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Form 990-PF

## Return of Private Foundation

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

2011

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 01-01-2011, and ending 12-31-2011

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

Name of foundation **A** Employer identification number  
 MERRYMAC-MCKINLEY FOUNDATION INC 74-2457886

Number and street (or P O box number if mail is not delivered to street address) **B** Telephone number (see page 10 of the instructions)  
 2311 CEDAR SPRINGS NO 405 (214) 922-9033

City or town, state, and ZIP code **C** If exemption application is pending, check here    
 DALLAS, TX 75201 **D** 1. Foreign organizations, check here

**H** Check type of organization  Section 501(c)(3) exempt private foundation **E** If private foundation status was terminated under section 507(b)(1)(A), check here    
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation **F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

**I** Fair market value of all assets at end of year (from Part II, col. (c), line 16) **J** Accounting method **K** Cash **L** Accrual  
 \$ 1,093,093 **M** Other (specify) **N** (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 page 11 of the instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B				
3	Interest on savings and temporary cash investments	10	10		
4	Dividends and interest from securities. . . . .	38,719	38,719		
5a	Gross rents . . . . .				
b	Net rental income or (loss) . . . . .				
6a	Net gain or (loss) from sale of assets not on line 10	27,215			
b	Gross sales price for all assets on line 6a 86,925				
7	Capital gain net income (from Part IV, line 2) . . .		27,215		
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) (attach schedule) . . . . .				
11	Other income (attach schedule) . . . . .	2,389	2,389		
12	<b>Total.</b> Add lines 1 through 11 . . . . .	68,333	68,333		

13	Compensation of officers, directors, trustees, etc	6,000	0	0
14	Other employee salaries and wages . . . . .			
15	Pension plans, employee benefits . . . . .			
16a	Legal fees (attach schedule) . . . . .			
b	Accounting fees (attach schedule) . . . . .	3,981	0	0
c	Other professional fees (attach schedule) . . . . .			
17	Interest . . . . .			
18	Taxes (attach schedule) (see page 14 of the instructions)			
19	Depreciation (attach schedule) and depletion . . .			
20	Occupancy . . . . .			
21	Travel, conferences, and meetings . . . . .			
22	Printing and publications . . . . .			
23	Other expenses (attach schedule) . . . . .	1,364	0	0
24	<b>Total operating and administrative expenses.</b>			
	Add lines 13 through 23 . . . . .	11,345	0	0
25	Contributions, gifts, grants paid . . . . .	60,510		60,510
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25	71,855	0	60,510

27	Subtract line 26 from line 12			
a	<b>Excess of revenue over expenses and disbursements</b>	-3,522		
b	<b>Net investment income</b> (if negative, enter -0-) . . .		68,333	
c	<b>Adjusted net income</b> (if negative, enter -0-) . . .			

	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 . . . . .	2,440	-4,530	-4,530	
	2 Savings and temporary cash investments . . . . .	2,839	21,719	21,719	
	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 page 15 of the instructions) . . . . .				
	7 Other notes and loans receivable (attach schedule) ►				
	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) . . . . .	598,395	582,773	1,030,584	
	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) . . . . .	14,962	12,268	45,320		
14 Land, buildings, and equipment basis ►					
Less accumulated depreciation (attach schedule) ►					
15 Other assets (describe ► _____)	0	2,380	0		
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	618,636	614,610	1,093,093		
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 (attach schedule) . . . . .				
	22 Other liabilities (describe ► _____)				
	23 Total liabilities (add lines 17 through 22) . . . . .	0	0		
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted . . . . .				
	25 Temporarily restricted . . . . .				
	26 Permanently restricted . . . . .				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds . . . . .	0	0		
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0		
	29 Retained earnings, accumulated income, endowment, or other funds	618,636	614,610		
30 Total net assets or fund balances (see page 17 of the instructions) . . . . .	618,636	614,610			
31 Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	618,636	614,610			
Net Assets or Fund Balances					

## 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	618,636
2	Enter amount from Part I, line 27a . . . . .	2	-3,522
3	Other increases not included in line 2 (itemize) ►	3	0
4	Add lines 1, 2, and 3 . . . . .	4	615,114
5	Decreases not included in line 2 (itemize) ►	5	504
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	6	614,610

