Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation

► Do not enter Social Security numbers on this form as it may be made public.
► Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2013

For calendar year 2013, or tax year beginning , 2013, and ending ,

Name of foundation
JAMES B. & MELITA A. MCDONOUGH FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
C/O FIRST COMMUNITY TRUST NA, P.O. BOX 296

City or town, state or province, country, and ZIP or foreign postal code
DUBUQUE IA 52004-0296

A Employer identification number
48-1296843

B Telephone number (see the instructions)
(563) 587-0533

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ► ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► ☐

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 8,815,409.

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE				
1 Contributions, gifts, grants, etc, received (att sch)	7,458,677.			
2 Ck ► ☐ if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	183,429.	183,429.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	329,149.	L-6a Stmt		
b Gross sales price for all assets on line 6a 1,794,410.				
7 Capital gain net income (from Part IV, line 2)		329,149.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 **Total.** Add lines 1 through 11	7,971,255.	512,578.		
OPERATING AND ADMINISTRATIVE EXPENSES				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) L-16b Stmt	3,950.	0.		3,950.
c Other prof fees (attach sch) L-16c Stmt	47,229.	44,034.		3,195.
17 Interest				
18 Taxes (attach schedule)(see instrs) FEDERAL EXCISE TAX	16,413.			
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	2,108.			2,108.
24 **Total operating and administrative expenses.** Add lines 13 through 23	69,700.	44,034.		9,253.
25 Contributions, gifts, grants paid	643,675.			283,675.
26 **Total expenses and disbursements.** Add lines 24 and 25	713,375.	44,034.		292,928.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	7,257,880.			
b **Net investment income** (if negative, enter -0-)		468,544.		
c **Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS	1	Cash — non-interest-bearing	447.		
	2	Savings and temporary cash investments	25.		
	3	Accounts receivable ►			
		Less. allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments — U.S and state government obligations (attach schedule) L-10a. Stmt	0.	1,355,740.	1,355,740.
	b	Investments — corporate stock (attach schedule) L-10b. Stmt		7,157,088.	7,157,088.
	c	Investments — corporate bonds (attach schedule)	0.	274,880.	274,880.
	11	Investments — land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	12	Investments — mortgage loans			
	13	Investments — other (attach schedule)			
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ► L-15 Stmt)	0.	27,701.	27,701.
	16	**Total assets** (to be completed by all filers — see the instructions Also, see page 1, item I)	472.	8,815,409.	8,815,409.
LIABILITIES	17	Accounts payable and accrued expenses	0.	24,299.	
	18	Grants payable	0.	360,000.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	0.	384,299.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► X and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	472.	8,431,110.	
	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, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	472.	8,431,110.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	472.	8,815,409.	

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	472.
2	Enter amount from Part I, line 27a	2	7,257,880.
3	Other increases not included in line 2 (itemize) ► UNREALIZED GAIN ON INVESTMENTS	3	1,172,758.
4	Add lines 1, 2, and 3	4	8,431,110.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	8,431,110.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a	PUBLICLY TRADED SECURITIES-SCHEDULE ATTACHED			
b				
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	1,794,410.		1,465,261.	329,149.
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a	0.	0.	0.	329,149.
b				
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 — 329,149.

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

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012	0.	472.	0.000000
2011	0.	472.	0.000000
2010	0.	472.	0.000000
2009	0.	472.	0.000000
2008	0.	472.	0.000000

2	**Total** of line 1, column (d)	2	0.000000
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	0.000000
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	8,399,045.
5	Multiply line 4 by line 3	5	0.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,685.
7	Add lines 5 and 6	7	4,685.
8	Enter qualifying distributions from Part XII, line 4	8	292,928.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► [ ] and enter 'N/A' on line 1			
Date of ruling or determination letter _______ (attach copy of letter if necessary — see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► [X] and enter 1% of Part I, line 27b		1	4,685.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	4,685.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	4,685.
6 Credits/Payments.			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a		
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d		7	
8 Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached		8	105.
9 Tax due If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	4,790.
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►		10	0.
11 Enter the amount of line 10 to be Credited to 2014 estimated tax ►	Refunded ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1 a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1 b		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1 c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► $ ______ (2) On foundation managers ► $ ______			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ______			
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*	2		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*	3		X
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► ______			
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*	8 b	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► FIRST COMMUNITY TRUST N.A. Telephone no ► (563) 587-0533

