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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 _____

PATRICK M. MCCARTHY FOUNDATION, INC,
47500 W. ELDORADO DR.
INDIAN WELLS, CA 92210A Employer identification number
26-2804772B Telephone number (see the instructions)
760 346 9773C 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 changeH Check type of organization Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year (from Part II, column (c), line 16) J Accounting method Cash Accrual
 Other (specify)
► \$ 9,607,919. (Part I, column (d) must be on cash basis)

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
R E V E N U E	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				
	4 Dividends and interest from securities	241,446.	241,446.	241,446.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 1a	354,151.			
	b Gross sales price for all assets on line 6a	7,058,047.			
	7 Capital gain net income (from Part IV, line 2)		354,151.		
	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	6,336.	6,336.			
12 Total. Add lines 1 through 11	601,933.	601,933.	241,446.		
A D M I N I S T R A T I V E O P E R A T I N G A N D E X P E N S E S	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	SEE ST 2	880.		
	b Accounting fees (attach sch)	SEE ST 3	3,745.		3,745.
	c Other prof fees (attach sch)	SEE ST 4	76,640.	76,640.	
	17 Interest				
	18 Taxes (attach schedule) <input checked="" type="checkbox"/> see instrs	SEE STM 5	17,387.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	SEE STATEMENT 6	985.		RECEIVED E2-542 AUG 15 2013 IRS-OSC OGDEN, UT	
24 Total operating and administrative expenses. Add lines 13 through 23	99,637.	76,640.		3,745.	
25 Contributions, gifts, grants paid	STMT 7	494,800.		494,800.	
26 Total expenses and disbursements. Add lines 24 and 25	594,437.	76,640.	0.	498,545.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	7,496.				
b Net investment income (if negative, enter -0)		525,293.			
c Adjusted net income (if negative, enter 0)			241,446.		

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
ASSETS	1 Cash – non-interest-bearing	606,314.	403,264.	403,264.
	2 Savings and temporary cash investments			
	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)			
	b Investments – corporate stock (attach schedule)	7,960,918.	8,157,297.	9,204,655.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item l)	8,567,232.	8,560,561.	9,607,919.	
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.	
NET FUND BALANCE	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	9,603,288.	9,603,288.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	-1,036,056.	-1,042,727.	
	30 Total net assets or fund balances (see instructions)	8,567,232.	8,560,561.	
	31 Total liabilities and net assets/fund balances (see instructions)	8,567,232.	8,560,561.	

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	8,567,232.
2 Enter amount from Part I, line 27a	2	7,496.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3...	4	8,574,728.
5 Decreases not included in line 2 (itemize)	5	14,167.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	8,560,561.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a PUBLICLY TRADED SECURITIES		P	VARIOUS	VARIOUS
b CAPITAL GAIN DISTRIBUTIONS		P	VARIOUS	VARIOUS
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 7,039,185.			6,703,896.	335,289.
b 18,862.				18,862.
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) 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				335,289.
b				18,862.
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		2 354,151.
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 0.

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	543,608.	9,150,495.	0.059407
2009	229,716.	8,721,282.	0.026340
2008	84,732.	9,931,855.	0.008531
2007	1,524,408.	28,646,138.	0.053215
2006	1,486,446.	29,074,415.	0.051126

2 Total of line 1, column (d)

2 0.198619

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 0.039724

4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5

4 9,399,339.

5 Multiply line 4 by line 3

5 373,379.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 5,253.

7 Add lines 5 and 6

7 378,632.

8 Enter qualifying distributions from Part XII, line 4

8 498,545.

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)	1 	5,253.
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		
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-)		
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments.		
6a	2011 estimated tax pmts and 2010 overpayment credited to 2011		
6b	Exempt foreign organizations – tax withheld at source		
6c	Tax paid with application for extension of time to file (Form 8868)		
6d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d SEE STATEMENT 9		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid SEE STATEMENT 10		
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ► 0. Refunded		

Part VII-A | Statements Regarding Activities

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?

	Yes	No
1a	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

	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

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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.
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e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

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2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

2	X
---	---

If 'Yes,' attach a detailed description of the activities

3	X
---	---

4 a 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?

4b	N/A
----	-----

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5	X
---	---

If 'Yes,' attach the statement required by General Instruction T

6	X
---	---

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

7	X
---	---

• By language in the governing instrument, or

8a	X
----	---

• 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?

