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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

OMB No 1545-0052

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation MCDANIEL CHARITABLE FOUNDATION		A Employer identification number 76-0538313
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 2968	Room/suite	B Telephone number (409) 942-2940
City or town, state, and ZIP code TEXAS CITY, TX 77592		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 7,550,582. (Part I, column (d) must be on cash basis.)		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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	248,017.		N/A	
	2 Check ☐ If the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	25.	25.		STATEMENT 1
	4 Dividends and interest from securities	174,817.	174,817.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	5b Net gain or (loss) from sale of assets not on line 10	160,819.			
	Gross sales price for all assets on line 5a	27,874,039.			
	7 Capital gain net income (from Part IV, line 2)		160,819.		
	8 Net short-term capital gain				
Operating and Administrative Expenses	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	15,724.	15,584.		STATEMENT 3
	12 Total. Add lines 1 through 11	599,402.	351,245.		
	13 Compensation of officers, directors, trustees, etc.	97,000.	24,250.		72,750.
	14 Other employee salaries and wages	223,570.	0.		223,570.
	15 Pension plans, employee benefits	92,504.	8,188.		92,504.
	16a Legal fees	397.	397.		0.
	b Accounting fees				
	c Other professional fees				
	17 Interest	261.	261.		1.
	18 Taxes	272.	0.		0.
	19 Depreciation and depletion	61,122.	0.		
	20 Occupancy	12,647.	3,162.		9,484.
	21 Travel, conferences, and meetings				
22 Printing and publications					
23 Other expenses	243,502.	31,457.		212,043.	
24 Total operating and administrative expenses. Add lines 13 through 23	731,275.	67,715.		610,352.	
25 Contributions, gifts, grants paid	689,600.			689,600.	
26 Total expenses and disbursements. Add lines 24 and 25	1,420,875.	67,715.		1,299,952.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-821,473.				
b Net investment income (if negative, enter -0-)		283,530.			
c Adjusted net income (if negative, enter -0-)			N/A		

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LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2012)

SCANNED NOV 21 2013

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	269,045.	139,877.	139,877.
	2 Savings and temporary cash investments	3,301,993.	3,790,350.	3,790,350.
	3 Accounts receivable ▶ 52,585.			
	Less: allowance for doubtful accounts ▶	50,000.	52,585.	52,585.
	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	17,004.	11,349.	11,349.
	10a Investments - U.S. and state government obligations STMT 9	68,360.	413,124.	413,124.
	b Investments - corporate stock STMT 10	0.	447,784.	447,784.
	c Investments - corporate bonds STMT 11	3,859,693.	1,474,007.	1,474,007.
	11 Investments - land, buildings, and equipment basis ▶ 190,860.			
Less: accumulated depreciation ▶	190,860.	190,860.	190,860.	
12 Investments - mortgage loans				
13 Investments - other STMT 12	0.	81,312.	81,312.	
14 Land, buildings, and equipment: basis ▶ 1,202,214.				
Less: accumulated depreciation STMT 8 ▶ 252,880.	1,003,313.	949,334.	949,334.	
16 Other assets (describe ▶)				
18 Total assets (to be completed by all filers)	8,760,268.	7,550,582.	7,550,582.	
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 ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	8,760,268.	7,550,582.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances	8,760,268.	7,550,582.		
31 Total liabilities and net assets/fund balances	8,760,268.	7,550,582.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	8,760,268.
2 Enter amount from Part I, line 27a	2	-821,473.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7,938,795.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 7	5	388,213.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,550,582.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENTS			
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			
b			
c			
d			
e 27,874,039.		27,713,220.	160,819.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			160,819.

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	160,819.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see 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	932,150.	4,022,613.	.231727
2010	2,360,367.	4,214,540.	.560053
2009	1,366,613.	5,262,313.	.259698
2008	1,395,799.	7,546,352.	.184963
2007	842,384.	9,496,307.	.088706

2 Total of line 1, column (d)	2	1.325147
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	.265029
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	8,198,419.
5 Multiply line 4 by line 3	5	2,172,819.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,835.
7 Add lines 5 and 6	7	2,175,654.
8 Enter qualifying distributions from Part XII, line 4	8	1,299,952.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	5,671.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ 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	5,671.
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	5,671.
4 Subtitle A (Income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
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 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		6.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		5,677.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be credited to 2013 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b 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
c 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. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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?		N/A
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) ☐ TX		
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? Website address HTTP://MCDANIELCHARITABLEFOUNDATION.ORG/	13	X	
14	The books are in care of MARK A. LYONS Telephone no. (409) 942-2940 Located at PO BOX 2968, TEXAS CITY, TX ZIP+4 77592			
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 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? 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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? ☐	1b	X
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(i)(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? ☐ Yes ☒ No If "Yes," list the years N/A	2a	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No	3a	
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.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? ☐ 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 fall to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations 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 ☐ NoIf "Yes," attach the statement required by Regulations section 53.4945-5(d). **N/A****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 **N/A****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation.

