	TREASURER 10.00	0.	0.	0.
ROBERT P. BLANKENSHIP 800 SHASTA VIEW DRIVE REDDING, CA 96003	CHAIRMAN 10.00	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
SHANNON PHILLIPS REDDING, CA	PROGRM SERV D 40	182,794.	24,098.	0.
BRIAN SINDT REDDING, CA	PROGRAM OFFIC 40	87,360.	13,367.	0.
DIANA STEWART REDDING, CA	DIR. OF ADMIN 40	131,600.	18,464.	0.
KAREN BENNETT REDDING, CA	PROGRAM OFFIC 40	123,771.	18,069.	0.
KELLY SALTER REDDING, CA	PROGRAM OFFIC 40	114,860.	16,284.	0.

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

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
LSV ASSET MANAGEMENT ONE NORTH WACKER DR CHICAGO, IL 60606	INVESTMENT MANAGEMNT	545,785.
TRILOGY ARCHITECTURE 2055 PINE STREET REDDING, CA 96001	DESIGN	672,470.
ARGUS INVESTORS COUNSEL PO BOX 3414 BUFFALO, NY 14240-2999	INVESTMENT MANAGEMNT	141,449.
COX REAL ESTATE CONSULTANTS PO BOX 991479 REDDING, CA 96099-1479	RE CONSULTING	245,473.
CARR, KENNEDY, PETERSON & FROST PO BOX 492396 REDDING, CA 96049-2396	LEGAL AND CONSULTING	137,546.
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 SEE STATEMENT 12	3,741,786.
2 SEE STATEMENT 13	280,898.
3 SEE STATEMENT 14	147,376.
4 SEE STATEMENT 15	166,837.

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	252,736,246.
b Average of monthly cash balances	1b	7,245,743.
c Fair market value of all other assets (see instructions)	1c	45,727,637.
d Total (add lines 1a, b, and c)	1d	305,709,626.
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	305,709,626.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	4,585,644.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	301,123,982.
6 Minimum investment return. Enter 5% of line 5	6	15,056,199.

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	15,056,199.
2a Tax on investment income for 2010 from Part VI, line 5	2a	97,572.	
b Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	97,572.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	14,958,627.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	14,958,627.
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	14,958,627.

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	15,512,926.
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	168,028.
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	SEE STATEMENT 16.
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	16,856,404.
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	97,572.
6 Adjusted qualifying distributions. Subtract line 5 from line 4.	6	16,758,832.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				14,958,627.
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 ..	56,651.			
f Total of lines 3a through e ..	56,651.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ <u>16,856,404.</u>				
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				14,958,627.
e Remaining amount distributed out of corpus.	1,897,777.			
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 ..	1,954,428.			
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	1,954,428.			
10 Analysis of line 9:				
a Excess from 2006 ..				
b Excess from 2007 ..				
c Excess from 2008 ..				
d Excess from 2009 ..	56,651.			
e Excess from 2010 ..	1,897,777.			

N/A

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

b 85% of line 2a .

e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.

a 'Assets' alternative test – enter:

(1) Value of all assets

(2) Value of assets qualifying under section 4942(i)(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(i)(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 organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT 17

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

3 Grants and Contributions Paid During the Year or Approved for Future Payment

BAA TEEA0501L 07/23/10 Form **990-PF** (2010)

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	3,319,250.	
4	Dividends and interest from securities			14	3,360,081.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property	531390	810,005.			
6	Net rental income or (loss) from personal property					
7	Other investment income				-57,652.	
8	Gain or (loss) from sales of assets other than inventory					3,363,968.
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a	PRIOR YR'S QUALIF DISTR			1		
b	OTHER INCOME CHARITABLE			1		
c	WATER RIGHTS			14	42,161.	
d	SECURITIES LITIGATION			14		
e	OTHER INCOME INVESTMENT			1	3,896.	
12	Subtotal. Add columns (b), (d), and (e)		810,005.		6,667,736.	3,363,968.
13	Total. Add line 12, columns (b), (d), and (e)				13	10,841,709.

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

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

[illegible]

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME...	\$ -57,652.	3,896.	\$ 3,896.
WATER RIGHTS	42,161.		
OTHER INCOME INVESTMENT	3,896.		
TOTAL	\$ -11,595.	3,896.	\$ 3,896.