Located at ► 3385 HILLCREST RD, SUITE 100 DUBUQUE IA ZIP + 4 ► 52004-0296

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

			Yes	No
16	At any time during calendar year 2013, 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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►			

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

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

			Yes	No
1 a	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)?	1 b		
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1 c		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__			
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)	2 b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__			
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2013 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 2013)*	3 b		
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		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 2013?	4 b		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)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ 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? **6b** No: X

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? **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
ANN MCDONOUGH 9082 LONG TAIL LANE DUBUQUE IA 52003	PRESIDENT 0.00	0.	0.	0.
BRIAN J. KANE 2100 ASBURY RD #2 DUBUQUE IA 52001	VICE-PRESIDENT 0.00	0.	0.	0.
DALE P. REPASS P.O. BOX 296 DUBUQUE IA 52004-0296	SECRETARY/TREASURER 0.00	0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ► None

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* ▶		None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	0.
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	0.
2	
All other program-related investments See instructions	
3 NONE	0.
Total. Add lines 1 through 3 ▶	None

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	1 a	8,337,956.
b	Average of monthly cash balances	1 b	188,993.
c	Fair market value of all other assets (see instructions)	1 c	
d	**Total** (add lines 1a, b, and c)	1 d	8,526,949.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1 e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	8,526,949.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	127,904.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	8,399,045.
6	**Minimum investment return.** Enter 5% of line 5	6	419,952.

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	419,952.
2 a	Tax on investment income for 2013 from Part VI, line 5	2a	4,685.		
b	Income tax for 2013. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	4,685.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	415,267.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	415,267.
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	415,267.

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	1 a	292,928.
b	Program-related investments — total from Part IX-B	1 b	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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	292,928.
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	4,685.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	288,243.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				415,267.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			0.	
b Total for prior years 20 __ , 20 __ , 20 __				
3 Excess distributions carryover, if any, to 2013				
a From 2008 0.				
b From 2009 0.				
c From 2010 0.				
d From 2011 0.				
e From 2012 0.				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4 ► $ 292,928.				
a Applied to 2012, 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 2013 distributable amount				292,928.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 *(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	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				122,339.
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 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2009 0.				
b Excess from 2010 0.				
c Excess from 2011 0.				
d Excess from 2012 0.				
e Excess from 2013 0.				

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 2013, 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)

	Tax year	Prior 3 years			
	(a) 2013	**(b)** 2012	**(c)** 2011	**(d)** 2010	**(e) Total**
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					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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

MCDONOUGH FOUNDATION
PO BOX 296
DUBUQUE IA 52004-0296 (563) 690-0032

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

SEE ATTACHED APPLICATION

c Any submission deadlines

APRIL 1 THROUGH MAY 31 EACH YEAR

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

UNWRITTEN BUT GENERALLY LIMITED TO CHARITIES IN NORTHEAST IOWA

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				
CLARKE UNIVERSITY 1530 CLARKE DR DUBUQUE IA 52001	N/A	PC	SCIENCE BUILDING	50,000.
DUBUQUE HUMANE SOCIETY 4242 CHAVENELLE DUBUQUE IA 52002	N/A	PC	NEW BUILDING PROJECT	40,000.
ST. MARK'S COMMUNITY CENTER 1201 LOCUST ST DUBUQUE IA 52001	N/A	PC	READING PROGRAM	30,000.
IOWA LEGAL AID 799 MAIN ST, SUITE 280 DUBUQUE IA 52001	N/A	PC	FUND 1/2 TIME HEALTH & LAW ATTORNEY	30,000.
THE GRAND OPERA HOUSE 135 W 8TH ST DUBUQUE IA 52001	N/A	PC	CHILDRENS' THEATER WORKSHOP	2,000.
DUBUQUE MUSEUM OF ART 701 LOCUST ST DUBUQUE IA 52001	N/A	PC	ARTS EDUCATION PROJECT	10,000.
THE POWER OF PRAYER, INC PO BOX 681 DUBUQUE IA 52004-0681	N/A	PC	MULTIPLE PROJECTS & 3 YEARS	20,000.
CARNEGIE-STOUT PUBLIC LIBRARY FOUNDATION PO BOX 27 DUBUQUE IA 52004-0027	N/A	PC	WINDOW TREATMENT FOR UV	10,000.
MT. PLEASANT HOME 1695 MOUNT PLEASANT ST DUBUQUE IA 52001	N/A	PC	EXERCISE FOR HEALTH	1,000
See Line 3a statement				90,675.
Total ► **3a**				283,675.
b Approved for future payment				
CLARKE UNIVERSITY 1550 CLARKE DR DUBUQUE IA 52001	N/A	PC	SCIENCE BUILDING PROJECT	200,000.
DUBUQUE HUMANE SOCIETY 4242 CHAVENELLE DUBUQUE IA 52002	N/A	PC	NEW BUILDING	160,000.
Total ► **3b**				360,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	183,429.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	329,149.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				512,578.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . 13 512,578.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) *Sales of assets to a noncharitable exempt organization*	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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