(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
SEE STATEMENT 13		97,000.	23,513.	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
BRETT FALTERMAN	RESEARCH PROGRAM DIRECTOR			
2012 MISSION DRIVE, KEMAH, TX 77565	40.00	99,992.	14,255.	0.
STEPHEN VASEK - 602 OYSTERCREEK DRIVE, RICHWOOD, TX 77531	40.00	55,162.	14,249.	0.
JULIE BARNETT - 3219 RIPPLING FALLS LANE, DICKINSON, TX 77539	40.00	45,000.	7,080.	0.

Total number of other employees paid over \$50,000 ☐ **0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 SEE ATTACHED STATEMENT	
	462,375.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 0.

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	3,883,595.
b	Average of monthly cash balances	1b	3,235,544.
c	Fair market value of all other assets	1c	1,204,129.
d	Total (add lines 1a, b, and c)	1d	8,323,268.
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	8,323,268.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	124,849.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,198,419.
6	Minimum investment return. Enter 5% of line 5	6	409,921.

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	409,921.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	5,671.
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,671.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	404,250.
4	Recoveries of amounts treated as qualifying distributions	4	62.
5	Add lines 3 and 4	5	404,312.
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	404,312.

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	1,299,952.
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	1,299,952.
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	1,299,952.

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				404,312.
2 Undistributed Income, if any, as of the end of 2012:				
a Enter amount for 2011 only			0.	
b Total for prior years.		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	325,012.			
b From 2008	1,020,749.			
c From 2009	1,103,651.			
d From 2010	2,149,640.			
e From 2011	731,291.			
f Total of lines 3a through e	5,330,343.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 1,299,952.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				404,312.
e Remaining amount distributed out of corpus	895,640.			
5 Excess distributions carryover applied to 2012 (if an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	6,225,983.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	325,012.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	5,900,971.			
10 Analysis of line 9				
a Excess from 2008	1,020,749.			
b Excess from 2009	1,103,651.			
c Excess from 2010	2,149,640.			
d Excess from 2011	731,291.			
e Excess from 2012	895,640.			

Part XIV Private Operating Foundations (see Instructions and Part VII-A, question 9)

N/A

- 1** **a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling [redacted]
- b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

[illegible]

- 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**

- o 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(i)(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(i)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization

- (4) Gross investment income

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

- ### 1 Information Regarding Foundation Managers:

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

NONE

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a. The name, address, and telephone number or e-mail of the person to whom applications should be addressed:**

SEE STATEMENT 14

- 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				
SEE ATTACHED STATEMENT	NONE			689,600.
Total			3a	689,600.
b Approved for future payment				
NONE				
Total			3b	0.

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? | | Yes | No |
|---|-----------|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | | |
| (1) Cash | 1a(1) | | X |
| (2) Other assets | 1a(2) | | X |
| b Other transactions: | | | |
| (1) Sales of assets to a noncharitable exempt organization | 1b(1) | | X |
| (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | | X |
| (3) Rental of facilities, equipment, or other assets | 1b(3) | | X |
| (4) Reimbursement arrangements | 1b(4) | | X |
| (5) Loans or loan guarantees | 1b(5) | | X |
| (6) Performance of services or membership or fundraising solicitations | 1b(6) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |

[illegible]

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

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

Title

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

☒ Yes ☐ No

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name _____

HARRY D. MAXWELL,
JR.

Preparer's signature

Date _____

Check ☐ if self-employed

PTIN

Firm's name ► **HEAD, MAXWELL & MCKENNA, P.C.**

Firm's EIN ▶ 76-0354302

Firm's address ► 2200 MARKET STREET, SUITE 401
GALVESTON, TX 77550

Phone no. (409) 763-6479

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization

Employer identification number

MCDANIEL CHARITABLE FOUNDATION

76-0538313

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ... ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

MCDANIEL CHARITABLE FOUNDATION

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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF LOLA H MCDANIEL 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	\$ 248,017.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

MCDANIEL CHARITABLE FOUNDATION

76-0538313

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization	Employer identification number
MCDANIEL CHARITABLE FOUNDATION	76-0538313

