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Form 990-PF

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

OMB No 1545-0052

2010

Department of the Treasury Internal Revenue Service

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

For calendar year 2010, or tax year beginning 10-01-2010, and ending 09-30-2011

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

Name of foundation: ARIZONA HIGHER EDUCATION LOAN AUTHORITY. A Employer identification number: 20-2001592. B Telephone number: (480) 383-8707. H Check type of organization: Section 501(c)(3) exempt private foundation. J Accounting method: Accrual.

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

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

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash—non-interest-bearing		20,014	20,014	
	2 Savings and temporary cash investments	1,292,418	1,614,022	1,614,022	
	3 Accounts receivable ▶ <u>154,957</u>				
	Less allowance for doubtful accounts ▶ _____	196,541	154,957	154,957	
	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 15 of the instructions)				
	7 Other notes and loans receivable (attach schedule) ▶ <u>223,454,256</u>				
	Less allowance for doubtful accounts ▶ <u>134,000</u>	244,603,251	223,320,256	223,320,256	
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges	46,226	64,069	64,069	
	10a Investments—U S and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule)				
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment basis ▶ _____				
Less accumulated depreciation (attach schedule) ▶ _____					
12 Investments—mortgage loans					
13 Investments—other (attach schedule)	25,785,098	46,620,071	46,620,071		
14 Land, buildings, and equipment basis ▶ <u>94,242</u>					
Less accumulated depreciation (attach schedule) ▶ <u>58,250</u>	45,325	35,992	35,992		
15 Other assets (describe ▶ _____)	14,751,453	13,152,277	13,152,277		
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	286,720,312	284,981,658	284,981,658		
Liabilities	17 Accounts payable and accrued expenses	4,312	18,307		
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ▶ _____)	280,791,016	279,394,582		
23 Total liabilities (add lines 17 through 22)	280,795,328	279,412,889			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted	5,924,984	5,568,769		
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>				
	and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
28 Paid-in or capital surplus, or land, bldg, and equipment fund					
29 Retained earnings, accumulated income, endowment, or other funds					
30 Total net assets or fund balances (see page 17 of the instructions)	5,924,984	5,568,769			
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	286,720,312	284,981,658			

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	5,924,984
2	Enter amount from Part I, line 27a	2	-356,215
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	5,568,769
5	Decreases not included in line 2 (itemize) ▶ _____	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	5,568,769

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			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) 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			
b			
c			
d			
e			

2	Capital gain net income or (net capital loss)	$\left\{ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter -0- in Part I, line 7} \end{array} \right\}$	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	$\left. \begin{array}{l} \\ \\ \\ \end{array} \right\}$	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 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))
2009	5,575,006	25,417,595	0.219336
2008	44,593,464	41,122,209	1.084413
2007	91,949,426	50,278,881	1.828788
2006	196,311	0	0.0
2005	5,850,589	0	0.0

2	Total of line 1, column (d).	2	3.132537
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	0.626507
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	37,424,117
5	Multiply line 4 by line 3.	5	23,446,471
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	0
7	Add lines 5 and 6.	7	23,446,471
8	Enter qualifying distributions from Part XII, line 4.	8	5,932,445

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 letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2.	3	0
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	0
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	0
8	Enter any penalty for underpayment of estimated tax Check here <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	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		No
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)? <i>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.</i>		No
c Did the foundation file Form 1120-POL for this year?		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ <u>0</u> (2) On foundation managers <input type="checkbox"/> \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		No
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? <i>If "Yes," attach a conformed copy of the changes</i>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		No
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?	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> AZ _____		
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? <i>If "No," attach explanation .</i>	Yes	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address WWW.AHELA.ORG	13	Yes	
14	The books are in care of SHELLY MURPHY Telephone no (480) 383-8707 Located at 2141 E BROADWAY ROAD NO 202 TEMPE AZ ZIP+4 85282			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year. 15			
16	At any time during calendar year 2010, 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		No

See page 20 of 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
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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		
1b	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. <input type="checkbox"/>	1b	No
1c	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 2010?	1c	No
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 20 of the instructions).	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20___, 20___, 20___, 20___		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i>)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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 2010?	4b	No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(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</p> <p>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. <input type="checkbox"/></p> <p>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? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>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</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>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</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b	
	6b	No
	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 Additional Data Table				

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
DANA REDFORD 2141 E BROADWAY STE 202 TEMPE, AZ 85282	MARKETING & OUTREACH 40 00	65,000	10,694	0
MERISSA RIVERA 2141 E BROADWAY STE 202 TEMPE, AZ 85282	OPERATIONS MANAGER 40 00	60,000	6,581	0
Total number of other employees paid over \$50,000. <input type="checkbox"/>				0

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

3 Five highest-paid independent contractors for professional services (see 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
MOSS ADAMS LLP 6100 UPTOWN BLVD NE STE 400 ALBUQUERQUE, NM 87110	ACCOUNTING	61,200
Total number of others receiving over \$50,000 for professional services.		0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments (see page 24 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 CAPITALIZED STUDENT LOAN INTEREST AS OF SEPTEMBER 30, 2011	5,750,304	
2 		
All other program-related investments See page 24 of the instructions		
3 		
Total. Add lines 1 through 3.		5,750,304