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

2 a 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

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

Allen R. Ryan — Signature of officer or trustee | 4-28-14 — Date | Secretary/Treas. — Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James Kircher	James Kircher	04/21/14		P01057802

Firm's name ▶ JIM KIRCHER & ASSOCIATES, P.C. — Firm's EIN ▶ 42-1162310

Firm's address ▶ 815 CENTURY DR. DUBUQUE IA 52002-3788 — Phone no (563) 556-3392

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**
► *Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at* ***www.irs.gov/form990.***

OMB No 1545-0047

2013

Name of the organization	Employer identification number
JAMES B. & MELITA A. MCDONOUGH FOUNDATION	48-1296843

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 its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
JAMES B. & MELITA A. MCDONOUGH FOUNDATION	48-1296843

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MELITA A MCDONOUGH IRREVOCABLE TRUST PO BOX 296 DUBUQUE IA 52004-0296	$ 7,458,677.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions)

Name of organization: JAMES B. & MELITA A. MCDONOUGH FOUNDATION

Employer identification number: 48-1296843

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
1	MARKETABLE SECURITIES	$ 7,448,438.	Various
		$	
		$	
		$	
		$	
		$	

Form 990-PF Part I, Line 6a	Net Gain or Loss From Sale of Assets	2013

Name	Employer Identification Number
JAMES B. & MELITA A. MCDONOUGH FOUNDATION	48-1296843

Asset Information:

Description of Property . . . . . . PUBLICLY TRADED SECURITIES-SCHEDULE ATTACHED

Date Acquired Various How Acquired . . . Donated

Date Sold . . . Various Name of Buyer . .

Sales Price . . 1,794,410. Cost or other basis (do not reduce by depreciation) . . 1,465,261.

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) . . 329,149. Accumulation Depreciation . . .

Description of Property . . . . . .

Date Acquired How Acquired . .

Date Sold . . . Name of Buyer . . .

Sales Price . . Cost or other basis (do not reduce by depreciation) . . .

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) . . Accumulation Depreciation . . .

Description of Property . . . . . .

Date Acquired . How Acquired . . .

Date Sold . . Name of Buyer . . .

Sales Price Cost or other basis (do not reduce by depreciation) . . .

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) Accumulation Depreciation . .

Description of Property . . . .

Date Acquired How Acquired . . .

Date Sold . . . Name of Buyer . . .

Sales Price . . Cost or other basis (do not reduce by depreciation) . . .

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) . . Accumulation Depreciation . . .

Description of Property . . . . .

Date Acquired . How Acquired . . .

Date Sold . . . Name of Buyer . .

Sales Price . Cost or other basis (do not reduce by depreciation) . . .

Sales Expense. . Valuation Method . . .

Total Gain (Loss) . Accumulation Depreciation . . .

Description of Property . . . . .

Date Acquired . How Acquired . . .

Date Sold . . Name of Buyer . . .

Sales Price . . Cost or other basis (do not reduce by depreciation) . . .

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) . . Accumulation Depreciation . .

Description of Property . . .

Date Acquired . How Acquired . . .

Date Sold . . . Name of Buyer . . .

Sales Price . . Cost or other basis (do not reduce by depreciation) . . .

Sales Expense . . Valuation Method . . . .

Total Gain (Loss) . . Accumulation Depreciation . . .

Description of Property. . . . . . .

Date Acquired . How Acquired . . .

Date Sold . Name of Buyer . . .

Sales Price . Cost or other basis (do not reduce by depreciation) . .

Sales Expense . . Valuation Method: . . .

Total Gain (Loss) . . Accumulation Depreciation . .

Form 990-PF, Page 1, Part I, Line 23
Line 23 Stmt

Other expenses	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
E&O INSURANCE	2,000.			2,000.
OFFICE EXPENSE	108.			108.
Total	2,108.			2,108.