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

MCDANIEL CHARITABLE FOUNDATION
2012 FORM 990-PF
EIN 76-0538313
PART IX-A, SUMMARY OF DIRECT CHARITABLE ACTIVITIES

IN EARLY 2010 THE MCDANIEL CHARITABLE FOUNDATION'S (MCF) PELAGIC FISHERIES PROGRAM (PFP) COMPLETED A THREE YEAR RESEARCH AGREEMENT WITH TEXAS A&M UNIVERSITY GALVESTON (TAMUG) ENTITLED "ECOLOGY AND STOCK STRUCTURE OF BILLFISHES IN THE GULF OF MEXICO." THIS RESEARCH WAS CONDUCTED BY DR. JAY ROOKER OF TAMUG'S MARINE BIOLOGY DEPARTMENT. THE RESEARCH WAS FULLY SUPPORTED BY MONETARY GRANTS FROM MCF AND MCF EMPLOYEES ACTIVELY PARTICIPATED IN THE CONDUCT OF RESEARCH. FIVE JOURNAL ARTICLES FOCUSED ON THE BEHAVIOR AND ECOLOGY OF BILLFISHES IN THE GULF OF MEXICO WERE PUBLISHED IN PEER-REVIEWED JOURNALS AS A DIRECT RESULT OF THIS RESEARCH AGREEMENT BETWEEN MCF AND TAMUG (SEE APPENDIX 1).

RESEARCH EFFORTS IN THE NORTHERN GULF OF MEXICO WERE SEVERELY COMPROMISED DURING THE SUMMER OF 2010 DUE TO THE BP OIL SPILL. THE RESULTING FISHERIES CLOSURE PRECLUDED ALMOST ALL ADULT TAGGING EFFORTS. HOWEVER, PELAGIC LARVAL SAMPLING CRUISES WERE CONDUCTED ON SCHEDULE AND SHOULD PROVIDE AN INVALUABLE RESOURCE FOR FUTURE STUDIES ON LARVAL ABUNDANCE AND OIL SPILL RELATED EFFECTS IN THE GULF OF MEXICO.

A NEW THREE YEAR AGREEMENT WAS ENACTED ON MAY 1, 2010, IN ORDER TO CONTINUE THE NOVEL RESEARCH CONDUCTED BY DR. ROOKER AT TAMUG IN PARTNERSHIP WITH MCF'S PFP FOCUSED ON PELAGIC FISHES IN THE GULF OF MEXICO. THE CURRENT AGREEMENT, ENTITLED, "OCCURRENCE AND ABUNDANCE OF BILLFISHES IN THE GULF OF MEXICO," SEEKS TO CONTINUE AND ENHANCE THE RESEARCH THEMES OF THE PREVIOUS PROJECT THROUGH APRIL 2013. SPECIFICALLY, ADULT BILLFISH TAGGING EFFORTS WILL FOCUS ON LONG-TERM PSAT DEPLOYMENTS AND USE OF SPOT TAGS TO RESOLVE FIN-SCALE HABITAT PREFERENCE. THE RENEWED RESEARCH AGREEMENT ALSO CONTINUES THE WORK ON THE EARLY LIFE HISTORY OF BILLFISHES IN THE FORM OF CONTINUED RESEARCH CRUISES AS WELL AS ADDING A VERTICAL COMPONENT TO THE PELAGIC SAMPLING GEAR WITH AN EMPHASIS ON THE USE OF BACK-TRACKING MODELS TO DETERMINE HOT SPOTS FOR BILLFISH SPAWNING IN THE GULF OF MEXICO.

MCF SUPPORTED THE RESEARCH WITH \$209,600 IN CASH GRANTS TO TAMUG AND \$462,375 IN DIRECT EXPENSES OF OPERATING THE RESEARCH VESSEL AND PROGRAM SUPPORT.

MCDANIEL CHARITABLE FOUNDATION

2012 FORM 990-PF

EIN 76-0538313

PART IX-A, SUMMARY OF DIRECT CHARITABLE ACTIVITIES

APPENDIX 1

HOOLIHAN, JP ET AL. (2011) EVALUATING POST-RELEASE BEHAVIOR MODIFICATION IN LARGE PELAGIC FISH DEPLOYED WITH POP-UP SATELLITE ARCHIVAL TAGS. ICES JOURNAL OF MARINE SCIENCE, IN PRESS.

KRAUS, RT, WELLS, RJ, AND ROOKER, JR (2011) HORIZONTAL MOVEMENTS OF ATLANTIC BLUE MARLIN (MAKAIRA NIGRICANS) IN THE GULF OF MEXICO. MARINE BIOLOGY, IN PRESS.

SIMMS, JR, ROOKER JR, HOLT SA, MINELLO TJ. (2010) DISTRIBUTION, GROWTH, AND MORTALITY OF SAILFISH, ISTIOPHORUS PLATYPTERUS, LARVAE IN THE NORTHERN GULF OF MEXICO. FISHERIES BULLETIN, 108:478-490.

WELLS RJ, ROOKER JR, PRINCE ED (2010) REGIONAL VARIATION IN THE OTOLITH CHEMISTRY OF THE BLUE MARLIN (MAKAIRA NIGRICANS) AND WHITE MARLIN (TETRAPTERUS ALBIDUS) FROM THE WESTERN NORTH ATLANTIC OCEAN. FISHERIES RESEARCH, 106:430-435.

