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**Part II** Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .	(4,530)	(1,799)	(1,799)
	2 Savings and temporary cash investments . . . . .	21,719	32,231	32,231
	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 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) . . . . . STM137	582,773	593,873	1,365,433
	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) . . . . . STM118	12,268	9,995	40,656	
14 Land, buildings, and equipment basis ▶ . . . . .				
Less accumulated depreciation (attach schedule) ▶ . . . . .				
15 Other assets (describe ▶ . . . . . STM120)	2,380	2,380		
16 <b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	614,610	636,680	1,436,521	
<b>Liabilities</b>	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 <b>Total liabilities</b> (add lines 17 through 22) . . . . .	0	0	
<b>Net Assets or Fund Balances</b>	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 . . . . .			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds	614,610	636,680	
30 <b>Total net assets or fund balances</b> (see instructions) . . . . .	614,610	636,680		
31 <b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	614,610	636,680		

**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	614,610
2 Enter amount from Part I, line 27a . . . . .	2	23,476
3 Other increases not included in line 2 (itemize) ▶ . . . . .	3	
4 Add lines 1, 2, and 3 . . . . .	4	638,086
5 Decreases not included in line 2 (itemize) ▶ . . . . . STM116	5	1,406
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	636,680

**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 (yr., mo., day)	(d) Date sold (yr., mo., day)
1a	STOCKS MORGAN STANLEY	P	2010-06-30	2012-06-30
b	STOCKS MORGAN STANLEY 30062	P	2012-03-31	2012-06-30
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 83,442		58,213	25,229
b 13,308		13,110	198
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			25,229
b			198
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	25,427
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	198

**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 (col. (b) divided by col. (c))
2011	59,827	1,178,217	0.050778
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

2 Total of line 1, column (d)	2	0.225028
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	0.045006
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,132,794
5 Multiply line 4 by line 3	5	50,983
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	669
7 Add lines 5 and 6	7	51,652
8 Enter qualifying distributions from Part XII, line 4	8	

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(c), 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	1,339
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	1,339
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5	1,339
6	<b>Credits/Payments</b>		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 . . . . .	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	<b>Total credits and payments.</b> Add lines 6a through 6d . . . . .	7	
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	1,339
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 2013 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/> . . . . .	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		X
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)? . . . . . 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
c Did the foundation file <b>Form 1120-POL</b> 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"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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 <b>Form 990-T</b> for this year? . . . . .		
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"/> <div style="text-align: center;">NY</div>		
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 2012 or the taxable year beginning in 2012 (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

**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 <b>▶ N/A</b>				
14	The books are in care of <b>▶ VICKI SMITH</b> Telephone no. <b>▶ 214-922-9033</b> Located at <b>▶ 2311 CEDAR SPRINGS RD STE 405 Dallas, TX</b> ZIP+4 <b>▶ 75201</b>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here <b>▶</b> <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <b>▶ 15</b>			
16	At any time during calendar year 2012, 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 <b>▶</b>				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)? <input type="checkbox"/>	1b	
Organizations relying on a current notice regarding disaster assistance check here <b>▶</b> <input type="checkbox"/>		
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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>▶</b> _____, _____, _____, _____		
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.)	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 <b>▶</b> _____, _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2012 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 2012)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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

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

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

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

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

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

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

**b** If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No  
Organizations relying on a current notice regarding disaster assistance check here ☐

**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No  
If "Yes," attach the statement required by Regulations section 53.4945-5(d).

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

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No  
If "Yes" to 6b, file Form 8870.

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

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

**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
JOHN K MCKINLEY 2311 CEDAR SPRINGS ROAD, TX 75201	DIRECTOR 1	0	0	0
MARK C MCKINLEY 2311 CEDAR SPRINGS ROAD, TX 75201	PRESIDENT DIREC 3	0	0	0
KARLA MCKINLEY 2311 CEDAR SPRINGS ROAD, TX 75201	TREASURER 2	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		▶

**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	
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 NONE	
2	0
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	▶

**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	1,128,892
b	Average of monthly cash balances	1b	21,153
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,150,045
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,150,045
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	17,251
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,132,794
6	Minimum investment return. Enter 5% of line 5	6	56,640

**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	56,640
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,339
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,339
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	55,301
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	55,301
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	55,301

**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	0
b	Program-related investments - total from Part IX-B	1b	
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	
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	