Form 990-PF, Page 11, Part XV, line 3a
Line 3a statement

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	Person or Business Checkbox Amount
a *Paid during the year*				
DUBUQUE RESCUE MISSION 398 MAIN ST DUBUQUE IA 52001	N/A	PC	GREEN HOUSE PROJECT	Person or [ ] Business [X] 1,500.
WARTBURG THEOLOIGICAL SEMINARY 333 WARTBURG PL DUBUQUE IA 52003	N/A	PC	WEBSIRE RE-DESIGN	Person or [ ] Business [X] 10,000.
HONOR FLIGHT OF GREATER DUBUQUE PO BOX 659 DUBUQUE IA 52004-0659	N/A	PC	TRANSPORT WWII/KOREAN VETERANS	Person or [ ] Business [X] 5,000.
BELL TOWER THEATER 2728 ASBURY RD DUBUQUE IA 52001	N/A	PC	YOUTH THEATER PROGRAM	Person or [ ] Business [X] 2,000.
CAMP COURAGEOUS OF IOWA 12207 190TH ST MONTICELLO IA 52310	N/A	PC	HVAC FOR POOL AREA	Person or [ ] Business [X] 20,000.
RISING STAR THEATRE COMPANY 1310 WHITE ST DUBUQUE IA 52001	N/A	PC	PORTABLE SOUND SYSTEM	Person or [ ] Business [X] 2,000.
TRI-STATE WIND SYMPHONY INC 900 KELLY LANE DUBUQUE IA 52003	N/A	PC	20TH ANNIVERSARY EXPENSES	Person or [ ] Business [X] 2,000.
OPENING DOORS 1561 JACKSON ST DUBUQUE IA 52001	N/A	PC	H.O.P.E. PROGRAM	Person or [ ] Business [X] 2,000.
FOUR MOUNDS FOUNDATION 4900 PERU RD DUBUQUE IA 52001	N/A	PC	HEART PROGRAM	Person or [ ] Business [X] 1,500.
PRESENTATION LANTERN 1584 WHITE ST DUBUQUE IA 52001	N/A	PC	GROWING THE LANTERN CENTER	Person or [ ] Business [X] 4,905.
SETON CATHOLIC SCHOOL 7597 BURDS RD PEOSTA IA 52068	N/A	PC	IPADS FOR SPECIAL NEEDS CHILDREN	Person or [ ] Business [X] 2,500.

Form 990-PF, Page 11, Part XV, line 3a Continued

Line 3a statement

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	Person or Business Checkbox Amount
a *Paid during the year*				
ST JOHN'S LUTHERAN CHURCH 1276 WHITE ST DUBUQUE IA 52001	N/A	PC	SINGLE MEN HOUSING	Person or Business X 2,000.
DUBUQUE VISITING NURSE ASSOCIATION PO BOX 359 DUBUQUE IA 52004-0359	N/A	PC	HEALTHY MOUTHS FOR KIDS	Person or Business X 3,098.
DUBUQUE SYMPHONY ORCHESTRA 2728 ASBURY RD, SUITE 900 DUBUQUE IA 52001	N/A	PC	EDUCATION PROGRAMS	Person or Business X 10,000.
HILLS & DALES CHILD DEVELOPMENT CENTER 1011 DAVIS ST DUBUQUE IA 52001	N/A	PC	PLAYGROUND ENHANCEMENT	Person or Business X 2,172.
AMERICAN RED CROSS 2400 ASBURY RD DUBUQUE IA 52001	N/A	PC	SAVE THE DAY/READY 365	Person or Business X 5,000.
RIVERVIEW CENTER 2600 DODGE ST DUBUQUE IA 52003	N/A	PC	AWARENESS OF SERVICES	Person or Business X 5,000.
DURIDE 2728 ASBURY RD, SUITE 330 DUBUQUE IA 52001	N/A	PC	RAISING AWARENESS	Person or Business X 5,000.
COVERS OF COMFORT 2486 MERFELD LANE DUBUQUE IA 52001	N/A	PC	CONTINUING THE JOURNEY	Person or Business X 1,000.
CAMP ALBRECHT ACRES PO BOX 50 SHERRILL IA 52073	N/A	PC	CAMP SCHOLARSHIPS	Person or Business X 4,000.
Total				90,675.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
JIM KIRCHER & ASSOCIATES	AUDIT AND TAX SEVICE	3,950.	0.		3,950.
Total		3,950.	0.		3,950.

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FIRST COMMUNITY TRUST, NA	ASSET MANAGEMENT FEES	44,034.	44,034.		
NET SMART	WEB SITE DESIGN	3,195.	0.		3,195.
Total		47,229.	44,034.		3,195.