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
CARR, KENNEDY, PETERSON AND FROST	\$ 38,331.	\$ 16,494.		\$ 21,837.
JEFFREY SWANSON	9,312.	9,312.		
HARB LEVY & WEILAND LLP	4,437.	4,437.		
LITTLER, MENDELSON, P.C.	2,456.	2,456.		
HOGAN LOVELIS US LLP	10,672.	10,672.		
GARY BRICKWOOD	250.	250.		
WALTER P MC NEILL	4,342.	4,342.		
LESS RENTAL..	-29,389.	-29,389.		
TOTAL	\$ 40,411.	\$ 18,574.	\$ 0.	\$ 21,837.

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
NYSTROM CPAS	\$ 57,786.	\$ 40,450.		\$ 17,336.
TOTAL	\$ 57,786.	\$ 40,450.	\$ 0.	\$ 17,336.

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
ARGUS INVESTORS	\$ 141,449.	\$ 141,449.		
LSV ASSET MANAGEMENT	545,785.	545,785.		
MORGAN STANLEY	50,860.	50,860.		
BARON LARGE CAP GROWTH	19,928.	19,928.		
INCOME RESEARCH & MGMT	39,507.	39,507.		

STATEMENT 4 (CONTINUED)
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
COLCHESTER GLOBAL BOND FUND.....	\$ 78,934.	\$ 78,934.		
OTHER	10,606.	10,606.		
TOTAL	\$ 887,069.	\$ 887,069.	\$ 0.	\$ 0.

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
FROM WORKSHEET	\$ 155,747.	\$ 123,161.		\$ 32,586.
FOREIGN TAX PAID FROM LSV INT K-1	62,163.	62,163.		
FOREIGN TAX PAID FROM LSV EMERG K-1	80,765.	80,765.		
FOREIGN TAX PAID - COLCHESTER	150.	150.		
TOTAL	\$ 298,825.	\$ 266,239.	\$ 0.	\$ 32,586.

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
INSURANCE	\$ 122,853.	\$ 8,410.		\$ 114,443.
OFFICE	82,859.	21,259.		61,600.
BUILDING MAINTENANCE	356,457.			356,457.
GROUNDS MAINTENANCE	35,752.	17,344.		18,408.
COMPUTER EXPENSE	59,316.	10,190.		49,126.
SPONSORSHIPS	18,864.			18,864.
UNIFORMS	2,698.			2,698.
SPECIAL EVENTS	8,452.			8,452.
MANAGEMENT FEES	25,203.			25,203.
CONSULTING	377,099.	377,099.		
RENTAL EXPENSES	1,397,982.	1,397,982.		
TOTAL	\$ 2,487,535.	\$ 1,832,284.	\$ 0.	\$ 655,251.

STATEMENT 7
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
MACHINERY AND EQUIPMENT	\$ 83,176.	\$ 41,758.	\$ 41,418.	\$ 41,418.
BUILDINGS	14,911,730.	3,631,208.	11,280,522.	11,280,522.
IMPROVEMENTS	0.	0.	0.	1,710,244.
LAND	18,705,352.		18,705,352.	18,705,352.
TOTAL	\$ 33,700,258.	\$ 3,672,966.	\$ 30,027,292.	\$ 31,737,536.

STATEMENT 8
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
MACHINERY AND EQUIPMENT	\$ 3,858,798.	\$ 3,397,168.	\$ 461,630.	\$ 461,630.
BUILDINGS	22,262,113.	7,754,269.	14,507,844.	14,507,844.
LAND	29,662,196.		29,662,196.	29,662,196.
TOTAL	\$ 55,783,107.	\$ 11,151,437.	\$ 44,631,670.	\$ 44,631,670.

STATEMENT 9
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
TEMPORARILY RESTRICTED CASH	\$ 49,033.	
DEPOSIT REFUND/REDDING WATER AGREEMENT	5,000.	\$ 5,000.
WORK IN PROCESS - LEARNING CAMPUS	19,350,612.	19,350,912.
NET INTANGIBLE ASSETS	2,150,134.	2,150,134.
TOTAL	\$ 21,554,779.	\$ 21,506,046.

STATEMENT 10
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

SEC 125 CAFETERIA PLAN W/H.	\$ -158.
INTERCOMPANY	158.
MORGAN STANLEY	16,343,780.
TOTAL	\$ 16,343,780.

STATEMENT 11
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

DEFERRED INCOME ADJUSTMENT TO PROPERLY PRESENT BAL SHEET.

\$ 9,745,533.
TOTAL \$ 9,745,533.

STATEMENT 12
FORM 990-PF, PART IX-A, LINE 1
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

<u>DIRECT CHARITABLE ACTIVITIES</u>	<u>EXPENSES</u>
LEMA RANCH TRAILS AND LEMA RANCH MEETING FACILITIES - LEMA RANCH HAS OVER 400 ACRES OF PUBLIC PARK LAND INCLUDING 8 MILES OF MAINTAINED TRAILS. THOUSANDS OF LOCAL RESIDENTS AND VISITORS USE THE PARK ANNUALLY. LEMA RANCH ALSO PROVIDES APPROXIMATELY 10,000 SQUARE FEET OF MEETING ROOM SPACE THAT IS AVAILABLE AT NO CHARGE TO NON-PROFIT ORGANIZATIONS, GOVERNMENTAL AGENCIES AND PUBLIC SCHOOLS. IN 2010 THE FOUNDATION HOSTED OVER 80 OUTSIDE GROUPS WITH OVER 3,500 ATTENDEES. THESE EXPENSES ARE FUNDED BY THE RELEASE OF TEMPORARILY RESTRICTED FUNDS UNDER THE DISPOSITION OF LEAH F. MCCONNELL'S ESTATE.	\$ 3,741,786.

STATEMENT 13
FORM 990-PF, PART IX-A, LINE 2
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

<u>DIRECT CHARITABLE ACTIVITIES</u>	<u>EXPENSES</u>
INTERNATIONAL PROGRAM - THE FOUNDATION SUPPORTS EFFORTS TO IMPROVE THE SOCIAL AND ECONOMIC STANDING OF THE CITIZENS OF NEPAL AND LAOS. PROGRAM INITIATIVES INCLUDE WOMEN'S LEADERSHIP DEVELOPMENT AND SUPPORT, COMMUNITY AND NATURAL RESOURCE CONFLICT TRANSFORMATION, AND LEGAL RIGHTS EDUCATION.	\$ 280,898.

STATEMENT 14
FORM 990-PF, PART IX-A, LINE 3
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

<u>DIRECT CHARITABLE ACTIVITIES</u>	<u>EXPENSES</u>
SCHOLARSHIP PROGRAM - THE MCCONNELL FOUNDATION SCHOLARS AND VISTA PROGRAMS PROVIDE MONETARY AND NON-FINANCIAL SUPPORT TO LOCAL STUDENTS WHO ARE ATTENDING FOUR-YEAR COLLEGES AND UNIVERSITIES AND TWO YEAR COMMUNITY COLLEGES RESPECTIVELY. VISTA RECIPIENTS ARE AWARDED A VARIABLE AMOUNT BASED ON NEED WITH A CAP OF \$6,000 PER STUDENT PER YEAR. THE AVERAGE VISTA AWARD FOR 2010 WAS \$4,473. SCHOLARS RECIPIENTS ARE AWARDED A VARIABLE AMOUNT BASED ON NEED WITH A CAP OF \$10,000 PER STUDENT PER YEAR. THE AVERAGE SCHOLARS AWARD FOR 2010 WAS \$7,553. PARTICIPANTS OF BOTH PROGRAMS RECEIVE MENTORING AND SUPPORT FROM THE SCHOLARSHIP PROGRAM OFFICER AND ATTEND PERIODIC EVENTS SUCH AS PERSONAL, ACADEMIC AND PROFESSIONAL DEVELOPMENT WORKSHOPS AND CONFERENCES, RECEPTIONS, VOLUNTEER SERVICE PROJECTS, COLLEGE TRIPS AND SOCIAL OCCASIONS.	\$ 147,376.

STATEMENT 15
FORM 990-PF, PART IX-A, LINE 4
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

DIRECT CHARITABLE ACTIVITIES	EXPENSES
CHILDREN, YOUTH, AND EDUCATION PROGRAM - THE FOUNDATION'S CHILDREN, YOUTH & EDUCATION PROGRAM PROVIDES FUNDING TO QUALIFIED ORGANIZATIONS PROVIDING PROGRAMS OR SERVICES THAT HAVE AN IMPACT ON THE DEVELOPMENT, WELL-BEING, AND EDUCATION OF CHILDREN, YOUTH, AND YOUNG ADULTS IN OUR SERVICE AREA.	\$ 166,837.

STATEMENT 16
FORM 990-PF, PART XII, LINE 3B
EXPLANATION FOR CASH DISTRIBUTION TEST

PURCHASED/CONSTRUCTED ASSETS TRANSFERRED FOR CHARITABLE USE.

STATEMENT 17
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	THE MCCONNELL FOUNDATION SCHOLARS/VISTA
NAME:	DAVE TANNER
CARE OF:	THE MCCONNELL FOUNDATION
STREET ADDRESS:	800 SHASTA VIEW DRIVE
CITY, STATE, ZIP CODE:	REDDING, CA 96003
TELEPHONE:	530 226-6233
FORM AND CONTENT:	PAPER APPLICATION AND SUBMISSION OF TRANSCRIPTS, STANDARDIZED TEST SCORES AND STUDENT AID REPORTS (SAR) SHOWING EXPECTED FAMILY CONTRIBUTION.
SUBMISSION DEADLINES:	TO BE ANNOUNCED
RESTRICTIONS ON AWARDS:	SCHOLARSHIP ELIGIBILITY IS RESTRICTED TO RESIDENTS OF MODOC, SHASTA, SISKIYOU, TEHAMA AND TRINITY COUNTIES. OTHER ELIGIBILITY FACTORS INCLUDE BUT ARE NOT LIMITED TO FINANCIAL NEED AND ACADEMIC PERFORMANCE. CHILDREN AND GRANDCHILDREN OF CURRENT MCCONNELL FOUNDATION BOARD MEMBERS, EXEMPT EMPLOYEES AND SELECTION COMMITTEE VOLUNTEERS ARE INELIGIBLE FOR MCCONNELL FOUNDATION SCHOLARSHIP GRANTS.

The McConnell Foundation
Part XV, Supplementary Information
Schedule of Grants Paid
For the Year Ended 12/31/10

Charitable Grants	9,362,116.79
Charitable Grants - Program Costs	180,051.03
Discretionary Fund	28,875.00
Jr. Livestock Auction	35,039.31
Qualifying Memberships	<u>37,385.00</u>
Sub Total	9,643,467.13
Matching Gifts	168,170.00
Charitable Grants - Scholarships	<u>794,746.50</u>
Total	<u><u>10,606,383.63</u></u>

**The McConnell Foundation
Grants Paid 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010**

Recipient	Purpose	Amount	Program Area
Asia Foundation San Francisco	Improve Access to Justice for Poor and Rural Citizens of Laos	150,000 00	INTERNATIONAL
Asia Foundation San Francisco	Community Mediation Building the Foundation for Program Sustainability	433,950 00	INTERNATIONAL
Asia Foundation San Francisco	Domestic Violence Mediation Training	70,000 00	INTERNATIONAL
Asia Foundation San Francisco	Improve Access to Justice for Poor and Rural Citizens of Laos - Phase II	312,550 00	INTERNATIONAL
Asia Foundation San Francisco	Securing the Future Water Quality of Laos' Rivers	150,000 00	INTERNATIONAL
Building Adventures, Inc Redding	College OPTIONS Partnership	78,452 39	EDUCATION
California State University, Chico Chico	University Center, CSU Chico Degree Programs	123,000 00	EDUCATION
College of the Siskiyous Weed	Healthy Siskiyous Endowment Campaign	80,000 00	EDUCATION
Evaluation Solutions Shasta	Healthy Students Initiative	48,500 75	EDUCATION
Federation of Community Forestry Users Nepal (FECOFUN)	Natural Resource Conflict Transformation Initiative - Phase II	25,500 00	INTERNATIONAL
KCHO/KFPR Northstate Public Radio Chico	2010 4th of July Fireworks	454 52	COMMUNITY VITALITY
Mahila Shakti Bikash Kendra Nepal (MSBKN)	Women's Leadership Development Program, Years Two and Three	358,000 00	INTERNATIONAL
NatureBridge Yosemite	Campus Development at Yosemite National Park	2,500,000 00	EDUCATION
NatureBridge Yosemite	Yosemite Institute 2011	46,137 25	EDUCATION
NatureBridge Yosemite	Yosemite Institute 2011	17,714 75	EDUCATION
Redding Foundation Redding	Shasta County Recreation Trails - FB Trail	45,000 00	SUSTAINABILITY/LIVABLE COMMUNITIES
Redding, City of Redding	2010 4th of July Fireworks	80,000 00	COMMUNITY VITALITY
Shasta County Young Men's Redding	Healthy Students Initiative	680,000 00	EDUCATION
Shasta Regional Community Foundation Redding	Operating Support for Occupancy Expenses at 1335 Arboretum Drive, Suite B (2006-2010)	101,295 00	COMMUNITY VITALITY
Shasta Regional Community Foundation Redding	Operating Support for FY 2006-07 through FY 2010-11	339,000 00	COMMUNITY VITALITY
Shasta Regional Community Foundation Redding	The McConnell Fund at the Shasta Regional Community Foundation 2010	742,500 00	COMMUNITY VITALITY
Shasta, County of	Healthy Shasta Partnership with Public Health Department	75,000 00	SUSTAINABILITY/LIVABLE

The McConnell Foundation
Grants Paid 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Redding			COMMUNITIES
Siskiyou, County of Yreka	Wagon Creek Bridge at Lake Siskiyou	600,000 00	RECREATION
Turtle Bay Exploration Park Redding	Endowment for \$8 million conditioned on 2002 Resources Bond Act funds	128,472 00	ARTS AND CULTURE
Turtle Bay Exploration Park Redding	Operating Support for Occupancy Expenses 1335 Arboretum Drive, Suite A (2006-2010)	256,616 00	ARTS AND CULTURE
Turtle Bay Exploration Park Redding	Operating Support for Fiscal Year 2009-10	624,999 98	ARTS AND CULTURE
Turtle Bay Exploration Park Redding	Sustainability Gardens - 2010 Site Maintenance	70,000 00	ARTS AND CULTURE
Turtle Bay Exploration Park Redding	Operating Support for Fiscal Year 2010-2011	625,000 02	ARTS AND CULTURE
University of California, Berkeley Berkeley	GEMS Early Childhood Science Project for Shasta County	-25 87	EDUCATION
University of California, The Regents of Davis	College OPTIONS Partnership	600,000 00	EDUCATION
		<u>9,362,116 79</u>	

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Adventure Cycling Association Missoula, MT	Matching Gift	375 00	General Support
American Cancer Society Chico	Matching Gift	825 00	General Support
American Heart Association Chico	Matching Gift	75 00	General Support
American Red Cross, Shasta Area Chapter Redding	Matching Gift	675 00	General Support
Anderson Youth Soccer League Anderson	Matching Gift	375 00	General Support
Anderson-Cottonwood Christian Assistance Andrson	Matching Gift	750.00	General Support
Another Chance Animal Welfare League Millville	Matching Gift	375 00	General Support
Asian Art Museum San Franscisco	Matching Gift	75 00	General Support
Bay Chamber Concerts, Inc. Camden	Matching Gift	750 00	General Support
California Police Youth Charities Sacramento	Matching Gift	75 00	General Support
California State University, Chico Chico	Matching Gift	375.00	General Support
California Veterans Assistance Group, Inc Redding	Matching Gift	75 00	General Support
Central Valley High School Shasta Lake	Matching Gift	750 00	General Support
Chico State Fund Chico	Matching Gift	75 00	General Support
Classics for Kids Foundation Bozeman	Matching Gift	1,125 00	General Support
Corning High School	Matching Gift	375.00	General Support

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Corning High School			
CSU, Chico Alumni Association Chico	Matching Gift	750 00	General Support
Cypress Elementary School Redding	Matching Gift	300.00	General Support
Doctors Without Borders USA New York	Matching Gift	300 00	General Support
Enterprise High School Redding	Matching Gift	75 00	General Support
Foyer de Sion, Inc. Canyon	Matching Gift	150 00	General Support
Friends of Shasta County Libraries Redding	Matching Gift	75 00	General Support
Friends of Whiskeytown, Inc Whiskeytown	Matching Gift	375 00	General Support
Gonzaga University Spokane	Matching Gift	75.00	General Support
Half the Sky Foundation Berkeley	Matching Gift	1,237 50	General Support
Haven Humane Society Redding	Matching Gift	375 00	General Support
Hill Country Community Clinic Round Mountain	Matching Gift	750 00	General Support
Horsetown - Clear Creek Preserve Igo	Matching Gift	75.00	General Support
Humboldt North Coast Land Trust Trinidad	Matching Gift	750 00	General Support
JPR Foundation, Inc. Ashland	Matching Gift	637 50	General Support
KCHO/KFPR Northstate Public Radio Chico	Matching Gift	75.00	General Support

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
KIXE-TV Redding	Matching Gift	2,460 00	General Support
Lassen Park Foundation Chico	Matching Gift	375 00	General Support
Mercy Foundation North Redding	Matching Gift	450 00	General Support
Merryspring, Inc. Camden	Matching Gift	187 50	General Support
Mills College Oakland	Matching Gift	750 00	General Support
Muscular Dystrophy Association Medford	Matching Gift	975.00	General Support
National Law Enforcement Officers Memorial Fund Washington,DC	Matching Gift	75 00	General Support
Nepalese Youth Opportunity Foundation Sausalito	Matching Gift	1,125 00	General Support
Nevada County Land Trust Grass Valley	Matching Gift	375 00	General Support
Northern California Federation Junior Youth Football, Inc Oroville	Matching Gift	300.00	General Support
Northern California Veterans Support Group Igo	Matching Gift	150 00	General Support
Northern Valley Catholic Social Services Redding	Matching Gift	675 00	General Support
People for the Ethical Treatment of Animals Norfolk	Matching Gift	165 00	General Support
Peter Britt Gardens Music and Arts Festival Association Medford	Matching Gift	75 00	General Support
Planned Parenthood Federation of America New York	Matching Gift	75.00	General Support
Providence Portland Medical Foundation Portland	Matching Gift	750 00	General Support

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Redding Peace Officers' Association Redding	Matching Gift	(75.00)	General Support
Redding School of the Arts Redding	Matching Gift	1,500 00	General Support
Redding Velo, Inc. Redding	Matching Gift	150 00	General Support
Redding, City of Redding	Matching Gift	1,875 00	General Support
Riverfront Playhouse Redding	Matching Gift	900 00	General Support
Rotary Club of Redding Charitable Foundation Redding	Matching Gift	5,775 00	General Support
Save Habitat And Diversity Of Wetlands Organization Renton	Matching Gift	375.00	General Support
Shasta County Arts Council Redding	Matching Gift	1,500.00	General Support
Shasta County Chemical People, Inc Redding	Matching Gift	225.00	General Support
Shasta County Child Abuse Prevention Coordinating Council Redding	Matching Gift	1,500.00	General Support
Shasta County Citizens Against Racism Redding	Matching Gift	375 00	General Support
Shasta County Mien Community Redding	Matching Gift	300.00	General Support
Total Shasta County Opportunity Center	Matching Gift	525 00	General Support
Shasta County Young Men's Christian Association Redding	Matching Gift	7,275.00	General Support
Shasta Disabled Sports USA Mount Shasta	Matching Gift	150 00	General Support
Shasta High School District Booster Foundation	Matching Gift	150 00	General Support

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Redding			
Shasta Land Trust Redding	Matching Gift	2,787 50	General Support
Shasta Library Foundation Redding	Matching Gift	7,050 00	General Support
Shasta Montessori Association Redding	Matching Gift	1,125.00	General Support
Shasta Regional Community Foundation Redding	Matching Gift	12,675 00	General Support
Shasta Women's Refuge Redding	Matching Gift	1,125.00	General Support
Soroptimist of Downtown Redding Redding	Matching Gift	172.50	General Support
Southern Poverty Law Center Montgomery	Matching Gift	1,005.00	General Support
Special Olympics Shasta County Redding	Matching Gift	300.00	General Support
Susan G Komen Breast Cancer Foundation, Inc Dallas	Matching Gift	3,600 00	General Support
The Breast Cancer Society, Inc Mesa	Matching Gift	75 00	General Support
The Nature Conservancy San Francisco	Matching Gift	75.00	General Support
The Rotary Foundation Chicago	Matching Gift	75 00	General Support
The Salvation Army Redding	Matching Gift	450 00	General Support
The Thursday Club Foundation San Diego	Matching Gift	375 00	General Support
The Yosemite Foundation San Francisco	Matching Gift	375.00	General Support

The McConnell Foundation
Matching Gifts - 2010
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Turtle Bay Exploration Park Redding	Matching Gift	81,367 50	General Support
University of California, Santa Barbara Santa Barbara	Matching Gift	1,500 00	General Support
University Preparatory School Redding	Matching Gift	2,400 00	General Support
Viva Downtown Redding Redding	Matching Gift	1,575 00	General Support
West Cottonwood Jr. High School Cottonwood	Matching Gift	150.00	General Support
Western Folklife Center Elko	Matching Gift	4,125.00	General Support
William J. Clinton Foundation Little Rock	Matching Gift	225 00	General Support
Yellowstone Art Museum Billings	Matching Gift	375.00	General Support
Youth Violence Prevention Council of Shasta County Redding	Matching Gift	600.00	General Support
		<u>168,170 00</u>	

The McConnell Foundation
Grants Paid in 2010 - Scholarships
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
Bank of America Wilmington	Scholarships	37 50	EDUCATION
California Polytechnic State University San Luis Obispo	Scholarships	66,433.00	EDUCATION
California State University, Chico Chico	Scholarships	171,144 00	EDUCATION
Total California State University Long Beach	Scholarships	13,666 00	EDUCATION
California State University Sacramento	Scholarships	42,044 00	EDUCATION
California State University Sonoma	Scholarships	13,674 00	EDUCATION
California State University Stanislaus	Scholarships	7,622 00	EDUCATION
College of the Siskiyous Weed	Scholarships	28,638 00	EDUCATION
Dominican University of California San Rafael	Scholarships	10,000 00	EDUCATION
Humboldt State University Arcata	Scholarships	37,877 00	EDUCATION
Massachusetts Institute of Technology Cambridge	Scholarships	1,098 00	EDUCATION
Oregon Institute of Technology Klamath Falls	Scholarships	12,111 00	EDUCATION
Oregon State University Corvallis	Scholarships	10,000 00	EDUCATION
Saint Mary's College Moraga	Scholarships	5,419 00	EDUCATION

The McConnell Foundation
Grants Paid in 2010 - Scholarships
Attachment to Form 990-PF Part XV Line 3a
94-6102700 12/31/2010

Recipient	Purpose	Amount	Program Area
San Diego State University San Diego	Scholarships	17,541 00	EDUCATION
Shasta College Redding	Scholarships	76,397 00	EDUCATION
Southern Oregon University Ashland	Scholarships	26,666.00	EDUCATION
Unity College Unity College	Scholarships	10,000.00	EDUCATION
University of California, Berkeley Berkeley	Scholarships	46,518.00	EDUCATION
University of California, Davis Davis	Scholarships	63,436 00	EDUCATION
University of California, Los Angeles Los Angeles	Scholarships	4,850 00	EDUCATION
University of California, Riverside Riverside	Scholarships	9,264.00	EDUCATION
University of California, San Diego San Diego	Scholarships	27,124 00	EDUCATION
University of California, Santa Barbara Santa Barbara	Scholarships	60,113 00	EDUCATION
University of Idaho Moscow	Scholarships	10,000 00	EDUCATION
Total University of Nevada, Reno Reno	Scholarships	10,000 00	EDUCATION
University of Oregon Eugene	Scholarships	3,074 00	
Washington State University Pullman		10,000 00	EDUCATION
		<u>794,746 50</u>	

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2010Attachment
Sequence No **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

THE MCCONNELL FOUNDATION

Identifying number

94-6102700

Business or activity to which this form relates

DEPRECIATION SCHEDULES ONLY**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If 'Yes,' is the evidence written?		Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25		
26 Property used more than 50% in a qualified business use:										
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year.						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32.						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions):					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44