Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
The Henry A. and Mary J. MacDonald Foundation

A Employer identification number
25-1640459

Number and street (or P O box number if mail is not delivered to street address): 100 State Street
Room/suite: 700

B Telephone number
(814) 870-7705

City or town, state, and ZIP code
Erie, PA 16507-1459

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 58,691.

J Accounting method [X] Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

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

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))

	Line	Description	(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			N/A	
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	1,332.	1,332.		Statement 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,682.			
	b	Gross sales price for all assets on line 6a 22,057.				
	7	Capital gain net income (from Part IV, line 2)		1,682.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total.** Add lines 1 through 11	3,014.	3,014.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees Stmt 2	2,770.	1,385.		1,385.
	b	Accounting fees				
	c	Other professional fees Stmt 3	225.	225.		0.
	17	Interest				
	18	Taxes Stmt 4	3.	0.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	2,998.	1,610.		1,385.
	25	Contributions, gifts, grants paid	3,100.			3,100.
	26	**Total expenses and disbursements.** Add lines 24 and 25	6,098.	1,610.		4,485.
	27	Subtract line 26 from line 12				
	a	Excess of revenue over expenses and disbursements	-3,084.			
	b	**Net investment income** (if negative, enter -0-)		1,404.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	1,940.	1,988.	1,988.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock Stmt 5	43,851.	39,687.	42,660.
	c Investments - corporate bonds Stmt 6	12,791.	13,823.	14,043.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	58,582.	55,498.	58,691.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ [X] **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	58,582.	55,498.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	58,582.	55,498.	
	31 **Total liabilities and net assets/fund balances**	58,582.	55,498.	

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	58,582.
2	Enter amount from Part I, line 27a	2	-3,084.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	55,498.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	55,498.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	Long Term - See Attached	P		
b	Short Term - See Attached	P		
c	Capital Gains Dividends			
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	19,450.		18,717.	733.
b	1,708.		1,658.	50.
c	899.			899.
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				733.
b				50.
c				899.
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 — 1,682.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 — 3 — N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	2,565.	60,477.	.042413
2009	3,049.	52,789.	.057758
2008	3,600.	66,630.	.054030
2007	4,748.	81,665.	.058140
2006	3,300.	77,547.	.042555

2	Total of line 1, column (d)	2	.254896
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	.050979
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	63,373.
5	Multiply line 4 by line 3	5	3,231.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	14.
7	Add lines 5 and 6	7	3,245.
8	Enter qualifying distributions from Part XII, line 4	8	4,485.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ______ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	14.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0.
3	Add lines 1 and 2	3	14.
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	14.
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	0.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	14.
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** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0. **(2)** On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ PA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ The Foundation Telephone no ▶814/870-7705
Located at ▶100 State Street, Suite 700, Erie, PA ZIP+4 ▶16507-1459

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

		Line	Yes	No
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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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.

			Line	Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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?		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? 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.

(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
James D. Cullen 100 State Street, Suite 700 Erie, PA 165071459	President and Director 0.00	0.	0.	0.
John A. Lauer 100 State Street, Suite 700 Erie, PA 165071459	Vice Pres., Treas., Dir. 0.00	0.	0.	0.
Michael P. Thomas 100 State Street, Suite 700 Erie, PA 165071459	Secretary and Director 0.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	62,226.
b	Average of monthly cash balances	1b	2,112.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	64,338.
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	64,338.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	965.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	63,373.
6	**Minimum investment return.** Enter 5% of line 5	6	3,169.

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	3,169.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 14.		
b	Income tax for 2011 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	14.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	3,155.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	3,155.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	3,155.

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	4,485.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	4,485.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	14.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	4,471.

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					3,155.
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				0.	
b Total for prior years ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2011					
a From 2006					
b From 2007					
c From 2008					
d From 2009	374.				
e From 2010					
f **Total** of lines 3a through e		374.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 4,485.					
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					3,155.
e Remaining amount distributed out of corpus		1,330.			
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		1,704.			
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 instr				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)		0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7		0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		1,704.			
10 Analysis of line 9					
a Excess from 2007					
b Excess from 2008					
c Excess from 2009	374.				
d Excess from 2010					
e Excess from 2011	1,330.				

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see 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 7

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Saratoga Care Foundation 211 Church Street Saratoga Springs, NY 12866	N/A	Public Charity	General Unrestricted	3,100.
Total			▶ 3a	3,100.
b Approved for future payment				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	1,332.	
5 Net rental income or (loss) from real estate.					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,682.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		3,014.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 3,014.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

James D. Cullen 5/13/12 President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Michael P. Thomas	Michael P Thomas	5-7-12		P00641382

Firm's name ▶ MACDONALD, ILLIG, JONES & BRITTON LLP — Firm's EIN ▶ 25-0918810

Firm's address ▶ 100 STATE STREET, SUITE 700 ERIE, PA 16507-1459 — Phone no (814) 870-7600

Form **990-PF** (2011)

123622 12-02-11

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Charles Schwab	2,231.	899.	1,332.
Total to Fm 990-PF, Part I, ln 4	2,231.	899.	1,332.