8b	X
----	---

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

9	X
---	---

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► _____

10	X
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DE

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

10	X
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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

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

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?	13	X
Website address N/A			
14	The books are in care of ► <u>PATRICK M. MCCARTHY</u> Telephone no ► <u>760 346 9773</u> Located at ► <u>47500 W ELDORADO DR INDIAN WELLS CA</u> ZIP + 4 ► <u>92210</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	► 15 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?	Yes	No
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.

1a	During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If any answer is 'Yes' to 1a(1)-(5), 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 ►	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?	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? If 'Yes,' list the years ► 20__, 20__, 20__, 20__	Yes	No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see instructions)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20__, 20__, 20__, 20__		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	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	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
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?	X	

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)
- (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 Yes No Yes No Yes No Yes Nob If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ►

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

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?

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

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
PATRICK M. MCCARTHY 47500 W ELDORADO DR INDIAN WELLS, CA 92210	TRUSTEE 10.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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

organizations and other beneficiares served, conferences convened, research papers produced, etc	
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	<u>N/A</u>	
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
 - b Average of monthly cash balances
 - c Fair market value of all other assets (see instructions)
 - d Total** (add lines 1a, b, and c)
 - e Reduction claimed for blockage or other factors reported on lines 1a and 1c
(attach detailed explanation)
- 2 Acquisition indebtedness applicable to line 1 assets
- 3 Subtract line 2 from line 1d
- 4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
(for greater amount, see instructions)
- 5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4
- 6 **Minimum investment return.** Enter 5% of line 5

1 ¹³ a	9,037,687.
1b	504,789.
1c	0.
1d	9,542,476.
1e	0.
2	0.
3	9,542,476.
4	143,137.
5	9,399,339.
6	469,967.

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

1	469,967.
2a	5,253.
2b	0.
2c	5,253.
3	464,714.
4	0.
5	464,714.
6	0.
7	464,714.

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
 - b Program-related investments – total from Part IX-B
- 2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes
- 3 Amounts set aside for specific charitable projects that satisfy the
 - a Suitability test (prior IRS approval required)
 - b Cash distribution test (attach the required schedule)
- 4 **Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4
- 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)
- 6 **Adjusted qualifying distributions.** Subtract line 5 from line 4

1a	498,545.
1b	0.
2	0.
3a	0.
3b	0.
4	498,545.
5	5,253.
6	493,292.

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				464,714.
2 Undistributed income, if any, as of the end of 2011			119,962.	
a Enter amount for 2010 only		0.		
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e		0.		
4 Qualifying distributions for 2011 from Part XII, line 4. ► \$ 498,545.			119,962.	
a Applied to 2010, but not more than line 2a				
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		0.		378,583.
e Remaining amount distributed out of corpus		0.		
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		0.		
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				86,131.
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		0.		
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

BAA

Form 990-PF (2011)

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			
1 b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input checked="" type="checkbox"/> 4942(j)(5)			
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			
2 b	85% of line 2a			
2 c	Qualifying distributions from Part XII, line 4 for each year listed			
2 d	Amounts included in line 2c not used directly for active conduct of exempt activities			
2 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			
3 a	'Assets' alternative test – enter			
3 a (1)	Value of all assets			
3 a (2)	Value of assets qualifying under section 4942(j)(3)(B)(i)			
3 b	'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed			
3 c	'Support' alternative test – enter			
3 c (1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)			
3 c (2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)			
3 c (3)	Largest amount of support from an exempt organization			
3 c (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

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	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
Name and address (home or business)				
<i>a Paid during the year</i>				
Total				► 3a
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	241,446.	
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			14	6,336.	
8 Gain or (loss) from sales of assets other than inventory			18	354,151.	
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)				601,933.	
13 Total Add line 12, columns (b), (d), and (e)			13	601,933.	
(See worksheet in line 13 instructions to verify calculations)					

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

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

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

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

Sign
Here

► Patrick M McCarty 08/08/13 ► Trustee

May the IRS discuss
this return with the
preparer shown below
(see instructions)?