**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)
<b>1 a</b>	MORGAN STANLEY		2011-01-01	2011-09-22
<b>b</b>	MORGAN STANLEY-296		2010-06-30	2011-12-02
<b>c</b>	VARIOUS		2011-01-01	2011-09-22
<b>d</b>	CAPITAL GAINS DIVIDENDS	P		
<b>e</b>				
<b>(e) Gross sales price</b>		<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>
<b>a</b>	27,416		27,364	52
<b>b</b>	39,828		32,346	7,482
<b>c</b>	19,474			19,474
<b>d</b>	207			207
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				<b>(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))</b>
<b>(i) F M V as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col (i) over col (j), if any</b>		
<b>a</b>				52
<b>b</b>				7,482
<b>c</b>				19,474
<b>d</b>				207
<b>e</b>				
<b>2</b>	Capital gain net income or (net capital loss)	<b>If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</b>	<b>2</b>	27,215
<b>3</b>	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		<b>3</b>	
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8				

**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 page 18 of the instructions before making any entries

<b>(a)</b> Base period years Calendar year (or tax year beginning in)	<b>(b)</b> Adjusted qualifying distributions	<b>(c)</b> Net value of noncharitable-use assets	<b>(d)</b> Distribution ratio (col (b) divided by col (c))
2010	54,899	974,335	0 056345
2009	51,870	888,866	0 058355
2008	25,125	1,112,109	0 022592
2007	42,673	1,154,653	0 036957
2006	38,814	0	0 0
<b>2</b>			<b>2</b> 0 174249
<b>3</b>			<b>3</b> 0 034850
<b>4</b>			<b>4</b> 1,178,217
<b>5</b>			<b>5</b> 41,061
<b>6</b>			<b>6</b> 683
<b>7</b>			<b>7</b> 41,744
<b>8</b>			<b>8</b> 60,510

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 on page 18

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1	(attach copy of letter if necessary—see instructions)	1	683
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		2	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		3	683
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0
3	Add lines 1 and 2.	5	683	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .			
6	<b>Credits/Payments</b>			
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 <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	17	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	700	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10		
11	Enter the amount of line 10 to be <b>Credited to 2012 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

		<b>Yes</b>	<b>No</b>
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	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b	No
	<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>		
c	Did the foundation file <b>Form 1120-POL</b> for this year?	1c	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year <b>(1)</b> On the foundation <input type="checkbox"/> \$ <u>0</u> <b>(2)</b> On foundation managers <input type="checkbox"/> \$ <u>0</u>		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ <u>0</u>		
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>	2	No
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>	3	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	4b	
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>	5	No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either <ul style="list-style-type: none"> <li>● By language in the governing instrument, or</li> <li>● 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?</li> </ul>	6	Yes
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> NY		
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>	8b	Yes
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 on page 27)? <i>If "Yes," complete Part XIV</i>	9	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

**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 page 20 of the instructions). . . . .	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	13	Yes	
Website address ► N/A				
14	The books are in care of ► MARK C MCKINLEY	Telephone no ► (214) 922-9033		
	Located at ► 2311 CEDAR SPRINGS RD 405 DALLAS TX	ZIP +4 ► 75201		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here . . . . . ►	15		
	and enter the amount of tax-exempt interest received or accrued during the year . . . . . ►			
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	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.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> 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 page 20 of the instructions)? . . . . .	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	No
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? . . . . .	2a	
	If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement—see page 20 of the instructions) . . . . .	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 ► 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? . . . . .	3a	
	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). . . . .	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4a	No
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	No

**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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions). . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. . . . .	<input checked="" type="checkbox"/>	5b	
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? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .		6b	No
	<i>If "Yes" to 6b, file Form 8870.</i>			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .		7b	

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
JOHN K MCKINLEY 680 FRENCH CREEK ROAD BUFFALO, WY 82834	DIRECTOR 1 00	0	0	0
MARK C MCKINLEY 2311 CEDAR SPRINGS RD 405 DALLAS, TX 75201	DIRECTOR/PRESIDENT 3 00	6,000	0	0
KARLA MCKINLEY 2311 CEDAR SPRINGS RD 405 DALLAS, TX 75201	TREASURER 2 00	0	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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				
<b>Total number of other employees paid over \$50,000.</b>			<input checked="" type="checkbox"/>	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 page 23 of the instructions). If none, enter "NONE"**

<b>(a) Name and address of each person paid more than \$50,000</b>	<b>(b) Type of service</b>	<b>(c) Compensation</b>
NONE		

## **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.

1	
2	
3	
4	

**Part IX-B** **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and

1		
2		
All other program-related investments See page 24 of the instructions		
3		
<b>Total</b>	Add lines 1 through 3	0