Form 990-PF Legal Fees Statement 2

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
MacDonald Illig Jones & Britton LLP - legal fees	2,770.	1,385.		1,385.
To Fm 990-PF, Pg 1, ln 16a	2,770.	1,385.		1,385.

Form 990-PF Other Professional Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Schwab - Investment Mngt. Fees	225.	225.		0.
To Form 990-PF, Pg 1, ln 16c	225.	225.		0.

Form 990-PF Taxes Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
2010 990-PF Tax	3.	0.		0.
To Form 990-PF, Pg 1, ln 18	3.	0.		0.

Form 990-PF Corporate Stock Statement 5

Description	Book Value	Fair Market Value
T.Rowe Price Mid-Cap Growth Fund	3,806.	4,862.
Artisan International Fund	5,019.	5,451.
Schwab S&P 500 Index	6,167.	7,369.
Calamos Growth Cl. A	3,131.	2,996.
Vanguard Morgan Growth	4,222.	3,741.
iShares Russell 2000 Value	961.	1,247.
iShares Russell Midcap Value	1,744.	2,647.
Vanguard Short-Term Corp Bond Index ETF	9,142.	9,187.
Brown Capital Management Small Cap	2,423.	2,753.
Vanguard MSCI Emerging Markets ETF	3,072.	2,407.
Total to Form 990-PF, Part II, line 10b	39,687.	42,660.

Form 990-PF	Corporate Bonds	Statement 6

Description	Book Value	Fair Market Value
Vanguard Intermediate Term Corp Fund	12,167.	12,263.
Buffalo Science & Tech. Fd	1,656.	1,780.
Total to Form 990-PF, Part II, line 10c	13,823.	14,043.

Form 990-PF Grant Application Submission Information Statement 7
Part XV, Lines 2a through 2d

Name and Address of Person to Whom Applications Should be Submitted

James D. Cullen, 100 State St., Suite 700, Erie, PA 16507, (814) 870-7705

Telephone Number

(814)870-7705

Form and Content of Applications

See Attached.

Any Submission Deadlines

There are no submission deadlines.

Restrictions and Limitations on Awards

There are no restrictions or limitations on awards other than financial resources of the Foundation.

James D. Cullen, Esquire TTEE: Henry A. & Mary J. MacDonald Foundation

Realized Gain/Loss

Date Range	Account Number	Report Currency
1/1/2011 - 12/31/2011	41045378	USD

Name	Date Acquired	Date Sold	Quantity	Cost	Net Proceeds	Short Term Gain	Long Term Gain	Total Gain
Total(Sales)	-	-	-	**20,375.06**	**21,158.44**	**50.36**	**733.03**	**783.39**
Brown Capital Mgmt Small Co Inv (BCSIX)			**8.836**	**340.54**	**389.05**	**48.51**	**0.00**	**48.51**
Brown Capital Mgmt Small Co Inv (BCSIX)	10/14/2010	1/13/2011	8 836	340 54	389 05	48 51	0 00	48 51
Buffalo Science & Technology (BUFTX)			**48.108**	**633.10**	**757.22**	**0.00**	**124.12**	**124.12**
Buffalo Science & Technology (BUFTX)	6/2/2006	1/13/2011	48 108	633 10	757 22	0 00	124 12	124 12
Calamos Growth A (CVGRX)			**8.987**	**461.93**	**496.44**	**0.00**	**34.51**	**34.51**
Calamos Growth A (CVGRX)	2/2/2005	1/13/2011	8 987	461 93	496 44	0 00	34 51	34 51
iShares Russell Midcap Value Index (IWS)			**28.000**	**803.42**	**1,260.53**	**0.00**	**457.11**	**457.11**
iShares Russell Midcap Value Index (IWS)	11/6/2008	1/13/2011	21 000	603 24	945 40	0 00	342 15	342 15
iShares Russell Midcap Value Index (IWS)	11/6/2008	1/13/2011	7 000	200 18	315 13	0 00	114 96	114 96
Schwab S&P 500 Index (SWPPX)			**149.864**	**2,764.86**	**2,995.78**	**0.00**	**230.92**	**230.92**
Schwab S&P 500 Index (SWPPX)	2/2/2005	1/13/2011	52 613	977 46	1,051 73	0 00	74 28	74 28
Schwab S&P 500 Index (SWPPX)	4/4/2005	1/13/2011	97 251	1,787 40	1,944 05	0 00	156 64	156 64
T. Rowe Price Mid-Cap Growth (RPMGX)			**13.631**	**721.90**	**789.13**	**0.00**	**67.23**	**67.23**
T Rowe Price Mid-Cap Growth (RPMGX)	10/20/2005	1/13/2011	13 631	721 90	789 13	0 00	67 23	67 23
Vanguard Interm-Term Invmt-Grade Inv (VFICX)			**201.147**	**2,047.55**	**1,960.51**	**0.00**	**-87.05**	**-87.05**
Vanguard Interm-Term Invmt-Grade Inv (VFICX)	3/14/2004	7/28/2011	52 190	541 21	492 51	0 00	-48 70	-48 70
Vanguard Interm-Term Invmt-Grade Inv (VFICX)	3/14/2004	12/8/2011	32 767	339 79	322 92	0 00	-16 87	-16 87
Vanguard Interm-Term Invmt-Grade Inv (VFICX)	4/4/2005	12/8/2011	116 190	1,166 55	1,145 07	0 00	-21 48	-21 48