Form 990-PF, Page 2, Part II, Line 10a
L-10a Stmt

Line 10a - Investments - US and State Government Obligations:	End of Year State and Local Obligations Book Value	State and Local Obligations FMV	End of Year US Government Obligations Book Value	US Government Obligations FMV
MUNICIPAL BONDS	1,179,408.	1,179,408.		
FEDERAL NATIONAL MTG ASSOC			176,332.	176,332.
Total	1,179,408.	1,179,408.	176,332.	176,332.

Form 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	Fair Market Value
US EQUITY MUTUAL FUNDS	4,108,819.	4,108,819.
INTERNATIONAL EQUITY MUTUAL FUNDS	1,139,161.	1,139,161.
FIXED INCOME MUTUAL FUNDS	1,680,161.	1,680,161.
US BANCORP COMMON STOCK	185,840.	185,840.
GOLDMAN SACHS FINANCIAL SQUARE FUND	43,107.	43,107.
Total	7,157,088.	7,157,088.

Form 990-PF, Page 2, Part II, Line 15
Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	Fair Market Value
INVESTMENT INCOME RECEIVABLE	0.	27,701.	27,701.
Total	0.	27,701.	27,701.

Schedule of Net Gain or Loss from sale of Assets (Form 990-PF) (Part I, Line 6a) Part IV, Line 1a

0998 TAX LEDGER PAGE 1

PREPARED FOR ACCOUNT # 52 00 5572 0 01 - JAMES B AND MELITA A MCDONOUGH FOUNDATION AGENCY

ACCOUNT SITUS =
TAX ID# = 481296843
STATE TAX ID# =

PROCESS DATE 01/10/2014

FOR TAX YEAR ENDED 12/31/2013

SECTION A - CAPITAL GAINS & LOSSES

SHORT TERM SALES & MATURITIES

SHARES/PAR	SECURITY	REG	DATE ACQUIRED	DATE SOLD	CAPITAL INCOME CASH	PROCEEDS TO PRINCIPAL CASH	COST BASIS	SHORT TERM GAIN OR LOSS
250000.0000	FHLMC 2% STEP DUE 08/26/25 (3134G1QG2)	0	10/16/12	08/26/13 COVERED=Y		250000.00	-252734.75	-2734.75
100000.0000	FEDERAL NATL MTG ASSN 4.625% DUE 05/01/13 (31359MRK1)	0	10/16/12	05/01/13 COVERED=Y		100000.00	-102361.20	-2361.20
1015.0000	PROSHARES TR PSHS ULSHT 7-10Y (74347R313)	0	08/22/12	06/20/13 COVERED=Y		29519.14	-28849.14	670.00
250.0000	PROSHARES TR PSHS ULSHT 7-10Y (74347R313)	0	10/16/12	06/20/13 COVERED=Y		7270.72	-6945.00	325.72
10.2370	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/31/12	12/09/13 COVERED=Y		107.18	-111.69	-4.51*
6.1510	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/31/12	12/09/13 COVERED=Y		85.34	-88.93	-3.59*
15.8220	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/28/12	12/09/13 COVERED=Y		165.66	-172.62	-6.96*
20.0670	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/28/12	12/09/13 COVERED=Y		210.10	-218.93	-8.83*
19.8710	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/28/12	12/09/13 COVERED=Y		208.05	-216.79	-8.74*
25.2020	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/28/12	12/09/13 COVERED=Y		263.86	-274.95	-11.09*
88.9390	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/30/13	12/09/13 COVERED=Y		931.19	-969.44	-38.25*
9867.4670	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	01/09/13	12/09/13 COVERED=Y		103312.39	-107456.72	-4144.33*
	TOTAL SHORT TERM SALES & MATURITIES					492073.63	500400.16	-8326.53

