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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

, and ending

Name of foundation <b>MCDONNELL FAMILY FOUNDATION</b>		A Employer identification number <b>84-1498562</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>8436 FOREST HAVEN</b>	Room/suite	B Telephone number <b>303-881-9747</b>
City or town, state, and ZIP code <b>PARKER, CO 80134</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>9,797,320.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

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).)		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
	3 Interest on savings and temporary cash investments	152,637.	152,637.		STATEMENT 1	
	4 Dividends and interest from securities	236,276.	236,276.		STATEMENT 2	
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain or (loss) from sale of assets not on line 10	5,991.				
	b Gross sales price for all assets on line 6a	3,412,625.				
	7 Capital gain net income (from Part IV, line 2)		5,991.			
	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	394,904.	394,904.				
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	30,004.	13,502.		16,502.	
	14 Other employee salaries and wages	38,940.	17,523.		21,417.	
	15 Pension plans, employee benefits					
	16a Legal fees					
	b Accounting fees	STMT 3	56,555.	53,621.		2,934.
	c Other professional fees					
	17 Interest					
	18 Taxes	STMT 4	10,668.	2,767.		2,901.
	19 Depreciation and depletion		498.	0.		
	20 Occupancy					
	21 Travel, conferences, and meetings					
	22 Printing and publications					
	23 Other expenses	STMT 5	20,026.	12,944.		6,360.
	24 Total operating and administrative expenses. Add lines 13 through 23		156,691.	100,357.		50,114.
	25 Contributions, gifts, grants paid		563,359.			563,359.
26 Total expenses and disbursements. Add lines 24 and 25		720,050.	100,357.		613,473.	
27 Subtract line 26 from line 12:						
a Excess of revenue over expenses and disbursements		<325,146.>				
b Net investment income (if negative, enter -0-)			294,547.			
c Adjusted net income (if negative, enter -0-)				N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		2,428,688.	2,054,921.	2,054,921.
	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 STMT 6		334,315.	334,315.	390,983.
	b	Investments - corporate stock STMT 7		3,175,447.	3,780,122.	3,764,684.
	c	Investments - corporate bonds STMT 8		2,266,224.	1,734,229.	1,963,249.
11	Investments - land, buildings, and equipment: basis ▶					
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 9		1,481,900.	1,458,339.	1,622,735.	
14	Land, buildings, and equipment: basis ▶ 1,558.					
	Less accumulated depreciation STMT 10 ▶ 810.		1,246.	748.	748.	
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		9,687,820.	9,362,674.	9,797,320.	
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 ▶ <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		9,687,820.	9,362,674.		
30	Total net assets or fund balances		9,687,820.	9,362,674.		
31	Total liabilities and net assets/fund balances		9,687,820.	9,362,674.		

## 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	9,687,820.
2	Enter amount from Part I, line 27a	2	<325,146.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	9,362,674.
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	9,362,674.

**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>1a CHARLES SCHWAB - SEE ATTACHED SCHEDULE</b>		<b>VARIOUS</b>	<b>VARIOUS</b>
<b>b CHARLES SCHWAB - SEE ATTACHED SCHEDULE</b>		<b>VARIOUS</b>	<b>VARIOUS</b>
<b>c CAPITAL GAINS DIVIDENDS</b>			
<b>d</b>			
<b>e</b>			

  

(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)
<b>a 2,424,514.</b>		<b>2,514,966.</b>	<b>&lt;90,452.&gt;</b>
<b>b 966,134.</b>		<b>891,668.</b>	<b>74,466.</b>
<b>c 21,977.</b>			<b>21,977.</b>
<b>d</b>			
<b>e</b>			

  

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))
<b>a</b>			<b>&lt;90,452.&gt;</b>
<b>b</b>			<b>74,466.</b>
<b>c</b>			<b>21,977.</b>
<b>d</b>			
<b>e</b>			

  

