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

OMB No 1545-0052

2009

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

For calendar year **2009**, or tax year beginning , **2009**, and ending , **20**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation APS Foundation, Inc.		A Employer identification number 95-3735903
	Number and street (or P O box number if mail is not delivered to street address) P.O. Box 53999, MS 9657	Room/suite	B Telephone number (see page 10 of the instructions) (602) 250-2574
	City or town, state, and ZIP code Phoenix, AZ 85072		C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>

H Check type of organization ☐ 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, col (c), line 16) ▶ \$ 26,067,742 J Accounting method ☐ Cash ☒ Accrual
☐ Other (specify) _____ (Part I, column (d) must be on cash basis)

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 ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule) if the foundation is not required to attach Sch. B. <input type="checkbox"/>				
	2 Check <input type="checkbox"/>				
	3 Interest on savings and temporary cash investments	736,393	736,393		
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	57,059			
	b Gross sales price for all assets on line 6a		57,059		
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	793,452	793,452		
	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 schedule)				
	c Other professional fees (attach schedule)	81,259	81,259		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	1,240			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	82,499	81,259		
	25 Contributions, gifts, grants paid	1,282,214			1,710,223
	26 Total expenses and disbursements. Add lines 24 and 25	1,364,713	81,259		1,710,223
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-571,261			
	b Net investment income (if negative, enter -0-)		712,193		
	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	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)				
	c	Investments - corporate bonds (attach schedule)	6,692,808	6,019,739	6,019,739	
	11	Investments - land, buildings, and equipment basis Less: accumulated depreciation (attach schedule)				
	12	Investments - mortgage loans				
	13	Investments - other (attach schedule) <u>Schedule III</u>	15,653,411	20,048,003	20,048,003	
	14	Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule)				
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	22,346,219	26,067,742	26,067,742		
Liabilities	17	Accounts payable and accrued expenses	67,402	181,664		
	18	Grants payable	934,225	587,475		
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)	1,001,627	769,139			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted	21,344,592	25,298,603		
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>					
	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 (see page 17 of the instructions)	21,344,591	25,298,603			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	22,346,219	26,067,742			

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	21,344,591
2	Enter amount from Part I, line 27a	2	-571,261
3	Other increases not included in line 2 (itemize) ▶	3	4,525,271
4	Add lines 1, 2, and 3	4	25,298,601
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	25,298,601

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 State Street Corporation			P	Various	Various
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 57,059		0	57,059		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(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			
a			57,059		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	57,059	
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } </div> </div>					
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3		
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> { If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. } </div> </div>					

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(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))
2008	1,753,836	27,731,161	0.0632
2007	2,123,375	26,481,662	0.0802
2006	1,692,536	20,991,173	0.0806
2005	1,781,186	22,314,492	0.0798
2004	1,828,316	23,103,890	0.0791
2 Total of line 1, column (d)			2 0.3829
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 0.0766
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 22,731,983
5 Multiply line 4 by line 3			5 1,741,270
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 7,122
7 Add lines 5 and 6			7 1,748,392
8 Enter qualifying distributions from Part XII, line 4			8 1,710,223

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 • Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		1	14,244
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3 Add lines 1 and 2		3	14,244
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	14,244
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a 18,297		
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	18,297
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	4,053
11 Enter the amount of line 10 to be Credited to 2010 estimated tax 4,053 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 page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file 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 \$ (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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) Arizona		
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? 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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	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 ▶ APS FOUNDATION, INC.	Telephone no ▶	602-250-2574	
Located at ▶ P.O. BOX 53999, MS 9657 PHOENIX, AZ		ZIP + 4 ▶	85072-3999	
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		

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶	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 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ▶	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 page 20 of the instructions)	2b	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 ▶		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2009 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 2009)	3b	X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to				
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 5a(1)-(5), did 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.				5b N/A
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? If "Yes," attach the statement required by Regulations section 53.4945-5(d)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870				6b X
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?				7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE SCHEDULE IV				

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

Form 990-PF (2009)

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	23,075,909
b	Average of monthly cash balances	1b	2,246
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	23,078,155
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	23,078,155
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	346,172
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	22,731,983
6	Minimum investment return. Enter 5% of line 5	6	1,136,599

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,136,599
2a	Tax on investment income for 2009 from Part VI, line 5	2a	14,244
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	14,244
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,122,355
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,122,355
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,122,355

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,710,223
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,710,223
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,710,223