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	36,269,809
b	Average of monthly cash balances.	1b	1,590,236
c	Fair market value of all other assets (see page 24 of the instructions).	1c	133,982
d	Total (add lines 1a, b, and c).	1d	37,994,027
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	37,994,027
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	569,910
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	37,424,117
6	Minimum investment return. Enter 5% of line 5.	6	1,871,206

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	1,871,206
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	0
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	1,871,206
4	Recoveries of amounts treated as qualifying distributions.	4	27,046,300
5	Add lines 3 and 4.	5	28,917,506
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	28,917,506

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	180,542
b	Program-related investments—total from Part IX-B.	1b	5,750,304
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	1,599
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	5,932,445
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	5,932,445

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				28,917,506
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005.				
b From 2006.				
c From 2007.				64,406,873
d From 2008.				42,699,394
e From 2009.				
f Total of lines 3a through e.	107,106,267			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>5,932,445</u>				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Elected as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2010 distributable amount.				5,932,445
e Remaining amount distributed out of corpus		0		
5 Excess distributions carryover applied to 2010 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>	22,985,061			22,985,061
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	84,121,206			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
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).	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).		0		
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	84,121,206			
10 Analysis of line 9				
a Excess from 2006.				
b Excess from 2007.				41,421,812
c Excess from 2008.				42,699,394
d Excess from 2009.				
e Excess from 2010.				

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 2010, enter the date of the ruling.

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a 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 organization had \$5,000 or more in assets at any time during the year—see page 27 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

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
Total ▶ 3a				0
b <i>Approved for future payment</i>				
Total ▶ 3b				0

Additional Data**Software ID:****Software Version:****EIN:** 20-2001592**Name:** ARIZONA HIGHER EDUCATION LOAN AUTHORITY**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PATRICK CANTELME 2141 E BROADWAY STE 202 TEMPE, AZ 85282	PRESIDENT & CHAIRMAN OF TH 2 00	0	0	0
LOU DERON 2141 E BROADWAY STE 202 TEMPE, AZ 85282	BOARD MEMBER 2 00	0	0	0
ROBERT VANOSKY 2141 E BROADWAY STE 202 TEMPE, AZ 85282	BOARD MEMBER 2 00	0	0	0
DALE HENDERSON 2141 E BROADWAY STE 202 TEMPE, AZ 85282	BOARD MEMBER 2 00	0	0	0
SHELLY MURPHY 2141 E BROADWAY STE 202 TEMPE, AZ 85282	EXECUTIVE DIRECTOR 50 00	90,000	10,793	7,200

TY 2010 Accounting Fees Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	68,850	51,638		17,213

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2010 Depreciation Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

TY 2010 Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
DESK W/U-SHAPE AND HUTCH	2006-05-01	1,582	1,291	SL	7 000000000000	226	0		
42" CONFERENCE TABLE	2006-05-01	228	188	SL	7 000000000000	33	0		
36 X 72 DESK	2006-05-01	344	280	SL	7 000000000000	49	0		
CREDENZA	2006-05-01	344	280	SL	7 000000000000	49	0		
54' ROUND CONFERENCE	2006-05-01	327	268	SL	7 000000000000	47	0		
6 SITONIT BLACK CHAIRS	2006-05-01	878	715	SL	7 000000000000	125	0		
60" COMPUTER CORNER	2006-05-01	344	280	SL	7 000000000000	49	0		
60" COMPUTER CORNER	2006-05-01	344	280	SL	7 000000000000	49	0		
8 SWIVEL TILT BLACK CHAIRS	2006-05-01	1,040	851	SL	7 000000000000	149	0		
2 SITONIT SAND GUEST CHAIR	2006-05-01	391	320	SL	7 000000000000	56	0		
6 SITONIT GRAPHITE GUEST CHAIRS	2006-05-01	1,173	959	SL	7 000000000000	168	0		
24 X 42 DESK-RIGHT HAND	2006-05-01	235	193	SL	7 000000000000	34	0		
24 X 42 DESK-LEFT HAND	2006-05-01	235	193	SL	7 000000000000	34	0		
1 60" HUTCH	2006-05-01	710	578	SL	7 000000000000	101	0		
2 MANAGER SWIVEL CHAIR	2006-05-01	740	605	SL	7 000000000000	106	0		
2 EXECUTIVE SWIVEL BLACK CHAIR	2006-05-01	762	623	SL	7 000000000000	109	0		
42 X 96 CONFERENCE TABLE	2006-05-01	474	388	SL	7 000000000000	68	0		
20 X 60 CREDENZA	2006-05-01	601	491	SL	7 000000000000	86	0		
48 X 48 CONFERENCE TABLE	2006-05-01	529	433	SL	7 000000000000	76	0		
FILE CABINETS	2006-05-01	543	445	SL	7 000000000000	78	0		