<b>2 Capital gain net income or (net capital loss)</b>	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;">           If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div> <div style="margin-left: 10px;"> <b>2</b> </div> </div>	<b>5,991.</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):</b> If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;">           If gain, also enter in Part I, line 8, column (c).            If (loss), enter -0- in Part I, line 8         </div> <div style="margin-left: 10px;"> <b>3</b> </div> </div>	<b>N/A</b>

**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	655,451.	9,802,623.	.066865
2009	843,873.	9,897,093.	.085265
2008	1,131,245.	14,192,933.	.079705
2007	924,486.	17,197,527.	.053757
2006	896,121.	15,654,310.	.057244

  

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>.342836</b>
<b>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</b>	<b>3</b>	<b>.068567</b>
<b>4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5</b>	<b>4</b>	<b>10,136,461.</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>695,027.</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>2,945.</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>697,972.</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>613,473.</b>

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 <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b		1	5,891.
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	5,891.
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	5,891.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	10,493.	
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	10,493.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,602.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> 4,602. Refunded <input type="checkbox"/> 0.	11	0.	

**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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CO		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>HTTP://WWW.MCDONNELLFOUNDATION.ORG/</u>	13	X	
14	The books are in care of ► <u>CAROL AMMON</u> Telephone no. ► <u>303-881-9747</u> Located at ► <u>8436 FOREST HAVEN, PARKER, CO</u> ZIP+4 ► <u>80134</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	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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	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?	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	X
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

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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

6b

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

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

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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

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
JOHN F. MCDONNELL 8436 FOREST HAVEN PARKER, CO 80134	PRESIDENT 0.00	0.	0.	0.
PATRICIA L. MCDONNELL 8436 FOREST HAVEN PARKER, CO 80134	VICE-PRESIDENT 0.00	0.	0.	0.
MATTHEW J. MCDONNELL 6311 ELLINGWOOD PT. PLACE CASTLE ROCK, CO 80108	SECRETARY/TREASURER 40.00	30,004.	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

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**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."**

[illegible]

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

0

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

<b>Part IX-B</b>	<b>Summary of Program-Related Investments</b>
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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.**

Form **990-PF** (2011)



**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	7,771,534.
b Average of monthly cash balances	1b	2,519,289.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	10,290,823.
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	10,290,823.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	154,362.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,136,461.
6 Minimum investment return. Enter 5% of line 5	6	506,823.

**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	506,823.
2a Tax on investment income for 2011 from Part VI, line 5	2a	5,891.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	5,891.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	500,932.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	500,932.
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	500,932.

**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	613,473.
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	613,473.
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	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	613,473.

**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
<b>1</b> Distributable amount for 2011 from Part XI, line 7				500,932.
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2011:				
<b>a</b> From 2006	133,807.			
<b>b</b> From 2007	129,165.			
<b>c</b> From 2008	427,446.			
<b>d</b> From 2009	352,566.			
<b>e</b> From 2010	173,053.			
<b>f</b> Total of lines 3a through e	1,216,037.			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4: ▶ \$	613,473.			
<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 instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2011 distributable amount				500,932.
<b>e</b> Remaining amount distributed out of corpus	112,541.			
<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> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	1,328,578.			
<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 instructions		0.		
<b>e</b> Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7	133,807.			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	1,194,771.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2007	129,165.			
<b>b</b> Excess from 2008	427,446.			
<b>c</b> Excess from 2009	352,566.			
<b>d</b> Excess from 2010	173,053.			
<b>e</b> Excess from 2011	112,541.			

N/A

- ☐ 4942(1)(3) or ☐ 4942(1)(5)

- [illegible]

Form **990-PF** (2011)

**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
<b>a Paid during the year</b>				
AMERICAN RED CROSS 444 SHERMAN STREET DENVER, CO 80203	NONE	501(C)(3)	CHARITABLE	45,000.
BIG HORN GOLF CLUB - BEHIND A MIRACLE 255 PALOWET DRIVE PALM DESERT, CA 92260	NONE	501(C)(3)	CHARITABLE	3,000.
CHRIST BODY MINISTRIES 850 LINCOLN STREET DENVER, CO 80203	NONE	501(C)(3)	CHARITABLE	1,000.
COLORADO THERAPEUTIC RIDING CENTER 11968 MINERAL ROAD LONGMONT, CO 80504	NONE	501(C)(3)	CHARITABLE	10,000.
FOLDS OF HONOR 5800 N. PATRIOT DRIVE OWASSO, OK 74055	NONE	501(C)(3)	CHARITABLE	1,000.
<b>Total</b> SEE CONTINUATION SHEET(S) <b>3a</b>				563,359.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b> <b>3b</b>				0.







## FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CHARLES SCHWAB	159,600.
CHARLES SCHWAB - ACCRUED INTEREST	<7,020.>
PARTNERSHIP INTEREST	57.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	152,637.

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
PARTNERSHIP DIVIDENDS	25.	0.	25.
SCHWAB	258,228.	21,977.	236,251.
TOTAL TO FM 990-PF, PART I, LN 4	258,253.	21,977.	236,276.

## FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	5,334.	2,400.		2,934.
MANAGEMENT FEES	51,221.	51,221.		0.
TO FORM 990-PF, PG 1, LN 16B	56,555.	53,621.		2,934.

## FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES	5,274.	2,373.		2,901.
FOREIGN TAX	394.	394.		0.
FEDERAL TAX	5,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	10,668.	2,767.		2,901.



FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INTERNET/WEB DESIGN	671.	302.		369.	
TELEPHONE EXPENSE	122.	55.		67.	
PAYROLL FEES	2,302.	1,036.		1,266.	
ORDINARY LOSS FROM PARTNERSHIPS	11,422.	11,422.		0.	
MISCELLANEOUS	124.	64.		61.	
NONDEDUCTIBLE EXPENSES	31.	31.		0.	
INVESTMENT EXPENSES	34.	34.		0.	
MEETINGS/STAFF PARTY/MEALS & ENTERTAINMENT	5,320.	0.		4,597.	
TO FORM 990-PF, PG 1, LN 23	20,026.	12,944.		6,360.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	6
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
US TREASURY BONDS	X		334,315.	390,983.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			334,315.	390,983.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS					
TOTAL TO FORM 990-PF, PART II, LINE 10A			334,315.	390,983.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CORPORATE STOCK	537,374.		485,588.	
MUTUAL FUNDS	3,242,748.		3,279,096.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,780,122.		3,764,684.	

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
FIXED INCOME	1,734,229.	1,963,249.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,734,229.	1,963,249.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SUMMIT WATER EQUITY FUND	COST	1,000,000.	1,004,775.
CELL>POINT LLC	COST	245,098.	250,000.
SPV FUND I	COST	165,490.	300,000.
KINDER MORGAN	COST	47,751.	67,960.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,458,339.	1,622,735.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	10
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
APPLE COMPUTER	1,558.	810.	748.
TOTAL TO FM 990-PF, PART II, LN 14	1,558.	810.	748.

**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
GLOBAL DOWN SYNDROME FOUNDATION 3300 E. FIRST AVENUE DENVER, CO 80206	NONE	501(C)(3)	CHARITABLE	56,364.
LIMB PRESERVATION FOUNDATION 1600 BROADWAY STREET, SUITE 2400 DENVER, CO 80202	NONE	501(C)(3)	CHARITABLE	51,500.
MARINE CORPS LAW ENFORCEMENT FOUNDATION 10 ROCKEFELLER PLAZA, SUITE 1007 NEW YORK, NY 10020	NONE	501(C)(3)	CHARITABLE	50,000.
MOUNT SAINT VINCENT HOME 4159 LOWELL BOULEVARD DENVER, CO 80211	NONE	501(C)(3)	CHARITABLE	15,945.
OLIVE CREST SCHOOL 52780 FREDRICK STREET COACHELLA, CA 92236	NONE	501(C)(3)	CHARITABLE	17,000.
POTTERS WHEEL 333 JEFFERSON AVENUE EVANSVILLE, IN 47713	NONE	501(C)(3)	CHARITABLE	3,500.
RED ROCKS CHURCH 7337 WEST ALASKA DRIVE, SUITE 200 LAKEWOOD, CO 80226	NONE	501(C)(3)	CHARITABLE	137,500.
ROCKY MOUNTAIN YOUTH 9197 GRANT STREET #100 THORNTON, CO 80229	NONE	501(C)(3)	CHARITABLE	15,000.
SAVE OUR YOUTH 3443 WEST 23RD AVENUE DENVER, CO 80211	NONE	501(C)(3)	CHARITABLE	20,000.
SOUTHWEST COMMUNITY CHURCH 77701 FRED WARING DRIVE INDIAN WELLS, CA 92210	NONE	501(C)(3)	CHARITABLE	5,245.
<b>Total from continuation sheets</b>				<b>503,359.</b>