KRAUS, RT AND ROOKER, JR (2007) PATTERNS OF VERTICAL HABITAT USE BY ATLANTIC BLUE MARLIN (MAKAIRA NIGRICANS) IN THE GULF OF MEXICO. GULF AND CARIBBEAN RESEARCH, 19:89-97.

MCDANIEL CHARITABLE FOUNDATION
2012 FORM 990-PF
EIN 76-0538313
PART XV, LINE 3 GRANTS PAID DURING THE YEAR

FOUNDATION					
RECIPIENT NAME	RECIPIENT ADDRESS	RELATIONSHIP	STATUS	PURPOSE	AMOUNT
Aoughsten, Erin	9E Cullen Bldg Rm 31 Houston, TX 77204-2010	None	n/a	Scholarship	2,000.00
Aoughsten, Mamie	P.O. Box 7758, UT Station Austin, TX 78713-7758	None	n/a	Scholarship	2,000.00
Baker, Alex	601 University Dr. San Marcos, TX 78666	None	n/a	Scholarship	2,000.00
Bell Jr., Terry	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	1,000.00
Bulpitt, Kyle	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	3,000.00
Cochrane, Katy	P.O. Box 40005 College Station, TX 77842	None	n/a	Scholarship	1,000.00
Craft, Devon	P.O. Box 2273 Huntsville, TX 77341	None	n/a	Scholarship	1,000.00
Damrath, Patrick	2700 Bay Area Blvd./MC 05 Houston, TX 77058-1098	None	n/a	Scholarship	2,000.00
Dickerson, Nakeitha	1200 Amburn Rd. Texas City, TX 77591	None	n/a	Scholarship	1,000.00
Dispensa, Kathleen	2700 Bay Area Blvd./MC 05 Houston, TX 77058-1098	None	n/a	Scholarship	2,000.00
Douglas, Jake	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	2,000.00
Frank, Chantal	UNT Box 311370 Denton, TX 76203-1370	None	n/a	Scholarship	2,000.00
Houghtaling, Nicolas	700 University Blvd. SMC 115 Kingsville, TX 78363-8202	None	n/a	Scholarship	2,500.00
Hower, Bryce	One UTSA Circle San Antonio, TX 78249-1644	None	n/a	Scholarship	3,000.00
Jakes, Jeffery	1200 Amburn Rd. Texas City, TX 77591	None	n/a	Scholarship	1,500.00
Jakes, Jessica	1200 Amburn Rd. Texas City, TX 77591	None	n/a	Scholarship	2,000.00
Joseph, Kelley	One Bear Place #97048 Waco, TX 76798-7048	None	n/a	Scholarship	1,500.00
Kelley, Alanna	900 College St. UMHB Station Box 8080 Belton, TX 76513	None	n/a	Scholarship	3,000.00
Kern, Kyle	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	4,000.00
Kibbe, Brittany	P.O. Box 519 Prairie View, TX 77446-0519	None	n/a	Scholarship	4,000.00
King, Kaitlyn	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	2,000.00
Kramer, Christina	SFA Box 13052 Nacogdoches, TX 75962	None	n/a	Scholarship	1,000.00
Maldonado, Devin	601 University Dr. San Marcos, TX 78666	None	n/a	Scholarship	1,500.00
McNeill, Hayden	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	3,000.00
Monjazeab, Seena	P.O. Box 7758, UT Station Austin TX 78713-7758	None	n/a	Scholarship	4,000.00
Newell, Amanda	2700 Bay Area Blvd./MC 05 Houston, TX 77058-1098	None	n/a	Scholarship	3,000.00
Nokelby, Ryan	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	6,000.00
Prince, Katherine	11400 Concordia University Dr. Austin, TX 78726	None	n/a	Scholarship	1,000.00
Reho, Maxwell	P.O. Box 7758, UT Station Austin TX 78713-7758	None	n/a	Scholarship	1,000.00
Reihle, Eric	One Bear Place #97048 Waco, TX 76798-7048	None	n/a	Scholarship	1,000.00
Richardson, Catherine	P.O. Box 2273 Huntsville, TX 77341	None	n/a	Scholarship	1,000.00
Richardson, Christopher	P.O. Box 2273 Huntsville, TX 77341	None	n/a	Scholarship	1,000.00
Sanford, Taylor	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	3,000.00
Tu, Hai	One UTSA Circle San Antonio, TX 78249-1644	None	n/a	Scholarship	4,000.00
Walton, Kelsey		None	n/a	Scholarship	2,500.00
Windish, Ethan	9E Cullen Bldg Rm 31 Houston, TX 77204-2010	None	n/a	Scholarship	2,000.00
Worthen, Matthew	P.O. Box 10042 Beaumont, TX 77710	None	n/a	Scholarship	3,000.00
Yang, Alan	P.O. Box 7758, UT Station Austin TX 78713-7758	None	n/a	Scholarship	4,000.00
Arcadia First Baptist Church	14828 Highway 6, Sante Fe, TX 77517	None	509(a)(1)	Mothers' Day Out	500.00
First Assembly of God	2121 6th Street North, Texas City, TX 77590	None	509(a)(1)	Community Center	20,000.00
First United Methodist Church	212 W. Benton Ave , Devine, TX 78016	None	509(a)(1)	Scholarships	12,000.00
Galveston County Junior League	210 22nd Street, Galveston, TX 77550	None	509(a)(1)	General Support	2,500.00
Turning Point	P.O. Box 57543, Webster, TX 77598	None	509 (a)(1)	Handicap Therapy	1,500.00
Texas A&M Galveston	200 Seawolf Parkway, Galveston, TX 77554	None	Gov't	Lyons Scholarships	357,000.00
Texas A&M Galveston	200 Seawolf Parkway, Galveston, TX 77554	None	Gov't	Pelagic Fisheries Prog.	209,600.00
					689,600.00