James D. Cullen, Esquire TTEE: Henry A. & Mary J. MacDonald Foundation

Realized Gain/Loss

Date Range 1/1/2011 - 12/31/2011 **Account Number** 41045378 **Report Currency** USD

Name	Date Acquired	Date Sold	Quantity	Cost	Net Proceeds	Short Term Gain	Long Term Gain	Total Gain
Vanguard Morgan Growth Inv (VMRGX)			**45.143**	**978.70**	**804.95**	**0.00**	**-173.75**	**-173.75**
Vanguard Morgan Growth Inv (VMRGX)	10/25/2007	1/13/2011	45 143	978 70	804 95	0 00	-173 75	-173 75
Vanguard Short-Term Corp Bd Idx ETF (VCSH)			**17.000**	**1,317.09**	**1,318.94**	**1.85**	**0.00**	**1.85**
Vanguard Short-Term Corp Bd Idx ETF (VCSH)	2/4/2011	7/28/2011	17 000	1,317 09	1,318 94	1 85	0 00	1 85
Vanguard Total Bond Market Index Inv (VBMFX)			**995.023**	**10,305.96**	**10,385.89**	**0.00**	**79.93**	**79.93**
Vanguard Total Bond Market Index Inv (VBMFX)	5/9/2008	2/4/2011	420 760	4,305 96	4,391 83	0 00	85 87	85 87
Vanguard Total Bond Market Index Inv (VBMFX)	1/11/2010	2/4/2011	574 263	6,000 00	5,994 07	0 00	-5 93	-5 93
Total Portfolio	-	-	-	**20,375.06**	**21,158.44**	**50.36**	**733.03**	**783.39**

THE HENRY A. and MARY J. MacDONALD FOUNDATION
REQUEST FOR FUNDING FORMAT AND PROCEDURE

The Henry A. and Mary J. MacDonald Foundation is a private foundation which was established in 1990 by Mary J. MacDonald. Henry A. MacDonald was the named senior partner in the law firm of MacDonald, Illig, Jones & Britton LLP until his death in 1984.

The Articles of Incorporation for the Foundation state that assets must be used exclusively for charitable, religious, educational, and scientific purposes, including the making of distributions for such purposes to organizations in the Erie, Pennsylvania area that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

The Foundation's funds are distributed under the direction and supervision of its Board of Directors.

PROCEDURES

<u>A complete application will consist of one (1) copy of each of the following:</u>

1. The attached Request for Funding.

2. Your Request for Funding should include the following as attachments:

   (a) Copy of your IRS Determination Letter regarding your agency's tax exempt status;

   (b) Roster of current Board of Directors, to include addresses, phone numbers, and occupations;

   (c) Audited financial statement for most recent fiscal year;

   (d) Program/Agency budget;

   (e) Annual report (if available) for most recent fiscal year as distributed to your members or Board of Directors; and

   (f) Any other material you feel might be helpful.

The initiator of any request will be notified by the Foundation of its status at whatever point in the review and approval process is appropriate. Letters of Award will be sent to grant recipients approved by the Foundation describing the magnitude and timing of the grant and related reporting requirements to the Foundation's Board of Directors.

Completed Requests should be sent to:

James D. Cullen, President
The Henry A. and Mary J. MacDonald Foundation
100 State Street, Suite 700
Erie, PA 16507-1459

Applicants should be aware the Foundation may consult with other fundors and community leaders when considering grant applications.

THE HENRY A. and MARY J. MacDONALD FOUNDATION

REQUEST FOR FUNDING

Date: ______________

Name of Organization ____

Date of Incorporation ______________ Contact Person ______________

Address ____

Phone ____

Describe your organization, its goals, purpose, significant accomplishments, and what charitable, religious, educational, or scientific purposes it performs in the Erie, Pennsylvania area. Fill in below or attach on separate page.

____

____

____

____

____

____

____

____

THE FOLLOWING ARE TO BE ANSWERED EXCEPT WHERE REQUEST IS FOR A SPECIAL PROJECT, INCLUDING A CAPITAL FUNDS PROJECT.

If your request is for a contribution to an annual fundraising campaign, state total amount to be raised $__________ and amount requested from the Foundation $__________.

If your request is for a contribution to a special fundraising campaign, state the purpose of the campaign ____________________, the total amount to be raised $__________, and amount requested from the Foundation $__________.

If the Foundation makes a grant to the organization, will all campaign funds raised be used exclusively for the benefit of persons residing in the Erie, Pennsylvania area or for the benefit of agencies or organizations which benefit such persons? __________.

State what percentage of the total amount to be raised will be used to pay campaign expenses and/or fees to persons or organizations who are engaged in soliciting the funds. __________%.

THE FOLLOWING ARE TO BE ANSWERED WHERE REQUEST IS FOR A SPECIAL PROJECT, INCLUDING A CAPITAL FUNDS PROJECT. (Be complete and as detailed as possible on pages attached hereto and covering the following, but limit attachment to a maximum of four (4) pages.)

1. Describe the Project, its location, its purposes, and persons or groups who would use the same or be benefited thereby in the Erie, Pennsylvania area.

2. Which present unfulfilled need in the Erie, Pennsylvania area will be met by the Project? What charitable, religious, educational, or scientific purposes or benefits will be furnished by the Project in the Erie, Pennsylvania area?

3. What is the total cost of the Project? $__________

4. What is the amount requested from the Foundation? $__________

5. How and from what groups do you intend to raise the amount not funded by the Foundation?

6. When will the campaign begin and end?

7. Attach copy of the Project cost budget, including the names of person(s) or entity(ies) who/which propose the same.

8. Has the governing body of your organization specifically satisfied itself that the Project can and will be completed within the total Project cost estimates set forth in the budget?

9. If the Project is completed, how does your organization propose to provide for annual operating expenses? Does it anticipate the need for annual or special operating expense campaigns or fundraisers and, if so, what are the present estimates (or budgets) as to annual operating costs for each of the first three years following completion of the Project?

10. What person(s) or entity(ies) to whom fundraising fees or expenses will be paid will be in charge of or engaged in the campaign to raise funds for the Project? What percentage of the total funds raised will be paid for fundraising fees and/or expenses?

11. If the Foundation approves a contribution, at what time or times do you request the contribution to be made and, if in installments, the percentages of the total contribution to be paid in each installment date?

YOU ARE SPECIFICALLY ADVISED THAT IF A CONTRIBUTION IS GOING TO BE MADE, IT WILL BE MADE SUBJECT TO SUCH CONDITIONS AS THE GRANT LETTER WILL SET FORTH. WITHOUT LIMITING THE FOREGOING, THE FOUNDATION, AS A CONDITION OF MAKING A CONTRIBUTION, MAY REQUIRE THAT THE GOVERNING BODY OF THE ORGANIZATION SPECIFICALLY AGREE IN WRITING THAT IF, AFTER THE FOUNDATION PAYS ITS CONTRIBUTION, THE PROJECT:

(i) CEASES TO OPERATE OR FUNCTION OR

(ii) FAILS TO PRIMARILY PROVIDE SERVICES AND/OR BENEFITS TO OR FOR CHARITABLE, RELIGIOUS, EDUCATIONAL, OR SCIENTIFIC PURPOSES IN THE ERIE, PENNSYLVANIA AREA, THE FOUNDATION WILL EITHER:

1) BE REIMBURSED IN FULL FOR ITS CONTRIBUTION, OR

2) THE PROJECT WILL BE TRANSFERRED TO AN ORGANIZATION WHICH DOES PERFORM SUCH SERVICES IN THE ERIE, PENNSYLVANIA AREA, OR

3) THE PROJECT WILL BE SOLD AND THE PROCEEDS USED TO REIMBURSE THE FOUNDATION IN FULL OR PRO-RATABLY BASED UPON THE PERSONS, ENTITIES, OR ORGANIZATIONS WHICH PROVIDED THE CASH FUNDS FOR THE PROJECT.

The undersigned hereby certify that all information in and submitted with this Request for Funding is correct and that this Request is submitted with the approval of its Board of Directors.

Signature of President/Chairman	Signature of Executive Director