SHORT TERM CAPITAL GAIN DIVIDENDS

SECURITY	REG	DATE	CODE	AMOUNT
AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	12/09/13 COVERED=Y	723	22184.58
DELAWARE SMALL CAP VALUE DEVIX (246097208)	0	12/23/13 COVERED=Y	723	1173.28
FRANKLIN STRATEGIC INCOME ADV FKSAX (354713737)	0	12/31/13 COVERED=Y	723	307.20
GOLDMAN SACHS US EQ DIV AND PREMIUM GSPKX (38143H720)	0	12/09/13 COVERED=Y	723	2355.12
PIMCO TOTAL RETURN PTTRX (693390700)	0	12/12/13 COVERED=Y	723	377.00
TEMPLETON INSTL FOREIGN SMALLER CO TFSCX (880210877)	0	09/10/13 COVERED=Y	723	122.74
TEMPLETON INSTL FOREIGN SMALLER CO TFSCX (880210877)	0	12/26/13 COVERED=Y	723	2.38
VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/01/13 COVERED=Y	723	93.28
VANGUARD ADMIRAL SHORT TERM INV GR VFSUX (922031836)	0	04/01/13 COVERED=Y	723	22.32
TOTAL SHORT TERM CAPITAL GAIN DIVIDENDS				26637.90

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PREPARED FOR ACCOUNT # 52 00 5572 0 01 - JAMES B AND MELITA A MCDONOUGH FOUNDATION AGENCY

ACCOUNT SITUS =
TAX ID# = 481296843
STATE TAX ID# =

PROCESS DATE 01/10/2014

FOR TAX YEAR ENDED 12/31/2013

SECTION A - CAPITAL GAINS & LOSSES

	SHORT TERM GAIN OR LOSS
TOTAL SHORT TERM GAIN & LOSSES	18311.37

LONG TERM SALES & MATURITIES

SHARES/PAR	SECURITY	REG	DATE ACQUIRED	DATE SOLD	CAPITAL INCOME CASH	PROCEEDS TO PRINCIPAL CASH	COST BASIS	LONG TERM GAIN OR LOSS
2062.4850	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	01/19/10	03/19/13		29472.91	-22625.47	6847.44
1436.4650	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	02/19/10	03/19/13		20527.09	-15671.83	4855.26
3335.5570	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	02/19/10	07/02/13		50000.00	-36390.93	13609.07
6578.9480	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	02/19/10	08/19/13		100000.00	-71776.32	28223.68
564.7040	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	02/19/10	11/26/13		9306.32	-6160.92	3145.40
47.8150	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	03/23/10	11/26/13		787.99	-548.44	239.55
1996.0970	AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	05/05/10	11/26/13		32895.69	-23154.73	9740.96
426.0530	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	01/19/10	03/19/13		11034.76	-8930.07	2104.69
1009.5910	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	01/25/10	03/19/13		26148.38	-20000.00	6148.38
108.7590	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	03/16/10	03/19/13		2816.86	-2193.67	623.19
882.8130	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	03/16/10	07/02/13		23076.74	-17806.33	5270.41
1029.9640	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	04/12/10	07/02/13		26923.26	-21186.36	5736.90
1452.3640	ARTISAN FUNDS INTERNATIONAL ARTIX (04314H204)	0	04/12/10	11/26/13		42990.00	-29875.12	13114.88
370.0290	ARTISAN MID CAP ARTMX (04314H303)	0	01/19/10	03/19/13		14934.37	-9602.26	5332.11
249.3960	ARTISAN MID CAP ARTMX (04314H303)	0	03/16/10	03/19/13		10065.63	-6776.09	3289.54
1590.8690	ARTISAN MID CAP ARTMX (04314H303)	0	03/16/10	07/02/13		67564.21	-43223.91	24340.30
763.7340	ARTISAN MID CAP ARTMX (04314H303)	0	05/05/10	07/02/13		32435.79	-20804.11	11631.68
154.0340	ARTISAN MID CAP ARTMX (04314H303)	0	05/05/10	11/26/13		7113.29	-4195.89	2917.40
776.8890	ARTISAN MID CAP ARTMX (04314H303)	0	05/07/10	11/26/13		35876.71	-19927.20	15949.51
967.2640	BLACKROCK EQUITY DIVIDEND MADVX (09251M504)	0	05/13/10	08/19/13		21328.17	-15534.27	5793.90

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PREPARED FOR ACCOUNT # 52 00 5572 0 01 - JAMES B AND MELITA A MCDONOUGH FOUNDATION AGENCY