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,122,355
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004 692,389				
b From 2005 690,089				
c From 2006 661,905				
d From 2007 859,242				
e From 2008 378,957				
f Total of lines 3a through e	3,282,582			
4 Qualifying distributions for 2009 from Part XII, line 4. ► \$ 1,710,223				
a Applied to 2008, but not more than line 2a . . .				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)	587,868			
d Applied to 2009 distributable amount				1,122,355
e Remaining amount distributed out of corpus . .				
5 Excess distributions carryover applied to 2009 (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	3,870,450			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	692,389			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	3,178,061			
10 Analysis of line 9				
a Excess from 2005 690,089				
b Excess from 2006 661,905				
c Excess from 2007 859,242				
d Excess from 2008 378,957				
e Excess from 2009 587,868				

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

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling

N/A

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

4942(j)(3) or

4942(j)(5)

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

	Prior 3 years				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

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

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

- a** The name, address, and telephone number of the person to whom applications should be addressed
- 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**

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
a Paid during the year SEE SCHEDULE V				
Total. ▶ 3a				1,628,964
b Approved for future payment SEE SCHEDULE VI				
Total. ▶ 3b				587,475

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Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions on page 28 to verify calculations)

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 page 29 of the instructions)
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[illegible]

APS Foundation
EIN. 95-3735903
Form 990-PF
Year Ended December 31, 2009

Schedule I

Part I, Line 1 Contributions, Gifts, Grants, Etc, Received

Contributions: Arizona Public Service Company

-

Part I, Line 18, Taxes

Excise Tax

-

Property Tax

-

Other

1,240

Total

1,240

APS Foundation, Inc.
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Schedule II

Part I, Line 16c
Other Professional Fees

<u>Payee</u>	<u>Amount</u>
Trustee Fees	14,345
Fund Advisory Fee	34,485
Consultant Fees	84
Other Expense	<u>32,345</u>
Total	<u><u>81,259</u></u>

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Schedule III

Part II, Line 10a
Summary of Current Investments - Government

<u>Investment</u>	<u>Market Value</u>
<i>Debt</i>	
Total	<u>-</u>

Part II, Line 10c
Summary of Current Investments - Corporate

<u>Investment</u>	<u>Market Value</u>
<i>Debt</i>	
Fixed Income Fund Net Assets at Market	<u>6,019,739</u>
Total	<u>6,019,739</u>

Part II, Line 13
Summary of Current Investments - Other

<u>Investment</u>	<u>Market Value</u>
<i>Equity</i>	
US Equity Fund Net Assets at Market	14,751,236
Int'l Equity Fund Net Assets at Market	<u>5,296,767</u>
Total	<u>20,048,003</u>

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Year Ended December 31, 2009

Schedule IV**DIRECTORS**

Donald E. Brandt

David P. Falck

Tammy D. McLeod

Donald G. Robinson

Mark A. Schiavoni

OFFICERS

Donald E. Brandt, Chairman and President

David P. Falck, Vice President and Secretary

Tammy D. McLeod, Vice President and Treasurer

Donald G. Robinson, Vice President

Mark A. Schiavoni, Vice President

APS Foundation, Inc.
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Schedule V
Page 1 of 3

Part XV, Line 3, Contributions Paid During the Year

Donee	Amount
Actors Theatre of Phoenix	50
Agape Youth Ranch	375
Alzheimers Association - Desert Southwest Chapter	10,000
American Cancer Society Great West Division	50,050
American Diabetes Association	675
American Hospice Foundation	125
Americans for a Better Tomorrow, Inc	500
Apache Junction Reach Out	125
ARA Parseghian Medical Research Foundation	5,000
Arizona Humane Society	500
Arizona Jewish Historical Society	25,000
Arizona Literacy and Learning Center	5,000
Arizona Science Center	100,125
Arizona State University Foundation	25,375
Arizona Theatre Company	100
Arizona's Children Association	25,000
Arts and Business Council of Greater Phoenix	625
Association of Arizona Food Banks	10,000
Back-to-School Clothing Drive Association	250
Banat Soccer Club	125
Barrow Neurological Foundation	5,000
Be a Leader Foundation	120,000
Best Buddies Arizona	5,000
Boy Scouts of America	475
Brigham Young University - Idaho	25
Brophy Community Foundation	500
Cal State East Bay Educational Foundation	50
Campaign for Leadership	5,000
Central Arizona College	25,000
Children First	1,500
Childsplay, Inc.	25,000
Clarkson University	25
Coalition for Compassion and Justice	225
College of Law	500
Community Food Bank	2,500
Desert Botanical Garden	38
Desert Edge High School	125
Disabled American Veterans	250
Executive Women International	125
Farmington Museum Foundation	50,000
Flagstaff Family	1,000
Flagstaff Public Library Foundation	25