**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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7 . . . . .				55,301
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only . . . . .				
b Total for prior years . . . . .				
3 Excess distributions carryover, if any, to 2012:				
a From 2007 . . . . .				
b From 2008 . . . . .				
c From 2009 . . . . .				
d From 2010 . . . . .				
e From 2011 . . . . .				24,598
f Total of lines 3a through e . . . . .	24,598			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ . . . . .				
a Applied to 2011, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2012 distributable amount . . . . .				
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2012 . . . . .	24,598			24,598
(If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .				
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
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 . . . . .				
d Subtract line 6c from line 6b. Taxable amount - see instructions . . . . .				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions . . . . .				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 . . . . .				30,703
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .				
10 Analysis of line 9				
a Excess from 2008 . . . . .				
b Excess from 2009 . . . . .				
c Excess from 2010 . . . . .				
d Excess from 2011 . . . . .				
e Excess from 2012 . . . . .				

**Part XIV Private Operating Foundations** (see 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 2012, enter the date of the ruling . . . . .

**b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009
<b>b</b> 85% of line 2a . . . . .				
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .				
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .				
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .				
<b>3</b> Complete 3a, b, or c for the alternative test relied upon.				
<b>a</b> "Assets" alternative test - enter:				
(1) Value of all assets . . . . .				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .				
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .				
<b>c</b> "Support" alternative test - enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .				
(3) Largest amount of support from an exempt organization . . . . .				
(4) Gross investment income . . . . .				

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2).)

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.

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 or e-mail of the person to whom applications should be addressed.

990APP

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

**c** Any submission deadlines:

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

**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
TEXAS VFW FOUNDATION P O BOX 36023 Dallas TX 75235-1023	NONE		CHARITABLE	50
HELLA SHRINE CIRCUS P O BOX 801465 Dallas TX 75380	NONE		CHARITABLE	50
HIGHLAND PARK PRESBYTERIAN CHU 3821 UNIVERSITY BLVD Dallas TX 75205	NONE		CHARITABLE	1,000
U S LACROSSE ASSN 113 WEST UNIVERSITY Baltimore MD 21210	NONE		CHARITABLE	5,000
CHILD and FAMILY GUIDANCE CENTER 89185 HARRY HINES BLVD Dallas TX 75235	NONE		CHARITABLE	500
CLAYTON DABNEY FOUNDATION 6500 GREENVILLE AVE SUITE 342 Dallas TX 75206	NONE		CHARITABLE	250
DALLAS MUSEUM OF ART 1717 N HARWOOD Dallas TX 75201	NONE		CHARITABLE	2,000
LA FIESTA DE LAS SEIS BANDERAS 3419 WESTMINSTER SUITE 289 Dallas TX 75205-1387	NONE		CHARITABLE	500
Total . . . . . ► 3a				
b Approved for future payment				
Total . . . . . ► 3b				

**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
PAYNE STEWART CUP 6024 AIRLINE ROAD Dallas TX 75275	NONE		CHARITABLE	1,250
THE ELISA PROJECT 3102 OAK LAWN AVE SUITE 520 Dallas TX 75219	NONE		CHARITABLE	150
SMU PAYNE STEWART GOLF LRN CTR P O BOX 223927 Dallas TX 75222	NONE		CHARITABLE	5,000
DALLAS CONTEMPORARY 161 GLASS STREET Dallas TX 75207	NONE		EDUCATIONAL	5,000
THE TRANSVERSE MYELITIS ASSN 1787 SUTTER PARKWAY Powell OH 43065-8806	NONE		CHARITABLE	1,000
CYSTIC FIBROSIS FOUNDATION 3102 MAPLE AVE SUITE 120 Dallas TX 75201	NONE		CHARITABLE	250
THE SWEETHEART BALL 3640 BEVERLY DRIVE Dallas TX 75205	NONE		CHARITABLE	500
FRIENDS OF CHILDREN AT IHC 5600 ROSS AVE Dallas TX 75206	NONE		CHARITABLE	1,000
<b>Total</b>			<b>3a</b>	
b Approved for future payment				
<b>Total</b>			<b>3b</b>	