TY 2010 Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
REFRIGERATOR	2006-07-05	497	406	SL	7 000000000000	71	0		
TELEPHONE SYSTEM	2006-07-17	3,598	3,598	SL	5 000000000000	0	0		
CONFERENCE DISPLAY	2006-09-25	1,255	1,075	SL	7 000000000000	180	0		
CUBICLES	2006-11-01	2,758	1,576	SL	7 000000000000	394	0		
COMPUTER	2006-01-01	1,932	1,932	SL	5 000000000000	0	0		
DELL P4 800 MGZ W/MO	2006-06-09	2,564	2,564	SL	5 000000000000	0	0		
DELL POWER CONNECT	2006-06-11	277	277	SL	5 000000000000	0	0		
DELL LASER PRINTER 1710	2006-06-14	279	279	SL	5 000000000000	0	0		
DELL DESKTOP PR 630	2006-06-18	1,274	1,274	SL	5 000000000000	0	0		
DELL DESKTOP PR 630	2006-06-18	1,274	1,274	SL	5 000000000000	0	0		
DELL DESKTOP PR 630	2006-06-18	1,274	1,274	SL	5 000000000000	0	0		
DELL DESKTOP PR 630	2006-06-18	1,274	1,274	SL	5 000000000000	0	0		
PRINTER-OFFICE MAX	2006-06-20	285	285	SL	5 000000000000	0	0		
COPIER/PRINTER	2006-07-24	265	265	SL	5 000000000000	0	0		
BLACKBERRY	2006-01-01	528	491	SL	5 000000000000	26	0		
DELL LATITUDE D 410	2005-08-15	1,404	1,404	SL	5 000000000000	0	0		
DELL COMPUTERS	2006-11-03	2,323	1,860	SL	5 000000000000	463	0		
ADOBE SOFTWARE CREATIVE SUITE	2007-05-03	1,910	1,910	SL	3 000000000000	0	0		
COMPUTER	2007-05-23	1,422	1,136	SL	5 000000000000	286	0		
COMPUTER	2007-05-25	2,042	1,632	SL	5 000000000000	410	0		

TY 2010 Depreciation Schedule

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
COMPUTERS	2008-07-01	6,503	2,927	SL	5 000000000000	1,301	0		
COMPUTER SETUP	2008-07-22	8,827	3,887	SL	5 000000000000	1,765	0		
IT PURCHASES	2008-07-01	15,676	7,054	SL	5 000000000000	3,135	0		
WEBSITE DEVELOPMENT	2006-09-30	3,995	3,196	SL	5 000000000000	799	0		
WEBSITE DEVELOPMENT	2007-05-25	2,210	1,731	SL	5 000000000000	442	0		
WEBSITE DEVELOPMENT	2008-09-08	2,600	1,083	SL	5 000000000000	520	0		
IT PURCHASES	2010-04-30	1,517	126	SL	5 000000000000	303	0		
IT PURCHASES	2010-06-30	1,916	96	SL	5 000000000000	383	0		
IT PURCHASES	2011-03-31	857		SL	5 000000000000	86	0		
IT PURCHASES	2011-09-30	741		SL	5 000000000000	0	0		

TY 2010 Investments - Other Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INVESTMENT - BOND FUNDS	AT COST	46,620,071	46,620,071

TY 2010 Legal Fees Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	861	646		215

TY 2010 Other Assets Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DEFERRED FEES	1,761,615	1,389,211	1,389,211
LOAN PREMIUM	4,820,642	4,087,374	4,087,374
ACCRUED INTEREST	8,164,647	7,671,143	7,671,143
DEPOSITS	4,549	4,549	4,549

TY 2010 Other Expenses Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SERVICE FEES	737,973	737,973		0
OFFICE EXPENSES	65,841	49,381		16,460
INSURANCE	30,490	22,868		7,623
BANK & TRUSTEE FEES	30,100	30,100		0
BROKER DEALER/AUCTION AGENT FEES	152,850	152,850		0
AMORTIZATION OF DEBT RELATED EXPENSES	1,104,132	1,104,132		0
MARKETING	4,006	3,005		1,002
SPECIAL ALLOWANCE EXPENSE	7,505,739	7,505,739		0

TY 2010 Other Income Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
INTEREST RECEIVED STUDENT LOANS	12,871,105	12,871,105	12,871,105

TY 2010 Other Liabilities Schedule**Name:** ARIZONA HIGHER EDUCATION LOAN AUTHORITY**EIN:** 20-2001592

Description	Beginning of Year - Book Value	End of Year - Book Value
BOND INTEREST	755,898	568,027
ACCRUED TRUST EXP	414,891	324,943
ACCRUED ARBITRAGE REBATE	1,037,647	114,868
BONDS PAYABLE	276,600,000	276,600,000
SAP PAYABLE	1,982,580	1,786,744

TY 2010 Other Professional Fees Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DEBT RELATED HOLDING FEES	1,362,309	1,362,309		0
INFORMATION TECHNOLOGY SERVICES	10,177	7,633		2,544
ARBITRAGE CALC	3,500	3,500		0

TY 2010 Taxes Schedule

Name: ARIZONA HIGHER EDUCATION LOAN AUTHORITY

EIN: 20-2001592

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAXES	5,321	0		0