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**3 Grants and Contributions Paid During the Year (Continuation)****Total from continuation sheets**

**McDonnell Family Foundation**

December 31, 2011

**Capital Gain/Loss Schedule**

Shares	Description	Date Acquired	Date Sold	Proceeds	Cost Basis	Gain/ (Loss)	Term	Income Type
125,000	Denbury Res Inc D 7 5% due 4/1/13	99/99/99	4/1/2011	125,000 00	121,033 90	3,966 10	L	Fixed
125,000	Freeport-McMoran 8 25% due 4/1/15	7/16/2009	4/1/2011	130,156 25	127,781 25	2,375 00	L	Fixed
100,000	Viacom 5 75% due 4/30/11	99/99/99	4/30/2011	100,000 00	97,341 00	2,659 00	L	Fixed
1,500	ML Cap Trust 7 28% due	8/25/1999	5/16/2011	37,640 33	35,387 50	2,252 83	L	Other Assets
100,000	Vail Resorts 6 75% due 2/15/14	7/17/2009	5/25/2011	101,125 00	99,100 00	2,025 00	L	Fixed
6,000	Proshares Short S&P 500	99/99/99	6/17/2011	253,992 74	350,417 50	(96,424 76)	L	Other Assets
100,000	Seagate Tech 6 375% due 10/1/11	5/8/2009	10/1/2011	100,000 00	94,100 00	5,900 00	L	Fixed
160,000	Artio Global High Income Fund	99/99/99	11/30/2011	1,502,350 05	1,526,599 60	(24,249 55)	L	Bond Fund
800	Visa Inc	6/18/2010	12/16/2011	74,249 41	63,205 12	11,044 29	L	Corporate Stock
				<u>2,424,513 78</u>	<u>2,514,965 87</u>	<u>(90,452 09)</u>		
200,000	Ford Motor Company 7 37% due 2/01/11	10/8/2010	2/1/2011	200,000 00	203,880 00	(3,880 00)	S	Fixed
2	PUT Apple Inc \$300 Exp 3/19/11	1/5/2011	3/19/2011	1,088 21	-	1,088 21	S	Options - Expired
85	PUT Sector SPDR Engy \$62 3/19/11	1/5/2011	3/19/2011	7,011 25	-	7,011 25	S	Options - Expired
60	PUT ISHS MSCI Emrg Mkt \$42 3/19/11	1/5/2011	3/19/2011	2,666 52	-	2,666 52	S	Options - Expired
15	PUT Mkt Vec Gold Miners \$50 3/19/11	1/7/2011	3/19/2011	1,409 91	-	1,409 91	S	Options - Expired
20	PUT SPDR Gold Trust \$129 3/19/11	1/5/2011	3/19/2011	4,082 82	-	4,082 82	S	Options - Expired
14	PUT SPDR S&P Midcap 400 \$142 3/19/11	1/5/2011	3/19/2011	1,553 30	-	1,553 30	S	Options - Expired
10	PUT Devon Energy Corp \$70 4/16/11	1/5/2011	4/16/2011	1,326 95	-	1,326 95	S	Options - Expired
20	PUT Freeport-McMoran \$37 5/21/11	1/5/2011	5/21/2011	1,076 94	-	1,076 94	S	Options - Expired
8	CALL Visa Inc \$80 6/18/11	2/11/2011	6/18/2011	2,043 74	-	2,043 74	S	Options - Expired
20	PUT freeport-McMoran \$42 6/18/11	5/13/2001	6/18/2011	982 87	-	982 87	S	Options - Expired