**Part XV** Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
TROY UNIVERSITY ADAMS ADMINISTRATION CENTER Troy AL 36082	NONE		EDUCATIONAL	5,000
EPISCOPAL SCHOOL OF DALLAS 4100 MERRELL ROAD Dallas TX 75229	NONE		EDUCATIONAL	3,000
PARSONS PARENT FUND 79 5TH AVE FL 17 New York NY 10211-1041	NONE		EDUCATIONAL	2,000
THE CRYSTAL CHARITY BALL 30 HIGH LABND PARK VILLAGE 206 Dallas TX 75205	NONE		CHARITABLE	1,000
UNIVERSITY OF ALABAMA BOX 870122 Tuscaloosa AL 35487	NONE		EDUCATIONAL	2,000
UNIVERSITY OF ALABAMA PRES CAB BOX 870101 G 14 ROSE ADMIN BLD Tuscaloosa AL 35487	NONE		EDUCATIONAL	3,000
<b>Total</b>			<b>3a</b>	<b>39,500</b>
b Approved for future payment				
<b>Total</b>			<b>3b</b>	





## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

HERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part 1, Line 23 - Other Expenses Schedule

Statement #103

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
OFFICE EXPENSE	65	0	0	0
MISCELLANEOUS	7	0	0	0
BANK CHARGES	148	0	0	0
FILING FEES	250	0	0	0
MANAGEMENT FEES	4,058	0	0	0
Totals	4,528	0	0	0

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

MERRYMAC MCKINLEY FOUNDATION INC

Employer Identification Number

74-2457886

Statement #106

Form 990PF, Part I, Line 11 - Other Income Schedule

Description	Revenue and expenses	Net investment	Adjusted net income
OTHER INCOME	123	0	0
PARTNERSHIP INCOME DORCHESTER	2,338	0	0
Totals	2,461	0	0

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

HERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Statement #108

Form 990PF, Part I, Line 16(b) - Accounting Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
ROBBINS TAPP COBB & ASSOCIATES	1,890	0	0	0
Totals	1,890	0	0	0

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part III, Line 5  
Other Decreases Schedule

Statement #116

FEDERAL EXCISE TAX

1,406

Total

1,406

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part II, Line 13  
Investments: Other Schedule

Statement #118

<u>Category</u>	<u>Book value (BOY)</u>	<u>Book value (EOY)</u>	<u>FMV (EOY)</u>
DORCHESTER MINERALS LP	<u>12,268</u>	<u>9,995</u>	<u>40,656</u>
Total	<u>12,268</u>	<u>9,995</u>	<u>40,656</u>

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part II, Line 15  
Other Assets Schedule

Statement #120

<u>Description</u>	<u>BOY Book</u>	<u>EOY Book</u>	<u>FMV</u>
ART	<u>2,380</u>	<u>2,380</u>	
Total	<u>2,380</u>	<u>2,380</u>	

## Federal Supporting Statements

2012 PG 02

Name(s) as shown on return

Employer Identification Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part II, Line 10(b)  
Investments: Corporate Stock Schedule

Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
VANGUARD LONG TERM CORPORATE	10,305	11,055	13,594
VANGUARD WELLINGTON FUND	61,821	65,293	84,410
VANGUARD 500 INDEX FUND	12,183	12,556	17,369
VANGUARD US GROWTH FD INVESTOR	10,536	10,624	16,369
VANGUARD WINDSOR II	157,542	161,926	186,203
Totals	582,773	593,873	1,365,433

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Employer Identification Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part II, Line 10(b)  
Investments: Corporate Stock Schedule

Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
CHEVRON TEXACO	143,695	143,695	799,371
JP MORGAN CHASE CO	19,740	34,479	43,969
GENERAL ELECTRIC CO	1,130		
EXXON MOBIL CORP	48,740	38,992	55,392
PHILLIP MORRIS INTL INC	25,746	12,177	39,729
ISHARES BARCLAYS TIPS DB FD	2,086	1,517	1,700
ISHARES IBOXX \$ CORP BD	3,368	1,062	1,120
ISHARES IBOXX INVEST GR COR FD	6,743	4,619	5,324
ISHARES JP MORGAN EM BD	2,104	2,345	2,701
ISHARES MSCI CANADA INDEX FD	978	1,007	1,079
ISHARES RUSSELL 1000 GR INDEX	7,902	10,675	12,050
ISHARES RUSSELL 1000 VALUE IDX	2,633	6,884	7,573
ISHARES RUSSELL 2000 GWTH FD	1,911	3,190	3,241
ISHARES RUSSELL 2000 VALUE FD	813	3,175	3,322
ISHARES RUSSELL MIDCAP G IN FD	1,151	1,098	1,130
ISHARES RUSSELL MIDCAP V IN FD	1,058	1,007	1,105
ISHARES TR MSCI SAML CAP	2,663	2,059	2,239
JP MORGAN ALERIAN MLP INDEX	1,636	1,087	1,038
TEMPLETON EMG MKT INC FD	2,968	2,502	2,700
VANGUARD EMG MKTS ETF	5,470		
VANGUARD EUROPEAN ETF	3,342	8,471	8,889
VANGUARD INTERMEDIATE TERM BD	2,508	6,247	6,266
VANGUARD PACIFIC ETF VPL	2,113	2,123	2,189
VANGUARD REIT ETF	4,869	3,845	4,474
ABERDEEN EQ LONG SHT A	3,797		
FORWARD LG SH CREDIT ANAL INV	3,906	3,693	3,888
IVY ASSET STRATEGY I	3,896	3,609	4,078
JP MORGAN HIBRG DYN COMM STR	1,885	1,193	988
PIMCO COMM REAL RET STRAT A	2,100		
RYDEX SGI MANAGED FUT STR A	4,196		
ISHARES RUSSELL 1000 GR INDEX	3,272		
ISHARES RUSSELL 1000 VAL INDEX	1,658		
ISHARES RUSSELL 2000 GR FD IWC	153		
ISHARES RUSSELL MIDCAP G IN FD	1,695		
SPDR SERIES TRUST DB INT GVT	2,474	1,611	1,652
TEMPLETON EMG MKT INC FD DEL	205		
VANGUARD DIVIDEND APPRECIATION	3,302		
VANGUARD MSCI EMERGING MKTS	151	5,600	5,700
VANGUARD PACIFIC ETF	930		
PIMCO TOTAL RETURN ETF		9,545	9,487
BLACKROCK EMRG MKT LS EQ INST		5,312	5,356
MAINSTAY HIGH YIELD OPPORT I		3,137	3,305
MAINSTAY MARKETFIELD I		3,951	3,986
PIMCO COMMOD REAL RET STRATP		1,113	1,048
VANGUARD PRIME PORTFOLLIO	1,399	1,399	1,399

## Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Your Social Security Number

MERRYMAC MCKINLEY FOUNDATION INC

74-2457886

Form 990PF, Part XV, Line 2  
Application Submission Information

990APP

Grant ProgramApplicant Name

MARK C MCKINLEY

Address

2311 CEDAR SPRINGS STE 405 Dallas TX 75201

Telephone

214-922-9033

Email AddressForm & Content

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

Submission Deadline

NONE

Restrictions on Award

NONE

# Federal Supporting Statements

2012 PG 01

Employer Identification Number  
74-2457886

Name(s) as shown on return

HERRYMAC MCKINLEY FOUNDATION INC

Form 990PF, Part I, Line 25 - Subsidiary Schedule

Subsidiary Statement

Description	Revenue and expenses	Net Investment	Adjusted net income	Charitable purpose
VFWF	50	0	0	0
HELLA SHRINE CIRCUS	50	0	0	0
HIGHLAND PARK PRESBYTERIAN CHU	1,000	0	0	0
US LACROSSE ASSN	5,000	0	0	0
CHILD & FAMILY GUIDANCE CTR	500	0	0	0
CLAYTON DABNEY FOUNDATION	250	0	0	0
DALLAS MUSEUM OF ART	2,000	0	0	0
LA FIESTA DE LAS SEIS BANDERAS	500	0	0	0
PAYNE STEWART CUP	1,250	0	0	0
THE ELISA PROJECT	150	0	0	0
SMU PAYNE STEWART GOLD LRN CTR	5,000	0	0	0
DALLAS CONTEMPORARY	5,000	0	0	0
THE TRANSVERSE MYELITIS ASSN	1,000	0	0	0
CYSTIC FIBROSIS FOUNDATION	250	0	0	0
FRIENDS OF CHILDREN AT IHC	1,000	0	0	0
THE SWEETHEART BALL	500	0	0	0
TROY UNIVERSITY	5,000	0	0	0
EPISCOPAL SCHOOL OF DALLAS	3,000	0	0	0
PARSONS PARENT FUND	2,000	0	0	0
THE CRYSTAL CHARITY BALL	1,000	0	0	0
UNIVERSITY OF ALABAMA	2,000	0	0	0
UNIVERSITY OF ALA PRES CABINET	3,000	0	0	0
Totals	39,500	0	0	0