MCDANIEL CHARITABLE FOUNDATION

CONTINUATION FOR 990-PF, PART IV
76-0538313 PAGE 1 OF 2**Part IV** Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	BANK OF AMERICA, 5.375%	P	12/13/11	01/03/12
b	BANK OF AMERICA, 3.750%	P	12/19/11	01/03/12
c	GE CAPITAL CORP BOND	P	12/16/11	01/05/12
d	MORGAN STANLEY BOND	P	12/07/11	01/03/12
e	GENWORTH NOTE	P	01/27/12	02/07/12
f	GENWORTH NOTE	P	08/10/12	10/11/12
g	21,000 SH DIREXION FINL BEAR ETF	P	VARIOUS	VARIOUS
h	50,000 SH DIREXION SM CAP BEAR ETF	P	VARIOUS	VARIOUS
i	U.S. TREAS BOND, 3.125%, 11/15/41	P	VARIOUS	04/23/12
j	U.S. TREAS BOND, 3.125%, 2/15/42	P	VARIOUS	VARIOUS
k	U.S. TREAS BOND, 3.000%, 5/15/42	P	VARIOUS	VARIOUS
l	U.S. TREAS BOND, 2.750%, 8/15/42	P	VARIOUS	VARIOUS
m	U.S. TREAS BOND, 2.750%, 11/15/42	P	VARIOUS	12/27/12
n	U.S. TREAS NOTE, 2.000%, 2/15/22	P	03/14/12	04/09/12
o	U.S. TREAS NOTE, 1.750%, 5/15/22	P	06/19/12	06/25/12

	(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	515,460.		504,519.	10,941.
b	945,365.		916,848.	28,517.
c	961,582.		959,149.	2,433.
d	517,313.		504,793.	12,520.
e	850,954.		846,284.	4,670.
f	486,257.		483,684.	2,573.
g	523,172.		503,989.	19,183.
h	885,693.		919,049.	-33,356.
i	1,024,916.		1,017,188.	7,728.
j	1,494,200.		1,463,320.	30,880.
k	5,383,416.		5,338,705.	44,711.
l	4,914,980.		4,859,538.	55,442.
m	1,951,533.		1,928,692.	22,841.
n	996,928.		981,906.	15,022.
o	507,171.		507,028.	143.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			10,941.
b			28,517.
c			2,433.
d			12,520.
e			4,670.
f			2,573.
g			19,183.
h			-33,356.
i			7,728.
j			30,880.
k			44,711.
l			55,442.
m			22,841.
n			15,022.
o			143.

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

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):

If gain, also enter in Part I, line 8, column (c).

If (loss), enter "-0-" in Part I, line 8

3

MCDANIEL CHARITABLE FOUNDATION

CONTINUATION FOR 990-PF, PART IV
76-0538313 PAGE 2 OF 2**Part IV** Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 9500 SH PROSHARES ULTRAPRO SHORT	P	VARIOUS	03/06/12
b 19,000 SH PROSHARES ULTRASHORT EURO	P	VARIOUS	VARIOUS
c 17,500 SH PROSHARES ULTRASHORT SILVER	P	VARIOUS	VARIOUS
d 54,000 SH PROSHARES ULTRA VIX SHORT TERM	P	VARIOUS	VARIOUS
e 29,000 SH CREDIT SUISSE NASSAU	P	VARIOUS	VARIOUS
f GOLDMAN SACHS, 3.700%	P	04/25/12	10/25/12
g GOLDMAN SACHS, 3.625%	P	05/31/12	06/07/12
h GOLDMAN SACHS, 0.000%	P	07/30/12	08/24/12
i BANK OF AMERICA, 4.500%	P	04/30/12	07/16/12
j SBA DEBENTURE, 4.108%	P	07/25/12	11/19/12
k PTP-S/T CAP GAINS PASSED THRU	P		
l PTP-SEC. 1256 STRADDLES	P		
m PTP-SEC. 1256 STRADDLES	P		
n			
o			