Part XV, Line 3, Contributions Paid During the Year

Donee	Amount
Florence Immigrant and Refugee Rights Project, Inc	5,000
Foundation for Blind Children	25,000
Fresh Start Women's Foundation	105,000
Friendly House, Inc.	25,000
Friends of Tempe Center for the Arts	125
Full Circle Help	500
Gammage VIP Fund	25
Gilbert Historical Society	25
Glendale DeMolay	125
Goodwill Industries of Southern Arizona	1,250
Grand Canyon Council BSA	125
Helping Hands for Single Moms	238
Homebase Youth Services	35,000
Human Services Campus	70,000
John C. Lincoln North Mountain	125
Just Economics	1,500
KAET Public Radio	150
KBAQ Public Radio	25
KJZZ Public Radio	261
Make-a-Wish Foundation	25,000
Maricopa County Sheriff's Office Memorial Fund	125
McDowell Sonoran Conservancy	25,000
Metropolitan Office YMCA	30,000
Midwestern University	5,000
Muscular Distrophy Association	500
Native American Bar Association	125
Nature Conservancy	100
New Mexico State University	8,400
Nothern Arizona University	167,325
Oakwood PTSA	125
Paseo Verde PTSA	250
Paz de Cristo Community College	125
Pet Smart Charities	50
Phoenix Children's Hospital Foundation	30,000
Phoenix Day	10,000
Phoenix Girls Choir	25
Phoenix Indian Center, inc	25,333
Phoenix Symphony	75
Phoenix Zoo	40,250
Pisgah Legal Services	1,500
Recording for the Blind and Dyslexic	5,000
Rio Salado Town Lake Foundation	20,000
Rocky Mountain Elk Foundation	1,000
Ronald McDonald House	20,000

Part XV, Line 3, Contributions Paid During the Year

Donee	Amount
Rutgers University Foundation	150
Ryan House	25,000
Salvation Army	1,250
San Juan College Foundation	50,000
Santa Clara University	25
School of Mechanical Engineering	25
Science Foundation Arizona	1,000
Scottsdale Baseball Academy, Inc	500
Society of St. Vincent de Paul	1,000
Sojourner Center	50,000
Sonoran Desert Chorale	250
South Dakota State University	400
Southwest Human Development	25,000
St Joseph's Foundation	50,000
Sun Angel Foundation	420
Sun City Posse	125
Sunnyslope AFJROTC	125
The Barness Family - East Valley Jewish Community Center	38
The Nature Conservancy - Arizona Chapter	100,025
The Wellness Community - Central Arizona	50,125
Thunderbird - School of Global Management	1,500
UMOM New Day Center	20,000
Univeristy of Idaho Foundation	25
Univeristy of Missouri - Columbia	50
University of Arizona Foundation	63
University of Arkansas Foundation	50
University of Illinois Foundation	500
University of the Pacific	3,375
Valle Del Sol, Inc	25,000
Virginia Tech Foundation, Inc	500
Vision Quest 20/20	10,000
Wake Forest University Health Services	50
Wickenburg	1,000
Yavapai Regional Medical Center	25,000
Young Life - Area AZ31	125
Yuma Youth Soccer	125
Total	1,628,964

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Schedule VI

Donee	Date Approved	Total Pledge	2010	Remaining Contributions
Arizona State University - Del Webb School	03/19/09	50,000	5,000	45,000
Arizona State University - Campaign for Leadership	06/22/09	20,000	5,000	15,000
McDowell Sonoran Conservancy	10/01/08	75,000	25,000	25,000
New Mexico State University	04/17/08	268,800	8,400	193,200
San Juan College	03/02/09	100,000	50,000	50,000
UMOM New Day Centers	06/11/07	80,000	20,000	20,000
University of the Pacific	07/17/08	97,875	3,375	67,500
Valle Del Sol	10/06/06	1,500,000	25,000	-
YMCA	08/12/05	150,000	30,000	-
Pledge Payments			<u>171,775</u>	<u>415,700</u>
Total Pledge Payments				<u>587,475</u>