ACCOUNT SITUS =
TAX ID# = 481296843
STATE TAX ID# =

PROCESS DATE 01/10/2014

FOR TAX YEAR ENDED 12/31/2013

SECTION A - CAPITAL GAINS & LOSSES

LONG TERM SALES & MATURITIES

SHARES/PAR	SECURITY	REG	DATE ACQUIRED	DATE SOLD	CAPITAL INCOME CASH	PROCEEDS TO PRINCIPAL CASH	COST BASIS	LONG TERM GAIN OR LOSS
3567.8840	BLACKROCK EQUITY DIVIDEND MADVX (09251M504)	0	06/02/10	08/19/13		78671.83	-54552.95	24118.88
200000.0000	FHLMC 2% STEP DUE 08/26/25 (3134G1QG2)	0	10/13/10 COVERED=Y	08/26/13		200000.00	-201248.51	-1248.51
100000.0000	FEDERAL NATL MTG ASSN 4.625% DUE 05/01/13 (31359MRK1)	0	10/24/09	05/01/13		100000.00	-104994.25	-4994.25
626.0970	T ROWE PRICE GROWTH STOCK PRGFX (741479109)	0	03/16/10	03/19/13		25000.00	-17756.11	7243.89
480.0210	T ROWE PRICE GROWTH STOCK PRGFX (741479109)	0	03/16/10	11/26/13		24250.69	-13613.39	10637.30
370.9280	T ROWE PRICE GROWTH STOCK PRGFX (741479109)	0	05/05/10	11/26/13		18739.31	-10571.45	8167.86
1200.0000	PROSHARES TR PSHS ULSHT 7-10Y (74347R313)	0	09/22/11	06/20/13		34899.47	-37257.37	-2357.90
1285.0000	PROSHARES TR PSHS ULSHT 7-10Y (74347R313)	0	04/13/12 COVERED=Y	06/20/13		37371.51	-38931.76	-1560.25
2036.7050	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/21/11	12/09/13		21324.30	-22750.00	-1425.70*
6.7320	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	09/30/11	12/09/13		70.48	-75.13	-4.65*
6.3210	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	11/30/11	12/09/13		66.18	-70.54	-4.36*
7.4260	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	08/31/11	12/09/13		77.75	-82.87	-5.12*
6.6860	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	10/31/11	12/09/13		70.00	-74.41	-4.41*
8.8330	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	09/30/12 COVERED=Y	12/09/13		92.48	-98.13	-5.65*
9.3020	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	08/31/12 COVERED=Y	12/09/13		97.39	-103.25	-5.86*
9.8940	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	07/31/12 COVERED=Y	12/09/13		103.59	-109.82	-6.23*
11.3440	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	01/31/12 COVERED=Y	12/09/13		118.77	-125.80	-7.03*
10.4620	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	05/31/12 COVERED=Y	12/09/13		109.54	-115.81	-6.27*
8.2560	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/31/11	12/09/13		86.44	-91.39	-4.95*
42.8640	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/29/11	12/09/13		448.79	-474.08	-25.29*
7.9380	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	12/29/11	12/09/13		83.11	-87.79	-4.68*
11.4330	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	02/29/12 COVERED=Y	12/09/13		119.70	-126.34	-6.64*
9.8450	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	06/30/12 COVERED=Y	12/09/13		103.08	-108.79	-5.71*

D11 12

PREPARED FOR ACCOUNT # 52 00 5572 0 01 - JAMES B AND MELITA A MCDONOUGH FOUNDATION AGENCY

ACCOUNT SITUS =
TAX ID# = 481296843
STATE TAX ID# =

PROCESS DATE 01/10/2014

FOR TAX YEAR ENDED 12/31/2013

SECTION A - CAPITAL GAINS & LOSSES

LONG TERM SALES & MATURITIES

SHARES/PAR	SECURITY	REG	DATE ACQUIRED	DATE SOLD	CAPITAL INCOME CASH	PROCEEDS TO PRINCIPAL CASH	COST BASIS	LONG TERM GAIN OR LOSS
542.9870	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	06/29/12	12/09/13 COVERED=Y		5685.07	-6000.00	-314.93*
10.5650	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/30/12	12/09/13 COVERED=Y		110.62	-116.74	-6.12*
5.5980	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	10/31/12	12/09/13 COVERED=Y		58.61	-61.75	-3.14*
9.0090	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	10/31/12	12/09/13 COVERED=Y		94.32	-99.37	-5.05*
5271.4200	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	10/16/12	12/09/13 COVERED=Y		55191.77	-58143.76	-2951.99*
11.4700	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	03/31/12	12/09/13 COVERED=Y		120.09	-126.29	-6.20*
15.8770	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	07/31/11	12/09/13		166.23	-174.81	-8.58*
10.5730	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	11/30/12	12/09/13 COVERED=Y		110.70	-116.41	-5.71*
8.4190	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	11/30/12	12/09/13 COVERED=Y		88.15	-92.69	-4.54*
8.5290	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/02/12	12/09/13 COVERED=Y		89.30	-93.90	-4.60*
2.8430	VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/02/12	12/09/13 COVERED=Y		29.77	-31.30	-1.53*
	TOTAL LONG TERM SALES & MATURITIES					1168947.21	964860.88	204086.33