(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 100,199.		99,060.	1,139.
b 399,767.		403,795.	-4,028.
c 359,699.		349,806.	9,893.
d 745,158.		883,469.	-138,311.
e 329,621.		310,386.	19,235.
f 1,062,397.		1,030,030.	32,367.
g 1,006,807.		1,001,102.	5,705.
h 483,163.		480,599.	2,564.
i 527,850.		520,500.	7,350.
j 892,564.		899,781.	-7,217.
k 16,087.			16,087.
l -3,285.			-3,285.
m -4,928.			-4,928.
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,139.
b			-4,028.
c			9,893.
d			-138,311.
e			19,235.
f			32,367.
g			5,705.
h			2,564.
i			7,350.
j			-7,217.
k			16,087.
l			-3,285.
m			-4,928.
n			
o			

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	160,819.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

SOURCE	AMOUNT
DBAB CASH RESERVE FUND	13.
DBAB CASH RESERVE FUND	5.
DBAB CASH RESERVE FUND	5.
TREASURY CASH TRUST	2.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	25.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DORCHESTER MINERALS LP PTP	17.	0.	17.
FHLM, 3%	122,361.	0.	122,361.
GENWORTH NOTE	815.	0.	815.
GOLDMAN SACHS NOTES	18,500.	0.	18,500.
JP MORGAN CHASE NOTE	3,438.	0.	3,438.
PROSHARES ULTRA DJ-UBS NATURAL GAS PTP	68.	0.	68.
PROSHARES ULTRA VIX SHORT TERM FUTURES ETF PTP	3.	0.	3.
PROSHARES ULTRASHORT EURO PTP	15.	0.	15.
PROSHARES ULTRASHORT SILVER PTP	22.	0.	22.
SAN JUAN BASIN ROYALTY TRUST	95.	0.	95.
SBA DEBENTURE	18,700.	0.	18,700.
TWO HARBORS INVESTMENT CORP	8,120.	0.	8,120.
U.S. TREASURY NOTES	2,663.	0.	2,663.
TOTAL TO FM 990-PF, PART I, LN 4	174,817.	0.	174,817.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DORCHESTER MINERALS LP PTP	7,410.	7,410.	
SAN JUAN BASIN ROYALTY TRUST	8,174.	8,174.	
MISCELLANEOUS INCOME	78.	0.	
SCHOLARSHIP RET'D	62.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	15,724.	15,584.	

FORM 990-PF	LEGAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	397.	397.		0.
TO FM 990-PF, PG 1, LN 16A	397.	397.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2011 FORM 990-PF EXCISE TAX	272.	0.		0.
TO FORM 990-PF, PG 1, LN 18	272.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	12,154.	12,154.		0.
BOAT EXPENSES	206,554.	0.		206,554.
INVESTMENT PROPERTY EXPENSES	17,606.	17,606.		0.
INSURANCE	4,542.	1,135.		3,406.
WEBSITE	310.	0.		310.
OFFICE SUPPLIES	1,382.	345.		1,036.
POSTAGE & SHIPPING	867.	217.		650.
CONFERENCE CALL FEE	59.	0.		59.
BANK CHARGE	28.	0.		28.
TO FORM 990-PF, PG 1, LN 23	243,502.	31,457.		212,043.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
CHANGE IN UNREALIZED LOSS IN VALUE OF INVESTMENTS	388,213.
TOTAL TO FORM 990-PF, PART III, LINE 5	388,213.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	8
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	FAIR MARKET VALUE
1984 46' MERRITT SPORTFISH BOAT	800,000.	133,335.	666,665.	666,665.
BOAT IMPROVEMENTS	184,082.	30,169.	153,913.	153,913.
BOAT EQUIPMENT	28,957.	10,860.	18,097.	18,097.
BOAT EQUIPMENT	6,251.	1,979.	4,272.	4,272.
BOAT EQUIPMENT	26,650.	9,328.	17,322.	17,322.
BOAT EQUIPMENT	136,121.	61,579.	74,542.	74,542.
BOAT EQUIPMENT	13,010.	4,802.	8,208.	8,208.
EXECUTIVE DOUBLE PEDESTAL DESK	1,039.	124.	915.	915.
EXECUTIVE DOUBLE PEDESTAL DESK	1,038.	124.	914.	914.
STORAGE CREDENZA	988.	118.	870.	870.
STORAGE CREDENZA	988.	118.	870.	870.
CONFERENCE TABLE	877.	104.	773.	773.
HIGH BACK EXECUTIVE BLACK CHAIR	312.	37.	275.	275.
HIGH BACK EXECUTIVE BLACK CHAIR	312.	37.	275.	275.
(8) BLUE FABRIC CAPTAINS CHAIRS	961.	114.	847.	847.
USED 5-DRAWER LATERAL FILE CABINETS	314.	26.	288.	288.
USED 5-DRAWER LATERAL FILE CABINETS	314.	26.	288.	288.
TO 990-PF, PART II, LN 14	1,202,214.	252,880.	949,334.	949,334.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	9
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
DEUTSCHE BANK - U.S. TREASURY NOTES	X		66,527.	66,527.
STERNE AGEE - U.S. GOVT OBLIG	X		346,597.	346,597.
TOTAL U.S. GOVERNMENT OBLIGATIONS			413,124.	413,124.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			413,124.	413,124.