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	1,180,441
b	Average of monthly cash balances. . . . .	1b	15,718
c	Fair market value of all other assets (see page 24 of the instructions). . . . .	1c	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c). . . . .	<b>1d</b>	<b>1,196,159</b>
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	1,196,159
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). . . . .	4	17,942
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,178,217
6	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	6	58,911

**Part XI Distributable Amount** (see page 25 of the 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	58,911
2a	Tax on investment income for 2011 from Part VI, line 5. . . . .	2a	683
b	Income tax for 2011 (This does not include the tax from Part VI ). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	683
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	58,228
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	0
5	Add lines 3 and 4. . . . .	5	58,228
6	Deduction from distributable amount (see page 25 of the instructions). . . . .	6	0
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	58,228

**Part XII Qualifying Distributions** (see page 25 of the 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	60,510
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	3a	
a	Suitability test (prior IRS approval required). . . . .	3b	
b	Cash distribution test (attach the required schedule). . . . .	4	60,510
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	683
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 page 26 of the instructions). . . . .	6	59,827
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .		

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				58,228
<b>2</b> Undistributed income, if any, as of the end of 2011			26,880	
<b>a</b> Enter amount for 2010 only. . . . .		0		
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006. . . . .				
<b>b</b> From 2007. . . . .				
<b>c</b> From 2008. . . . .				
<b>d</b> From 2009. . . . .				
<b>e</b> From 2010. . . . .				
<b>f Total</b> of lines 3a through e. . . . .	0			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ► \$ _____ 60,510			26,880	
<b>a</b> Applied to 2010, but not more than line 2a		0		
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions). . . .	0			
<b>d</b> Applied to 2011 distributable amount. . . . .			33,630	
<b>e</b> Remaining amount distributed out of corpus	0			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b. . . . .		0		
<b>c</b> 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		
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions. . . . .		0		
<b>e</b> Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions. . . . .			0	
<b>f</b> Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011. . . . .				24,598
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions). . . . .	0			
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions). . . . .	0			
<b>9</b> <b>Excess distributions carryover to 2012.</b> Subtract lines 7 and 8 from line 6a. . . . .	0			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2007. . . . .				
<b>b</b> Excess from 2008. . . . .				
<b>c</b> Excess from 2009. . . . .				
<b>d</b> Excess from 2010. . . . .				
<b>e</b> Excess from 2011. . . . .				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

1a	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. <input type="text"/>			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	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 page 27 of the 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))

JOHN K MCKINLEY

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

**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 page 28 of the 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

MARK C MCKINLEY  
2311 CEDAR SPRINGS SUITE 405  
DALLAS, TX 75201  
(214) 922-9033

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

A LETTER DETAILING THE GOALS AND OBJECTIVES OF THE PROSPECTIVE CHARITY SHOULD BE PROVIDED TO THE FOUNDATION

c Any submission deadlines

NONE

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

NONE

**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)				
<b>a Paid during the year</b> See Additional Data Table				
<b>Total</b>			► 3a	60,510
<b>b Approved for future payment</b>				
<b>Total</b>			► 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

**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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions )
8	COLUMN E REPRESENTS THE SALE OF SECURITIES THE SECURITIES WERE SOLD
8	TO MAXIMIZE THE FOUNDATIONS RETURN ON ASSETS

**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 or**

## **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.

	Yes	No
1a(1)		No
1a(2)		No
1b(1)		No
1b(2)		No
1b(3)		No
1b(4)		No
1b(5)		No
1b(6)		No
1c		No

**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**

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

\* \* \* \* \*

2012-10-02

\* \* \* \* \*

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**Signature of officer or trustee**

Da

—  
T-17

<b>Sign Here</b> <b>Preparer's Use Only</b>		Date	Check if self-employed <input type="checkbox"/>	PTIN
Preparer's Signature 		ROBBINS TAPP COBB ASSOCIATES PLLC P01379306		
Firm's name 		ROBBINS TAPP COBB & ASSOCIATES PLLC Firm's EIN  75-2860500		
Firm's address 		600 N PEARL ST LB 146 SUITE S2270 Phone no (214) 979-2323		
Firm's address 		DALLAS, TX 75201		

May the IRS discuss this return with the preparer shown above? See Instructions . . . . .  **Yes** **No**

## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 74-2457886

**Name:** MERRYMAC-MCKINLEY FOUNDATION INC

### Form 990PF - Special Condition Description:

**Special Condition Description**

## Form 990PF Part XV Line 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)				
<b>a Paid during the year</b>				
RONALD MCDONALD HOUSE4315 OVERHILL DRIVE DALLAS, TX 75205	NONE		CHARITABLE	350
PAINÉ STEWART CUP6024 AIRLINE ROAD DALLAS, TX 75275	NONE		CHARITABLE	1,250
CLAYTON DABNEY FOUNDATION 6500 GREENVILLE AVE SUITE 342 DALLAS, TX 75206	NONE		CHARITABLE	365
PARK CITIES YMCA6000 PRESTON RD DALLAS, TX 75205	NONE		CHARITABLE	100
US LACROSSE113 WEST UNIVERSITY BALTIMORE, MD 21210	NONE		EDUCATIONAL	5,000
DALLAS MUSEUM OF ART1717 N HARWOOD DALLAS, TX 75201	NONE		EDUCATIONAL	1,825
CRYSTAL CHARITY BALL30 HIGHLAND PARK VILLAGE STE 206 DALLAS, TX 75205	NONE		CHARITABLE	2,500
DALLAS MUSEUM OF ART1717 N HARWOOD DALLAS, TX 75201	NONE		EDUCATIONAL	1,820
SHRINERS HOSPITAL2222 WELBORN STREET DALLAS, TX 75219	NONE		CHARITABLE	50
THE METROPOLITAN MUSEUM OF ART1000 FIFTH AVE NEW YORK, NY 10028	NONE		EDUCATIONAL	275
KIPPDFW3200 SOUTH LANCASTER RD STE 320-1 DALLAS, TX 75216	NONE		CHARITABLE	1,000
SOUTHERN METHODIST UNIVERSITYPAINE STEWART ENDOWMENTPO BOX 223927 DALLAS, TX 75222	NONE		CHARITABLE	5,000
WORLD WAR II VETERANS MEMORIAL2929 STANFORD DALLAS, TX 75225	NONE		EDUCATIONAL	200
WYLY COMMUNITY ART CENTERPO BOX 4707 BASALT, CO 81621	NONE		EDUCATIONAL	1,400
DALLAS CONTEMPORARY161 GLASS STREET DALLAS, TX 75207	NONE		EDUCATIONAL	16,000
TRINITY UNIVERSITYONE TRINITY PLACE SAN ANTONIO, TX 78212	NONE		EDUCATIONAL	1,000
UNIVERSITY OF ALABAMABOX 870122 TUSCALOOSA, AL 35487	NONE		EDUCATIONAL	2,000
TROY UNIVERSITYADAMS ADMINISTRATION CENTER TROY, AL 36082	NONE		EDUCATIONAL	5,000
EPISCOPAL SCHOOL OF DALLAS 4100 MERRELL ROAD DALLAS, TX 75229	NONE		EDUCATIONAL	2,000
PARSONS THE SCHOOL FOR DESIGN79 FIFTH AVE 17TH FLOOR NEW YORK, NY 10003	NONE		EDUCATIONAL	2,000
HIGHLAND PARK PRESBYTERIAN CHURCH3821 UNIVERSITY BLVD DALLAS, TX 75205	NONE		CHARITABLE	1,000
ESPISCOPAL SCHOOL OF DALLAS 4100 MERRELL ROAD DALLAS, TX 75229	NONE		EDUCATIONAL	500
NORTH TEXAS JUNIOR GOLF FOUNDATION8301 HARRY HINES BLVD DALLAS, TX 75235	NONE		EDUCATIONAL	1,350
THE COUNCIL ON ALCOHOL & DRUG ABUSE1349 EMPIRE CENTRAL DRIVE SUITE 800 DALLAS, TX 75247	NONE		CHARITABLE	200
JOHN BUNKER SANDS WETLAND CENTER655 MARTIN LANE SEAGOVILLE, TX 75159	NONE		EDUCATIONAL	500
ABILITY CONNECTION TEXAS8802 HARRY HINES BLVD DALLAS, TX 75235	NONE		CHARITABLE	1,800
THE UNIVERSITY OF ALABAMABOX 870101 G-14 ROSE ADMIN BLDG TUSCALOOSA, AL 35487	NONE		EDUCATIONAL	3,000
THE BARBARA BUSH FOUNDATION FOR FAMILY LITERACYPO BOX 131614 HOUSTON, TX 77219	NONE		EDUCATIONAL	500
TIP OF THE SPEAR4008 LOUETTA RD BOX 291 SPRING, TX 77388	NONE		CHARITABLE	2,525
<b>Total. . . . .</b>				<b>► 3a</b>
				<b>60,510</b>