Signature of owner or trustee		Preparer's signature	Date	PTIN	Yes	No
Paid Preparer Use Only	Print/Type preparer's name		KEITH H. LYRLA	AUG 02 2013	Check <input type="checkbox"/> if self-employed	P00542524
	KEITH H. LYRLA					
	Firm's name	► LUND & GUTTRY LLP		Firm's EIN ► 95-2101327		
Firm's address	► 39700 BOB HOPE DRIVE STE 309 RANCHO MIRAGE, CA 92270		Phone no (760) 568-2242			

BAA

2011

FEDERAL STATEMENTS

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CLIENT 442591X

PATRICK M. McCARTHY FOUNDATION, INC,

26-2804772

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

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	\$ 6,336.	\$ 6,336.	
TOTAL	<u>\$ 6,336.</u>	<u>\$ 6,336.</u>	<u>0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	\$ 880.			
TOTAL	<u>\$ 880.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>0.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	\$ 3,745.			
TOTAL	<u>\$ 3,745.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 3,745.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	\$ 76,640.	\$ 76,640.		
TOTAL	<u>\$ 76,640.</u>	<u>\$ 76,640.</u>	<u>\$ 0.</u>	<u>0.</u>

2011

FEDERAL STATEMENTS

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CLIENT 442591X

PATRICK M. MCCARTHY FOUNDATION, INC,

26-2804772

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TOTAL	\$ 17,387.	\$ 0.	\$ 0.	\$ 0.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TELEPHONE	\$ 985.	\$ 0.	\$ 0.	\$ 0.
TOTAL	\$ 985.	\$ 0.	\$ 0.	\$ 0.

STATEMENT 7
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS

CASH GRANTS AND ALLOCATIONS

CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	BIG BROTHERS BIG SISTERS OF THE DESERT
DONEE'S ADDRESS:	42-600 COOK ST PALM DESERT, CA 92211
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY
AMOUNT GIVEN:	\$ 50,000.
CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	LIVING DESERT RESERVE
DONEE'S ADDRESS:	47-900 PORTOLA AV PALM DESERT, CA 92260
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY
AMOUNT GIVEN:	103,000.
CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	JOHN F KENNEDY MEMORIAL FOUNDATION
DONEE'S ADDRESS:	41865 BOARDWALK PALM DESERT, CA 92211
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY
AMOUNT GIVEN:	100,000.
CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	PEGASUS RIDING ACADEMY FOR HANDICAPPED
DONEE'S ADDRESS:	35-450 PEGASUS COURT PALM DESERT, CA 92211
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY

AS AMENDED

2011

FEDERAL STATEMENTS

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CLIENT 442591X

PATRICK M. MCCARTHY FOUNDATION, INC,

26-2804772

**STATEMENT 7 (CONTINUED)
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS**

AMOUNT GIVEN:	\$ 20,000.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT MISCELLANEOUS CHARITABLE ORGANIZATIONS
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) 10,000.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT MARIN SYMPHONY 4340 REDWOOD HIGHWAY STE 409C SAN RAFAEL, CA 94903
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) 61,000.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT SUSTAIN HAWAII
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) PUBLIC CHARITY 31,500.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT GENETIC RESEARCH INSTITUTE OF THE DESERT 39000 BOB HOPE DRIVE #3118 RANCHO MIRAGE, CA 92270
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) PUBLIC CHARITY 50,000.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT HONOLULU ACADEMY OF ARTS 900 S BERETANIA HONOLULU, HI 96814
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) PUBLIC CHARITY 7,800.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT MOANALUA HIGH SCHOOL 2825 ALA LIMA ST. HONOLULU, HI 96818
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE: AMOUNT GIVEN:	NONE 501(C) (3) PUBLIC CHARITY 10,000.
CLASS OF ACTIVITY: DONEE'S NAME: DONEE'S ADDRESS:	GRANT DESERT ARC 73255 COUNTRY CLUB DR. PALM DESERT, CA 92260
RELATIONSHIP OF DONEE: ORGANIZATIONAL STATUS OF DONEE:	NONE 501(C) (3) PUBLIC CHARITY

AS AMENDED

2011

FEDERAL STATEMENTS

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CLIENT 442591X

PATRICK M. MCCARTHY FOUNDATION, INC,

26-2804772

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS

AMOUNT GIVEN:	\$ 16,500.
CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	WAIKIKI YACHT CLUB FOUNDATION
DONEE'S ADDRESS:	1599 ALA MOANA BLVD HONOLULU, HI 96814
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY
AMOUNT GIVEN:	30,000.
CLASS OF ACTIVITY:	GRANT
DONEE'S NAME:	MCCALLUM THEATRE
DONEE'S ADDRESS:	73000 FRED WARING DRIVE PALM DESERT, CA 92260
RELATIONSHIP OF DONEE:	NONE
ORGANIZATIONAL STATUS OF DONEE:	501(C) (3) PUBLIC CHARITY
AMOUNT GIVEN:	5,000.
TOTAL \$ <u>494,800.</u>	