85	PUT Sector SPDR Engy \$68 6/18/11	5/11/2011	6/18/2011	5,821 26	-	5,821 26	S	Options - Expired
9	PUT Kinder Morgan Egy \$67 50 6/18/11	5/17/2011	6/18/2011	788 36	-	788 36	S	Options - Expired
1	PUT Kinder Morgan Egy \$72 50 6/18/11	5/12/2011	6/18/2011	158 40	-	158 40	S	Options - Expired
15	PUT Mkt Vec Gold Miners \$50 6/18/11	5/5/2011	6/18/2011	1,319 90	-	1,319 90	S	Options - Expired
17	PUT Enerplus Corp \$28 7/16/11	4/12/2011	7/16/2011	1,242 09	-	1,242 09	S	Options - Expired
10	PUT Devon Energy Corp \$75 7/16/11	4/19/2011	7/16/2011	1,036 99	-	1,036 99	S	Options - Expired
60	PUT Ishs MSCI Emrg Mkt \$44 7/16/11	5/13/2011	7/16/2011	6,026 45	-	6,026 45	S	Options - Expired
33	PUT Ishares Silver Trust \$28 7/16/11	5/11/2011	7/16/2011	2,419 53	-	2,419 53	S	Options - Expired
8	CALL Visa Inc \$80 8/20/11	6/23/2011	8/20/2011	1,323 72	-	1,323 72	S	Options - Expired
15	PUT Mkt Vec Gold Miners \$50 8/20/11	6/23/2011	8/20/2011	2,129 83	-	2,129 83	S	Options - Expired
33	PUT Ishares Silver Trust \$30 10/22/11	8/4/2011	10/22/2011	1,594 55	-	1,594 55	S	Options - Expired
50	CALL Sector SPDR Engy \$75 12/17/11	8/22/2011	10/26/2011	5,970 53	4,629 36	1,341 17	S	Options - Expired
18	CALL SPDR S&P Midcap 400 \$170 12/17/11	8/26/2011	10/26/2011	3,565 64	4,248 09	(682 45)	S	Options - Expired
5,000	Sector SPDR Engy Select Shares of Benefic	8/19/2011	10/26/2011	341,852 99	332,138 66	9,714 33	S	Other Assets
1,800	SPDR S&P Midcap 400	8/19/2011	10/26/2011	283,802 58	284,065 39	(262 81)	S	Other Assets
20	CALL Freeport-McMoran \$48 11/19/11	8/22/2011	11/19/2011	3,626 82	-	3,626 82	S	Options - Expired
2	PUT Apple Inc \$345 11/19/11	10/4/2011	11/19/2011	3,158 19	-	3,158 19	S	Options - Expired
30	PUT Ishs MSCI Emrg Mkt \$30 11/19/11	10/4/2011	11/19/2011	4,208 71	-	4,208 71	S	Options - Expired
7	PUT SPDR Gold Trust \$145 11/19/11	10/4/2011	11/19/2011	2,298 15	-	2,298 15	S	Options - Expired
9	PUT SPDR Midcap 400 \$125 11/19/11	10/4/2011	11/19/2011	4,487 29	-	4,487 29	S	Options - Expired
2,000	Ishares Silver Trust Index Fund	11/18/2011	11/22/2011	63,809 82	62,706 09	1,103 73	S	Options - Expired
15	PUT Mkt Vec Gold Miners \$50 12/17/11	8/22/2011	12/17/2011	2,249 89	-	2,249 89	S	Options - Expired
				<u>966,134 20</u>	<u>891,667 59</u>	<u>74,466 61</u>		