LONG TERM CAPITAL GAIN DIVIDENDS

SECURITY	REG	DATE	CODE	AMOUNT
AMERICAN CENTURY MID CAP VALUE INV AVUAX (025076647)	0	12/09/13 COVERED=Y	724	30638.48
ARTISAN MID CAP ARTMX (04314H303)	0	11/22/13 COVERED=Y	724	55870.93
BLACKROCK EQUITY DIVIDEND MADVX (09251M504)	0	12/16/13 COVERED=Y	724	415.90
DELAWARE SMALL CAP VALUE DEVIX (246097208)	0	12/23/13 COVERED=Y	724	3912.50
FRANKLIN STRATEGIC INCOME ADV FKSAX (354713737)	0	12/31/13 COVERED=Y	724	3047.56
GOLDMAN SACHS US EQ DIV AND PREMIUM GSPKX (38143H720)	0	12/09/13 COVERED=Y	724	9168.73
PIMCO TOTAL RETURN PTTRX (693390700)	0	12/12/13 COVERED=Y	724	1972.46
TEMPLETON INSTL FOREIGN SMALLER CO TFSCX (880210877)	0	09/10/13 COVERED=Y	724	281.70
TEMPLETON INSTL FOREIGN SMALLER CO TFSCX (880210877)	0	12/26/13 COVERED=Y	724	908.01
VANGUARD FIXED INCOME GNMA ADM CL VFIJX (922031794)	0	04/01/13 COVERED=Y	724	373.05

TOTAL PROCEEDS - 1661020.84

PREPARED FOR ACCOUNT # 52 00 5572 0 01 - JAMES B AND MELITA A MCDONOUGH FOUNDATION AGENCY

ACCOUNT SITUS =
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FOR TAX YEAR ENDED 12/31/2013

SECTION A - CAPITAL GAINS & LOSSES

LONG TERM CAPITAL GAIN DIVIDENDS

SECURITY	REG	DATE	CODE	AMOUNT
VANGUARD ADMIRAL SHORT TERM INV GR VFSUX (922031836)	0	04/01/13 COVERED=Y	724	75.89
VANGUARD ADMIRAL SHORT TERM INV GR VFSUX (922031836)	0	12/18/13 COVERED=Y	724	86.12
TOTAL LONG TERM CAPITAL GAIN DIVIDENDS				106751.33
TOTAL LONG TERM GAIN & LOSSES				310837.66
TOTAL CAPITAL GAINS & LOSSES				329149.03

* - SEE POTENTIAL WASH SALE SECTION

PROCEED -SC
CASH ...

000
0.00 *

S.T GAIN 18,311.37*+
L.T. G 204,086.33 +
CC DIST 106,751.33 +
329,149.03 *

PROCEEDS FROM SALES
16,610.21*+
CC DIST 1,333.89 +
002
17,944.10 *

Part XV Line 2b - Attachment

James B. and Melita A. McDonough Foundation
Grant Application

Mission Statement: *"The McDonough Foundation is a 501(C)3 private, nonprofit foundation. Its mission is to improve the quality of life in Eastern Iowa by supporting the work of other 501(c)3 organizations.*

Applicant Name: (Must be registered 501(C)3) ______________________

Contact Information: ______________________

Organization Name: ______________________

Name/Title: ______________________

Address: ______________________

Email address: ______________________ Phone: ______________

Name of Proposal or Project: ____________ ______________

Project Budget: ______________ ______________

Amount Requested from McDonough Foundation: ______________

Federal Tax ID: ______________ (provide IRS 501(c)3 letter)

Describe the project on a separate sheet. Include the following:

1. What is the purpose or objective of the project this money will fund?
2. Whom will it serve? How many people will it serve (approximately)?
3. What is the geographic area your organization serves?
4. Describe the proposed use of the grant funds as clearly as possible.
5. Describe how the grant will benefit the quality of life in your community
6. How does your project's budget break down?
7. Provide the most current financial statement or audit

Please limit your request letter to one or two pages at most. All of the above listed information MUST be provided. **Applications must be received between April 1 and May 31 to be considered.**

Submit application to: McDonough Foundation
P. O. Box 296
Dubuque, IA 52004-0296