## TY 2011 Accounting Fees Schedule

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC

**EIN:** 74-2457886

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL & PROFESSIONAL	3,131	0		0
CONTRACT SERVICES	850	0		0

**TY 2011 Investments Corporate  
Stock Schedule**

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC

**EIN:** 74-2457886

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
VANGUARD PRIME PORTFOLIO	1,399	0
VANGUARD LONG-TERM CORPORATE	10,305	0
VANGUARD WELLINGTON FUND	61,821	0
VANGUARD 500 INDEX FUND	12,183	0
VANGUARD U.S. GROWTH FUND INVESTOR	10,536	0
VANGUARD/WINDSOR II	157,542	0
CHEVRON TEXACO	143,695	786,509
JPMORGAN CHASE & CO.	19,740	33,250
GENERAL ELECTRIC CO.	1,130	5,373
EXXON MOBIL CORP	48,740	67,808
PHILIP MORRIS INTL, INC.	25,746	47,088
ISHARES BARCLAYS TIPS BD FD	2,086	2,334
ISHARES IBOXX \$ CORD BOND	3,368	3,398
ISHARES IBOXX INVEST GR COR FD	6,743	7,281
ISHARES JP MORGAN EM BD	2,104	2,195
ISHARES MSCI CANADA INDEX FD	978	984
ISHARES RUSSELL 1000 GR INDEX IWD	7,902	8,957
ISHARES RUSSELL 1000 VALUE IDX IWD	2,633	2,793
ISHARES RUSSELL 2000 GROWTH FD	1,911	1,853
ISHARES RUSSELL 2000 VALUE FD	813	788
ISHARES RUSSELL MIDCAP G IN FD	1,151	1,101
ISHARES RUSSELL MIDCAP V IN FD	1,058	1,126
ISHARES TR MSCI SAMLL CAP	2,663	2,468
JP MORGAN ALERIAN ML P INDEX	1,636	1,910
TEMPLETON EMG MKT INCM FD	2,968	2,927
VANGUARD EMG MKTS ETF	5,470	4,967
VANGUARD EUROPEAN ETF	3,342	3,066
VANGUARD INTERMEDIATE TERM BD	2,508	2,609
VANGUARD PACIFIC ETF VPL	2,113	1,904
VANGUARD REIT ETF	4,869	5,626

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ABERDEEN EQ LONG SHT A	3,797	3,722
FORWARD LG/SH CRED ANAL INV	3,906	3,787
IVY ASSET STRATEGY A	3,896	3,812
JP MORGAN HIBRG DYN COMM STR A	1,885	1,788
PIMCO COMM REAL RET STRAT A	2,100	1,790
RYDEX/SGI MANAGED FUT STR A	4,196	3,914
ISHARES RUSSELL 1000 GR INDEX	3,272	3,121
ISHARES RUSSELL 1000 VALUE INDEX	1,658	1,587
ISHARES RUSSELL 2000 GR FD IWC	153	168
ISHARES RUSSELL MIDCAP G IN FD IWP	1,695	1,872
SPDE SERIES TRUST DB INT GVT	2,474	2,270
TEMPLETON EMG MKT INCM FD DEL	205	187
VANGUARD DIVIDEND APPRECIATION	3,302	3,279
VANGUARD MSCI EMERGING MARKETS	151	115
VANGUARD PACIFIC ETF	930	857

## TY 2011 Investments - Other Schedule

**Name:** MERRYMAC-MCKINLEY FOUNDATION INC**EIN:** 74-2457886

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
DORCHESTER MINERALS, L.P.	AT COST	12,268	45,320

## TY 2011 Other Assets Schedule

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC**EIN:** 74-2457886

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ART	0	2,380	

## TY 2011 Other Decreases Schedule

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC**EIN:** 74-2457886

Description	Amount
FEDERAL EXCISE TAX	504

## TY 2011 Other Expenses Schedule

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC

**EIN:** 74-2457886

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK SERVICE CHARGES	189	0		0
FILING FEES	500	0		0
ADMINISTRATIVE EXPENSES	675	0		0

## TY 2011 Other Income Schedule

**Name:** MERRIMAC-MCKINLEY FOUNDATION INC**EIN:** 74-2457886

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
DORCHESTER MINERALS, L P	2,245	2,245	2,245
OTHER INCOME	144	144	144