FORM 990-PF	CORPORATE STOCK	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
STERNE AGEE - COMMON STOCKS	447,784.	447,784.
TOTAL TO FORM 990-PF, PART II, LINE 10B	447,784.	447,784.

FORM 990-PF	CORPORATE BONDS	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DEUTSCHE BANK - CORPORATE BONDS	976,367.	976,367.
STERNE AGEE - CORPORATE BONDS	497,640.	497,640.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,474,007.	1,474,007.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	12
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
STERNE AGEE - MASTER LTD PSHIPS	FMV	81,312.	81,312.
TOTAL TO FORM 990-PF, PART II, LINE 13		81,312.	81,312.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARK A LYONS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	PRESIDENT 25.00	37,000.	6,881.	0.
MICHELLE LYONS-SPIER 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	VICE-PRESIDENT 20.00	12,000.	4,182.	0.
MELISSA LYONS-GARDNER 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	SECRETARY 20.00	12,000.	4,182.	0.
STEWART CAMPBELL 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 1.00	12,000.	4,134.	0.
RANDALL HARRIS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 4.00	12,000.	4,134.	0.
ROBERT HARRIS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 1.00	12,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		97,000.	23,513.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 14

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE MCDANIEL CHARITABLE FOUNDATION
P O BOX 2968
TEXAS CITY, TX 77592-2968

TELEPHONE NUMBER

NAME OF GRANT PROGRAM

(409) 942-2940

GALVESTON COUNTY SCHOLARSHIP PROGRAM

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED APPLICATION

ANY SUBMISSION DEADLINES

JUNE 1ST

RESTRICTIONS AND LIMITATIONS ON AWARDS

BASED ON NEED & MERIT; MUST BE GALVESTON RESIDENT & ATTEND A TEXAS SCHOOL.
ONLY RENEWAL APPLICATIONS ACCEPTED; THE FOUNDATION IS NOT ACCEPTING NEW
SCHOLARSHIP APPLICATIONS FOR THIS PROGRAM.

**THE MCDANIEL CHARITABLE FOUNDATION
GALVESTON COUNTY SCHOLARSHIP PROGRAM**

P.O. Box 2968

Texas City, TX 77592-2968

Office: 409-942-2940 Fax: 409-944-0120

www.mcdanielcharitablefoundation.org

RENEWAL SCHOLARSHIP APPLICATION

This Application and all required documentation must be received by the Foundation at the above address **postmarked no later than June 1** prior to the school year made the subject of the Application. Please read the Policies and Procedures for the Scholarship Program before completing this Application. (Type or print in ink.)

PART I – APPLICANT DATA

Full Name of Applicant: _____

(Last, First, Middle)

Permanent Address (street, city, zip): _____

Years Lived There: _____

Social Security Number: _____

Telephone Number: (____) _____

Cell Phone Number: (____) _____

Email Address: _____

Date of Birth: _____

Marital Status: _____

Spouse's Name: _____

Names and Ages of Dependents: _____

Local Address while Attending High School: _____

Applicant's Place and Type of Employment while Attending High School: _____

Address while Attending College: _____

Applicant's Place and Type of Employment while Attending College: _____

Applicant's Anticipated Monthly Gross Income from All Sources (including other scholarships) While Attending College: \$ _____

If married, Applicant's Total Monthly Gross Income: \$ _____ (attach a copy of your most recently filed IRS Form 1040, exclusive of attachments).

Please list all scholarships applied for:

Name of Scholarship	Renewable (Yes/No)	Received Amount	Pending Amount
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PART II – APPLICANT'S PARENT/LEGAL GUARDIAN DATA

Full Name of First Parent or Legal Guardian: _____
(Last, First, Middle)

Permanent Address: _____

Telephone Number: (____) _____

Cell Phone Number: (____) _____

Email Address: _____

Parent or Guardian's Place and Type of Employment: _____

Parent or Guardian's Total Monthly Gross Income: \$_____ (attach a copy of your most recently filed IRS Form 1040, exclusive of attachments)

