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

2011

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 2011, or tax year beginning _____ **, 2011, and ending** _____

**KENNETH S. DONNELL TRUST
KATE HOWARD ET AL TRUSTEES
P.O. BOX 354
NANTUCKET, MA 02554**

A Employer identification number
04-6635207

B Telephone number (see the instructions)

C If exemption application is pending, check here

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

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

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

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 560,225.

J Accounting method: Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i>		(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 <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	1,488.	1,488.	1,488.	
	4 Dividends and interest from securities	18,642.	18,642.	18,642.	
	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 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	217.				
12 Total. Add lines 1 through 11	20,347.	20,130.	20,130.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
	c Other professional fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule) (see instrs)				
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) SEE STATEMENT 2	1,027.			1,027.	
24 Total operating and administrative expenses. Add lines 13 through 23	1,027.			1,027.	
25 Contributions, gifts, grants paid PART XV	28,585.			28,585.	
26 Total expenses and disbursements. Add lines 24 and 25	29,612.	0.	0.	29,612.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-9,265.				
b Net investment income (if negative, enter -0-)		20,130.			
c Adjusted net income (if negative, enter -0-)			20,130.		

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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	Savings and temporary cash investments		58,202.	98,168.	98,168.
	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 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				
	10a	Investments – U.S. and state government obligations (attach schedule) STATEMENT 3		210,306.	210,306.	260,109.
	b	Investments – corporate stock (attach schedule) STATEMENT 4		31,830.	31,830.	35,306.
	c	Investments – corporate bonds (attach schedule) STATEMENT 5		63,988.	63,988.	63,277.
	11	Investments – land, buildings, and equipment: basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments – mortgage loans					
13	Investments – other (attach schedule) STATEMENT 6		152,596.	103,365.	103,365.	
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 the instructions Also, see page 1, item I)		516,922.	507,657.	560,225.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	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.	
FUNDS ASSETS	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				
	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		516,922.	507,657.	
	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 instructions)		516,922.	507,657.		
31	Total liabilities and net assets/fund balances (see instructions)		516,922.	507,657.		

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	516,922.
2	Enter amount from Part I, line 27a	2	-9,265.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	507,657.
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	507,657.

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 N/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	
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 instructions) If (loss), enter -0- in Part I, line 8]	3	

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))
2010	35,365.	562,846.	0.062832
2009	25,559.	556,024.	0.045967
2008	23,332.	572,972.	0.040721
2007	34,354.	572,074.	0.060052
2006	22,414.	561,446.	0.039922

2 Total of line 1, column (d)	2	0.249494
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	0.049899
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	555,535.
5 Multiply line 4 by line 3	5	27,721.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	201.
7 Add lines 5 and 6	7	27,922.
8 Enter qualifying distributions from Part XII, line 4	8	29,612.

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

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

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 instrs)	}		
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	201.
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	201.
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	201.
6 Credits/Payments			
a 2011 estimated tax prmts and 2010 overpayment credited to 2011	6 a		
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d		7	0.
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	201.
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 2012 estimated tax <input type="checkbox"/> Refunded <input 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 ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <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 instructions) MA		
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 2011 or the taxable year beginning in 2011 (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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>KATE HOWARD</u> Telephone no <u>508-680-1559</u> Located at <u>PO BOX 354 NANTUCKET MA</u> ZIP + 4 <u>02554</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	N/A	<input type="checkbox"/>	N/A
16	At any time during calendar year 2011, 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		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
1 a	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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	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 2011?	1 c	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__ , 20__ , 20__ , 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 instructions)	2 b	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__ , 20__ , 20__ , 20__ .</u>		
3 a	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 2011 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 2011)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2011?	4 b	X

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Form 990-PF (2011)

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

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

(1) Carry on propoganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? Yes No

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) N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If 'Yes' to 6b, file Form 8870. 6b X

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

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d) N/A 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 7		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				

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
NONE		

Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	

2	

3	

4	

Part IX-B Summary of Program-Related Investments (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.

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	1 a	557,337.
b	Average of monthly cash balances	1 b	6,658.
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	563,995.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	563,995.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	8,460.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	555,535.
6	Minimum investment return. Enter 5% of line 5	6	27,777.

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	27,777.
2a	Tax on investment income for 2011 from Part VI, line 5	2 a	201.
b	Income tax for 2011. (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	201.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	27,576.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	27,576.
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	27,576.

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	1 a	29,612.
b	Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	29,612.
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	201.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	29,411.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				27,576.
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only			0.	
b Total for prior years' 20 ____, 20 ____, 20 ____		0.		
3 Excess distributions carryover, if any, to 2011.				
a From 2006				
b From 2007	6,422.			
c From 2008				
d From 2009				
e From 2010	7,635.			
f Total of lines 3a through e	14,057.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 29,612.				
a Applied to 2010, 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 2011 distributable amount				27,576.
e Remaining amount distributed out of corpus	2,036.			
5 Excess distributions carryover applied to 2011 (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	16,093.			
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 2010 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				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 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	16,093.			
10 Analysis of line 9				
a Excess from 2007	6,422.			
b Excess from 2008				
c Excess from 2009				
d Excess from 2010	7,635.			
e Excess from 2011	2,036.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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 8

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

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
<p><i>a Paid during the year</i> SEE ATTACHED DETAILS ALL STUDENTS/RESIDENTS OF NANTUCKET, MA 02554</p>	NONE	N/A	CAMP/SCHOLARSHIPS	28,585.
Total				▶ 3a 28,585.
<i>b Approved for future payment</i>				
Total				▶ 3b

KENNETH S. DONNELL TRUST
KATE HOWARD ET AL TRUSTEES

04-6635207

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

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
REFUND FORM 990PF			
TOTAL	\$ 217.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING/ NOTICES	\$ 849.			\$ 849.
BANK CHARGES	60.			60.
FILING FEES/POSTAGE	96.			96.
OFFICE EXPENSE	22.			22.
TOTAL	\$ 1,027.	\$ 0.	\$ 0.	\$ 1,027.

STATEMENT 3
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
US TREASURY DUE 2016 7.25%	COST	\$ 108,161.	\$ 128,242.
US TREASURY DUE 2016 7.5%	COST	102,145.	131,867.
		\$ 210,306.	\$ 260,109.
TOTAL		\$ 210,306.	\$ 260,109.

STATEMENT 4
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CAPITAL INCOME BUILDER FUND	COST	\$ 31,830.	\$ 35,306.
TOTAL		\$ 31,830.	\$ 35,306.

KENNETH S. DONNELL TRUST
KATE HOWARD ET AL TRUSTEES

04-6635207

STATEMENT 5
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
BOND FUND OF AMERICA	COST	\$ 32,498.	\$ 29,661.
INCOME FUND OF AMERICA	COST	31,490.	33,616.
	TOTAL	<u>\$ 63,988.</u>	<u>\$ 63,277.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
COMMERCE BANK GENEVA MINN 1.75% CD	COST	\$ 0.	\$ 0.
<u>OTHER PUBLICLY TRADED SECURITIES</u>			
NANTUCKET BANK CERTIFICATE OF DEPOSIT	COST	103,365.	103,365.
	TOTAL	<u>\$ 103,365.</u>	<u>\$ 103,365.</u>

STATEMENT 7
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN-SATION</u>	<u>CONTRI-BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
JIM DALZELL GLADLANDS AVE. NANTUCKET, MA 02554	TRUSTEE 0	\$ 0.	\$ 0.	\$ 0.
CAROL CROWELL P.O. BOX 422 NANTUCKET, MA 02554	TRUSTEE 0		0.	0.
CAROLYN GOULD 5 ALEXANDIA DRIVE NANTUCKET, MA 02554	TRUSTEE 0		0.	0.
KATE HOWARD 51 CROOKED LANE NANTUCKET, MA 02554	TRUSTEE 0		0.	0.
CATHERINE STOVER 5 LIBERTY ST NANTUCKET, MA 02554	TRUSTEE 0		0.	0.
	TOTAL	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

KENNETH S. DONNELL TRUST
KATE HOWARD ET AL TRUSTEES

04-6635207

**STATEMENT 8
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION**

NAME OF GRANT PROGRAM: KENNETH DONNELL TRUST
NAME: KENNETH DONNELL TRUST
CARE OF:
STREET ADDRESS: P.O. BOX 354
CITY, STATE, ZIP CODE: NANTUCKET, MA 02554
TELEPHONE: NONE
FORM AND CONTENT: INCLUDE A LETTER DESCRIBING THE ACTIVITY OR PROJECT ALONG WITH MOST RECENT TAX RETURN OF PARENT(S)/GUARDIAN(S).
SUBMISSION DEADLINES: APRIL AND OCTOBER ANNUALLY
RESTRICTIONS ON AWARDS: APPLICANT MUST BE A CHILD UNDER AGE SEVENTEEN LIVING IN NANTUCKET, MA. WHO CANNOT OTHERWISE AFFORD TO PAY FOR THE ACTIVITY OR PROJECT.

FORM 990PF
 PART VI GRANTS PAID DURING THE YEAR
 2011

ID#04-6635207

NOTE: ALL GRANTS PAID FOR CAMPS & SCHOLARSHIPS

Recipient	CAMP/ORGANIZATION	AMOUNT OF GRANT
Jacob Santikulanant	Nant. Comm School	\$775
Breyden corby	Strong Wings	\$400
Sawyer Corby	Strong Wings	\$400
Juliana Bouchard	Nantucket Youth Hockey	\$500
Delly and Warner Jones	Nantucket Comm Pool	\$400
Timothy Randall	Strong Wings	\$500
Murphy Family	Strong Wings	\$2,550
Keenan Phillips	Nant Boys & Girls Club	\$500
Sydney and Kinnick King	Nant Comm School	\$1,000
Katrina Hancock	Sea Pony Farms	\$1,200
Jacob and Owen Haigh	Wee Whalers	\$600
Tahlia Francis	Nantucket Ice	\$1,000
Olivia Darby	Wee Whalers	\$500
Mariella Brownell	Nant Comm School	\$1,000
Sam and Alex Freeman	Nant Student Soccer Assoc	\$400
Kayleigh Flaherty	Nantucket Comm School	\$300
Julia Fiske	Nantucket Ice	\$500
Cady Churns	Roads End Farm	\$1,000
Niya Marrett	Nant Boys & Girls Club	\$500
Malique & Makia Bodden	Nant Boys & Girls Club	\$1,000
Amanda Mack	Nantucket Ice	\$500
Natalie Mack	Nantucket Ice	\$500
Nicole Gottlieb	Nant Comm Pool	\$300
Cameron Gottlieb	Nant Comm Pool	\$300
Julia Fiske	Nantucket Ice	\$1,000
Emmet Daly	Encore Tours	\$1,000
Ronan Daly	Encore Tours	\$1,000
Dine Kebbati	STAR	\$170
Courtney Yancy	Nantucket Ice	\$500
Julia Yancy	Nantucket Ice	\$500
Marissa Jones	Encore Tours	\$500
Delly Jones	Nant Artist Assoc	\$230
Warner Jones	Nant Artist Assoc	\$230
Robert Hickman	Nantucket Youth Hockey	\$400
Marsh Hickman	Nantucket Youth Hockey	\$400
Maya Balling	Nantucket Ice	\$500
Marin Churns	Nantucket Ice	\$500
Grace Churns	Nant Comm Pool	\$300
Frances Steadman	Nant Comm Pool	\$500
Anna Steadman	Nant Comm Pool	\$420
Porter Wilson	Nantucket Ice	\$500
Katherine Holdgate	Nantucket Ice	\$1,000
Emma Bender	Nantucket Ice	\$500

FORM 990PF
PART VI GRANTS PAID DURING THE YEAR
2011

ID#04-6635207

NOTE: ALL GRANTS PAID FOR CAMPS & SCHOLARSHIPS

<u>Recipient</u>	<u>CAMP/ORGANIZATION</u>	<u>AMOUNT OF GRANT</u>
Charlotte Holman	Nant Comm School	\$310
Tahlia Francis	Nantucket Ice	\$1,500
	TOTAL	<u>\$28,585</u>

Application for Extension of Time To File an Exempt Organization Return

ext paper filed

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 **X**
- 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.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions KENNETH S. DONNELL TRUST KATE HOWARD ET AL TRUSTEES	Employer identification number (EIN) or <input checked="" type="checkbox"/> 04-6635207
	Number, street, and room or suite number. If a P.O. box, see instructions P.O. BOX 354	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions NANTUCKET, MA 02554	

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	01	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 ► KATE HOWARD -----

Telephone No. ► 508-680-1559 ----- FAX No ► -----

- 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 12, to file the exempt organization return for the organization named above.

The extension is for the organization's return for:

- calendar year 20 11 or 7011 0110 0000 9195 8854
- 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 \$	0.
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 \$	0.
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.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part III Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).
 Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions KENNETH S. DONNELL TRUST KATE HOWARD ET AL TRUSTEES	Employer identification number (EIN) or <input checked="" type="checkbox"/> 04-6635207
	Number, street, and room or suite number If a P O box, see instructions CHERYL A. FULLER, CPA PO BOX 3535	Social security number (SSN) <input type="checkbox"/>
File by the extended due date for filing the return See instructions	City, town or post office, state, and ZIP code For a foreign address, see instructions NANTUCKET, MA 02584	

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-BL	02	Form 1041-A	08
Form 990-EZ	01	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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of. Telephone No. _____ FAX No. _____
- 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.

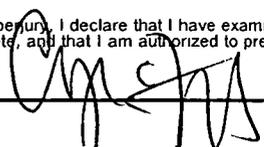
- I request an additional 3-month extension of time until 11/15, 2012.
- For calendar year 2011, or other tax year beginning _____, 20____, and ending _____, 20____.
- If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension . . . BOOKS AND RECORDS NEEDED TO FILE ACCURATE RETURNS ARE NOT YET COMPLETE AND ADDITIONAL TIME IS REQUESTED.

8a 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	8a \$	0.
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 and any amount paid previously with Form 8868	8b \$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title CPA Date 8-10-2012
 BAA FIF20502L 07/29/11 Form 8868 (Rev 1-2012)