STATEMENT 8
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

BOOK/TAX BASIS ADJ ARBITRAGE PSHIP	\$ 14,167.
TOTAL	\$ <u>14,167.</u>

STATEMENT 9
FORM 990-PF, PART VI, LINE 7
TOTAL CREDITS AND PAYMENTS

TAX CREDITS AND PAYMENTS	\$ 15,400.
ORIGINAL RETURN OVERPAYMENT	-4,838.
TOTAL	\$ <u>10,562.</u>

STATEMENT 10
FORM 990-PF, PART VI, LINE 10
OVERPAYMENT

OVERPAYMENT	\$ 5,309.
TOTAL	\$ <u>5,309.</u>

THE 2011 RETURN IS BEING AMENDED TO CALCULATE THE QUALIFICATION UNDER SECTION 4940(E) FOR REDUCED TAX ON NET INVESTMENT INCOME (PART V). SINCE TAXPAYER QUALIFIES, THE TAX HAS BEEN REDUCED ACCORDINGLY.

THE ONLY CHANGES THAT HAVE BEEN MADE ARE AS FOLLOWS:

- 1) THE COMPLETION OF PART V,
- 2) THE RECALCULATION OF THE TAX IN PART VI,
- 2) THE RECALCULATION OF THE DISTRIBUTABLE AMOUNT IN PART XI,
- 3) THE RECALCULATION OF ADJUSTED QUALIFIED DISTRIBUTIONS IN LINE 6 OF PART XII AND
- 4) THE RECALCULATION OF UNDISTRIBUTED INCOME IN PART XIII (THIS CHANGE NOT ONLY REFLECTS THE REVISED DISTRIBUTABLE AMOUNT FROM PART XI, BUT ALSO REFLECTS THE REVISED 2010 UNDISTRIBUTED INCOME AMOUNT ON LINE 2A)

PLEASE NOTE THAT IN PART V COLUMNS (B) AND (C) (AS AMENDED), FOR YEARS 2006 AND 2007, THE AMOUNTS ARE FROM THE 2008 FORM 990PF (PART V) FOR THE MICHAEL W. MCCARTHY FOUNDATION #13-6150919. FOR THE YEAR 2008, THE AMOUNTS ARE A COMBINATION OF 33% OF THE AMOUNTS FROM THE 2008 FINAL FORM 990PF FOR THE MICHAEL W. MCCARTHY FOUNDATION AND 100% OF THE AMOUNTS FROM THE INITIAL 2008 FORM 990PF FOR THE PATRICK M. MCCARTHY FOUNDATION. THE PATRICK M. MCCARTHY FOUNDATION WAS A 33% SUCCESSOR FOUNDATION WHEN THE MICHAEL W. MCCARTHY FOUNDATION WAS TERMINATED IN 2008.

PLEASE NOTE THAT IN PART V COLUMN (B) (AS AMENDED), FOR THE YEAR 2010, THE AMOUNT IS FROM THE AMENDED 2010 FORM 990PF (PART V) FOR THE PATRICK M. MCCARTHY FOUNDATION.

PLEASE NOTE THAT THE 2010 FORM 990PF WAS AMENDED TO MAKE SIMILAR CHANGES.

PLEASE NOTE THAT THE 2009 FORM 990PF AS NOT BEEN AMENDED, AS THE FOUNDATION DID NOT QUALIFY UNDER SECTION 4940(E) FOR REDUCED TAX ON NET INVESTMENT INCOME IN 2009.

ALSO ATTACHED ARE COPIES OF THE FOLLOWING TAX RETURNS -

2011 FORM 990PF (AS ORIGINALLY FILED) PATRICK M. MCCARTHY FOUNDATION
2010 FORM 990PF (AS AMENDED) PATRICK M. MCCARTHY FOUNDATION
2008 FORM 990PF PATRICK M. MCCARTHY FOUNDATION
2008 FORM 990PF MICHAEL W. MCCARTHY FOUNDATION