Does this Parent or Guardian provide financial support to Applicant? _____

Names and Ages of Parent or Guardian's Children or Other Dependents: _____

Education: Some High School ☐ High School Grad ☐ Some College ☐ College Grad ☐

Full Name of Second Parent or Legal Guardian: _____
(Last, First, Middle)

Permanent Address: _____

Telephone Number: (____) _____

Cell Phone Number: (____) _____

Email Address: _____

Parent or Guardian's Place and Type of Employment: _____

Parent or Guardian's Total Monthly Gross Income: \$_____ (attach a copy of your most recently filed IRS Form 1040, exclusive of attachments)

Does this Parent or Guardian provide financial support to Applicant? _____

Names and Ages of Parent or Guardian's Children or Other Dependents: _____

Education: Some High School ☐ High School Grad ☐ Some College ☐ College Grad ☐

PART III – APPLICANT'S SCHOOL DATA

College Currently Attending: _____

College Planning to Attend Pending This Scholarship: _____

Expected College Graduation Date: _____

College Major: _____

List of College Activities: _____

List of Volunteer Activities While in College: _____

PART IV – ADDITIONAL INFORMATION AND CHECKLIST

Please attach an essay describing how the scholarship funds have benefited you, together with any special circumstances you would like the committee to consider.

PART V – CERTIFICATION

After reading and understanding the Policies and Procedures by which this scholarship is governed, we certify that all information given you for the purpose of obtaining this scholarship is true and complete to the best of our knowledge. We agree to provide verification of proper expenditure of any award as provided in the Policies and Procedures. We understand that you will retain this application whether or not it is approved.

Signature of Applicant

Date: _____

Signature of First Parent/Legal Guardian

Date: _____

Signature of Second Parent/Legal Guardian

Date: _____

CHECKLIST:

- ☐ Application (complete with signatures and dates)
- ☐ IRS Form 1040 (W2's not accepted)
- ☐ Essay
- ☐ Current *official* or *certified* transcripts including final grades

2012 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No.	Description	Date Acquired	Method	Life	C o v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
8	FURNITURE & FIXTURES EXECUTIVE DOUBLE PEDESTAL	03/14/12	SL	7.00		16	1,038.				1,038.			134.	134.
9	EXECUTIVE DOUBLE PEDESTAL DESK	03/14/12	SL	7.00		16	1,038.				1,038.			134.	134.
10	STORAGE CREDENZA	03/14/12	SL	7.00		16	988.				988.			118.	118.
11	STORAGE CREDENZA	03/14/12	SL	7.00		16	988.				988.			118.	118.
12	CONFERENCE TABLE HIGH BACK EXECUTIVE BLACK	03/14/12	SL	7.00		16	877.				877.			104.	104.
13	CHAIR HIGH BACK EXECUTIVE BLACK	03/14/12	SL	7.00		16	312.				312.			37.	37.
14	(8) BLUE FABRIC CAPTAINS CHairs	03/14/12	SL	7.00		16	312.				312.			37.	37.
15	CHAIRS USED 5-DRAWER LATERAL FILE	03/14/12	SL	7.00		16	961.				961.			114.	114.
16	CABINETS USED 5-DRAWER LATERAL FILE	05/24/12	SL	7.00		16	314.				314.			26.	26.
17	CABINETS * 928-PF EQ 1 TOTAL FURNITURE & FIXTURES	05/24/12	SL	7.00		16	314.				314.			26.	26.
	MACHINERY & EQUIPMENT 1994 46' MERIT SPOTTER						7,143.				7,143.	8.		828.	828.
1	BOAT 1994 46' MERIT SPOTTER	01/02/08	SL	30.00		16	880,080.				880,080.	106,688.		25,637.	133,338.
2	BOAT IMPROVEMENTS	02/01/08	SL	30.00		16	184,082.				184,082.	24,033.		6,136.	30,169.
3	BOAT EQUIPMENT	04/14/08	SL	10.00		16	28,957.				28,957.	1,354.		2,896.	10,860.
4	BOAT EQUIPMENT	10/20/09	SL	10.00		16	6,251.				6,251.	1,354.		625.	1,979.
5	BOAT EQUIPMENT	07/13/09	SL	10.00		16	26,650.				26,650.	6,083.		2,653.	9,378.

226111
05-01-12

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2012 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	C o n v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction in Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
6	BOAT EQUIPMENT	10/20/09	SL	7.00		16	136,121.				136,121.	42,133.		19,446.	61,579.
7	BOAT EQUIPMENT	06/01/10	SL	7.00		16	13,010.				13,010.	2,943.		1,859.	4,802.
	* 990-PF PG 1 TOTAL														
	MACHINERY & EQUIPMENT						1,195,071.				1,195,071.	191,758.		60,294.	252,052.
	* GRAND TOTAL E38 PF PG 1						1,262,214.				1,262,214.	191,758.		61,122.	252,838.

228111
05-01-12

(D) - Asset disposed

• ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone