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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation ARTHUR L. FUNK AND JOAN A. FUNK CHARITABLE FOUNDATION		A Employer identification number 74-2587362
Number and street (or P.O. box number if mail is not delivered to street address) 7056 E. MAIN STREET		B Telephone number (see instructions) 602-300-0834
City or town, state, and ZIP code SCOTTSDALE AZ 85251		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		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. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 791,838	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	10	10		
4	Dividends and interest from securities	17,746	17,746		
5 a	Gross rents		0		
b	Net rental income or (loss)	0			
6 a	Net gain or (loss) from sale of assets not on line 10	8,149			
b	Gross sales price for all assets on line 6a	131,656			
7	Capital gain net income (from Part IV, line 2)		8,149		
8	Net short-term capital gain			0	
9	Income modifications				
10 a	Gross sales less returns and allowances	0			
b	Less: Cost of goods sold	0			
c	Gross profit or (loss) (attach schedule)	0			
11	Other income (attach schedule)	0	0	0	
12	Total. Add lines 1 through 11	25,905	25,905	0	
13	Compensation of officers, directors, trustees, etc.	6,500			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16 a	Legal fees (attach schedule)	0	0	0	0
b	Accounting fees (attach schedule)	7,500	3,500	0	4,000
c	Other professional fees (attach schedule)	6,090	6,090	0	0
17	Interest				
18	Taxes (attach schedule) (see instructions)	255	255	0	0
19	Depreciation (attach schedule) and depletion	0	0	0	
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)	485	485	0	0
24	Total operating and administrative expenses. Add lines 13 through 23	20,830	10,330	0	4,000
25	Contributions, gifts, grants paid	20,000			20,000
26	Total expenses and disbursements. Add lines 24 and 25	40,830	10,330	0	24,000
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-14,925			
b	Net investment income (if negative, enter -0-)		15,575		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

(HTA)

SCANNED JUL 03 2012

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	7,984	20,247	20,247
	2	Savings and temporary cash investments	109,070	75,232	75,232
	3	Accounts receivable	0		
		Less allowance for doubtful accounts	0	0	0
	4	Pledges receivable	0		
		Less allowance for doubtful accounts	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule)	0		
		Less allowance for doubtful accounts	0	0	0
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	630,984	644,134	696,359
	c	Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11	Investments—land, buildings, and equipment basis	0		
		Less accumulated depreciation (attach schedule)	0	0	0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	0	0	0
	14	Land, buildings, and equipment basis	0		
		Less accumulated depreciation (attach schedule)	0	0	0
	15	Other assets (describe)	0	0	0
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	748,038	739,613	791,838
	17	Accounts payable and accrued expenses	0	6,500	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe)	0	0	
	23	Total liabilities (add lines 17 through 22)	0	6,500	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds	748,038	733,113	
	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 instructions)	748,038	733,113	
	31	Total liabilities and net assets/fund balances (see instructions)	748,038	739,613	

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	748,038
2	Enter amount from Part I, line 27a	2	-14,925
3	Other increases not included in line 2 (itemize)	3	0
4	Add lines 1, 2, and 3	4	733,113
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	733,113

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 See Attached Statement			
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 0	0	0	0
b 0	0	0	0
c 0	0	0	0
d 0	0	0	0
e 0	0	0	0

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

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	8,149
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	0

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.

(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))
2010	47,000	798,861	0.058834
2009	47,200	715,303	0.065986
2008	47,350	946,529	0.050025
2007			0.000000
2006			0.000000

2 Total of line 1, column (d)	2	0.174845
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	0.058282
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	0
5 Multiply line 4 by line 3	5	0
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7 Add lines 5 and 6	7	0
8 Enter qualifying distributions from Part XII, line 4 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.	8	0

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 <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	312
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	312
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	312
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	0	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
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	0	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	312	
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 2012 estimated tax <input type="checkbox"/> 0 Refunded <input type="checkbox"/>	11	0	

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?		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)? <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>		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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		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? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see 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>		
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address NONE	13	X	
14	The books are in care of JAMES D. TROW CPA Telephone no (602) 300-0834 Located at 15830 N. 60TH ST. SCOTTSDALE AZ ZIP+4 85254			
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			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <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 instructions)	2b	N/A
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 2011 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 2011)	3b	N/A
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 2011?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?**5b** N/AOrganizations 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**

If "Yes" to 6b, file Form 8870.

X

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
See Attached Statement	.00	0	0	0
	.00	0	0	0
	.00	0	0	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 ☒

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		0
.....		0
.....		0
.....		0
.....		0
.....		0

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 NONE - THE FOUNDATION IS ENGAGED ONLY IN MAKING GRANTS TO OTHER EXEMPT ORGANIZATIONS.....	
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	
2	
All other program-related investments See instructions	
3	0
Total. Add lines 1 through 3	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	732,795
b	Average of monthly cash balances	1b	104,698
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	837,493
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	837,493
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	12,562
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	824,931
6	Minimum investment return. Enter 5% of line 5	6	41,247

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	41,247
2a	Tax on investment income for 2011 from Part VI, line 5	2a	312
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	312
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	40,935
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	40,935
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	40,935

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	24,000
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	24,000
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24,000

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				40,935
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011				
a From 2006	10,592			
b From 2007	10,455			
c From 2008	560			
d From 2009	12,101			
e From 2010	7,245			
f Total of lines 3a through e	40,953			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 24,000				
a Applied to 2010, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	0			
d Applied to 2011 distributable amount				24,000
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	16,935			16,935
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	24,018			
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 2010 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0
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 2006 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	24,018			
10 Analysis of line 9				
a Excess from 2007	4,112			
b Excess from 2008	560			
c Excess from 2009	12,101			
d Excess from 2010	7,245			
e Excess from 2011	0			

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 <i>Paid during the year</i>				
UNIV OF SOUTHERN CALIFORNIA FOUNDATION 850 W 37TH ST LOS ANGELES CA 90089		PUBLIC	GENERAL SUPPORT	5,000
UNIV OF ARIZONA FOUNDATION 1111 N CHERRY AVE TUCSON AZ 85721		PUBLIC	SCHOLARSHIP GRAD SCH OF BUSINESS	2,500
UC SAN DIEGO FOUNDATION 9500 GILMAN DR LA JOLLA CA 92093		PUBLIC	BIRCH AQUARIUM	2,500
NAU FOUNDATION PO BOX 4086 FLAGSTAFF AZ 86011		PUBLIC	GENERAL SUPPORT	2,500
SCRIPPS HEALTH FOUNDATION PO BOX 2669 LA JOLLA CA 92038		PUBLIC	GENERAL SUPPORT	2,500
CHILDREN'S HOSPITAL FOUNDATION 3020 CHILDREN'S WAY SAN DIEGO CA 92123		PUBLIC	GENERAL SUPPORT	2,500
PHOENIX CHILDREN'S HOSPITAL FOUNDATION 2929 E CAMELBACK RD #122 PHOENIX AZ 85016		PUBLIC	GENERAL SUPPORT	2,500
Total			3a	20,000
b <i>Approved for future payment</i>				
Total			3b	0

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

- | 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | Yes | No |
|--|--|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | | |
| (1) Cash | | | X |
| (2) Other assets | | | X |
| b Other transactions: | | | |
| (1) Sales of assets to a noncharitable exempt organization | | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | | X |
| (3) Rental of facilities, equipment, or other assets | | | X |
| (4) Reimbursement arrangements | | | X |
| (5) Loans or loan guarantees | | | X |
| (6) Performance of services or membership or fundraising solicitations | | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 1c | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

Signature of officer or trustee James D. Jones Date 6/5/12

TREASURER
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

Firm's name ▶

Firm's FIN ▶

Firm's address ►

Phone no	
----------	--

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

										Amount					
Long Term CG Distributions										539					
Short Term CG Distributions															
Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Totals						
									Gross Sales Price	Cost or Other Basis	Valuation Method	Cost, Other Basis and Expenses	Net Gain or Loss	Depreciation	
1	X	GEN MTRS 7 25% PINES		FOUNDATION		10/5/2001	P	4/25/2011	114	25,578		131,656		8,149	
2	X	AQUA AMER INC 400 SH		FOUNDATION		6/10/2007	P	9/16/2011	8,720	9,095		0		0	
3	X	CHEVRON CORP 300 SH		FOUNDATION		11/25/2003	P	12/6/2011	31,081	10,675					
4	X	DU PONT ELDE NEMOUR 200		FOUNDATION		7/11/2000	P	12/6/2011	9,564	8,250					
5	X	HALLIBURTON CO 400 SH		FOUNDATION		3/26/2007	P	12/6/2011	14,073	12,680					
6	X	JP MORGAN CHASE 1000 SH		FOUNDATION		3/28/2001	P	9/16/2011	33,241	24,445					
7	X	PROCTOR & GAMBLE 90 SH		FOUNDATION		11/25/2003	P	12/6/2011	5,809	3,157					
8	X	VIACOM INC 200 SH		FOUNDATION		11/25/2003	P	9/21/2011	11,480	9,888					
9	X	ZIMMER HOLDINGS INC 300 S		FOUNDATION		11/25/2003	P	9/16/2011	17,035	19,739					
10														0	

Line 16b (990-PF) - Accounting Fees

		7,500	3,500	0	4,000
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	JAMES D TROW CPA	7,500	3,500		4,000
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

		6,090	6,090	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	AMERICAN ASSET MANAGEMENT	6,090	6,090		
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		255	255	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1					
2					
3					
4	US TREASURY EXCISE TAX	188	188		
5	FOREIGN TAXES	67	67		
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

		485	485	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1					
2	BANK SERVICE CHARGES	485	485		
3					
4					
5					
6					
7					
8					
9					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

	Description	Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	630,984	644,134	695,484	696,359
1	AMERICAN STATES WATER	100	2,685	2,685				FMV End of Year
2	AMERICAN STATES WATER	200	0	7,154		3,447	0	3,490
3	AQUA AMERICA INC	400	9,095	0		8,992	0	6,980
4	AT&T INC	400	13,908	13,908		11,752		0
5	BHP BILLITON LTD	200	6,008	13,673		9,292		12,096
6	JP MORGAN CHASE	1,000	24,445	0		42,420		14,126
7	NEXTERA ENERGY INC.	100	5,724	5,724		5,199		0
8	NEXTERA ENERGY INC.	100	0	5,726		0		6,088
9	ABB LTD ADR	400	0	7,236		0		6,088
10	CANADIAN NATIONAL RAILWAY CO	200	8,020	8,020		13,294		7,532
11	CHEVRON CORP	300	10,675	0		27,375		15,712
12	CHEVRON CORP	200	7,117	7,117		18,250		0
13	CHINA MOBILE LTD ADR	100	2,425	2,425		4,962		21,280
14	CHINA MOBILE LTD ADR	100	0	4,859		0		14,574
15	COCA COLA COMPANY	100	5,295	5,295		6,577		7,287
16	COCA COLA COMPANY	100	0	6,700		0		12,406
17	COLGATE PALMOLIVE CO	400	21,324	21,324		32,148		6,203
18	CONOCOPHILLIPS	200	12,889	12,889		13,620		27,468
19	CONOCOPHILLIPS	100	0	7,310		0		0
20	CONSOLIDATED EDISON INC	200	8,724	8,724		9,914		0
21	CONSOLIDATED EDISON INC	100	0	5,929		0		16,952
22	DU PONT EI DE NEMOUR & CO	600	28,110	29,231		29,928		1,986
23	DU PONT EI DE NEMOUR & CO	200	9,371	0		9,976		4,425
24	EXXON MOBIL CORPORATION	200	0	16,256		0		8,850
25	GENERAL MOTORS CO	98	25,578	0		7,950		20,706
26	GOLDCORP NEW	100	1,381	1,381		4,598		0
27	GOLDCORP NEW	200	0	10,388		0		0
28	HALLIBURTON CO	600	19,019	19,019		24,498		0
29	HALLIBURTON CO	400	12,680	0		16,332		32,424
30	HEINZ H J CO	600	20,015	20,015		29,676		25,760
31	HEWLETT-PACKARD CO	1,000	54,881	54,881		42,100		24,250
32	INTEL CORP	1,000	34,108	34,108		21,030		29,600
33	INTERNATIONAL PAPER CO	1,000	34,468	34,468		27,240		32,790
34	JOHNSON & JOHNSON	500	26,344	26,344		30,925		10,384
35	MICROSOFT CORP	400	10,760	10,760		11,164		5,558
36	NATIONAL FUEL GAS CO	100	2,846	2,846		6,562		5,558
37	NATIONAL FUEL GAS CO	100	0	5,957		0		6,001
38	NEWMONT MINING CORP	100	4,633	4,633		6,143		6,001
39	NEWMONT MINING CORP	100	0	6,684		0		13,592
40	PIEDMONT NATURAL GAS CO	400	6,463	6,463		11,184		20,013
41	PROCTOR & GAMBLE CO	300	10,524	10,524		19,299		0
42	PROCTOR & GAMBLE CO	90	3,157	0		5,790		0
43	ZIMMER HOLDINGS	300	19,739	0		16,104		9,258
44	THE SOUTHERN CO	200	6,336	6,336		7,646		0

Part II, Line 10b (990-PF) - Investments - Corporate Stock

	Description	Num Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
45	VIACOM INC	200	9,889	0	9,172	0
46	BRE PROPERTIES INC MID	200	4,451	4,451	8,700	10,096
47	INVESCO GLOBAL HEALTH FD	1,141	35,813	36,512	29,793	31,027
48	ISHARES TR BARCLAYS BOND	1,200	101,195	101,195	100,776	101,400
49	ISHARES TR BARCLAYS TIPS	400	0	44,095	0	46,676
50	ISHARES SILVER TRUST	100	1,615	1,615	3,018	2,694
51	POWERSHARES EXCH TRAD FD TR	200	4,514	4,514	3,798	3,370
52	WELLS FARGO IX 5.625%34	200	4,760	4,760	4,840	5,010
53						
54						
55						
56						
57						

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Totals		Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gain Minus Excess of FMV Over Adjusted Basis or Losses
						Long Term CG Distributions	Short Term CG Distributions								
						Amount	5390								
1	GEN MTRS 7 25% PINES		P	10/5/2001	4/25/2011			114	0	25,578	-25,464			0	-25,464
2	AQUA AMER INC 400 SH		P	6/10/2007	9/16/2011			8,720	0	9,095	-375			0	-375
3	CHEVRON CORP 300 SH		P	11/25/2003	12/6/2011			31,081	0	10,675	20,406			0	20,406
4	DU PONT EL DE NEMOUR 200		P	7/11/2000	12/6/2011			9,564	0	8,250	1,314			0	1,314
5	HALLIBURTON CO 400 SH		P	3/26/2007	12/6/2011			14,073	0	12,680	1,393			0	1,393
6	JP MORGAN CHASE 1000 SH		P	3/28/2001	9/16/2011			33,241	0	24,445	8,796			0	8,796
7	PROCTOR & GAMBLE 90 SH		P	11/25/2003	12/6/2011			5,809	0	3,157	2,652			0	2,652
8	VIACOM INC 200 SH		P	11/25/2003	9/21/2011			11,480	0	9,888	1,592			0	1,592
9	ZIMMER HOLDINGS INC 300 SH		P	11/25/2003	9/16/2011			17,035	0	19,739	-2,704			0	-2,704
10								0	0	0	0			0	0

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours
1	NANCY K. DOSS		7056 E MAIN ST	SCOTTSDALE	AZ	85251		PRES & DIR	0.00
2	SYDNEY J KINSELLA		1134 FIRST ST	CORONADO	CA	92118		PRES & DIR	2.00
3	JOSEPH WORISCHECK		7056 E MAIN ST	SCOTTSDALE	AZ	85251		SEC & DIR	0.00
4	JAMES D TROW CPA		15830 N 60TH ST	SCOTTSDALE	AZ	85254		TREAS & DIR	2.00
5	BRADLEY KINSELLA		910 CORNISH DR	SAN DIEGO	CA	92107		VP & DIR	2.00
6									
7									
8									
9									
10									

Part

	6,500	0	0	0
	Compensation	Benefits	Expense Account	Explanation
1				
2	4,750			
3				
4				
5	1,750			
6				
7				
8				
9				
10				

ARTHUR L. AND JOAN A. FUNK CHARITABLE FOUNDATION
COMPUTATION OF AVERAGE MONTHLY ASSET BALANCES
FOR THE 2011 YEAR

PART X: MINIMUM INVESTMENT RETURN

DESCRIPTION	2010 DEC	2011 JAN	FAIR VALUE BY MONTH											
			FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVE
Line 1a - Average monthly fair market value of securities:														
C Schwab														
Equities	536,609	548,131	565,697	569,324	590,996	583,819	574,493	638,110	538,207	425,016	470,355	471,044	496,086	539,068
Equity Funds	29,793	30,462	31,086	32,201	34,019	34,978	34,264	33,294	31,276	29,313	30,941	30,763	31,027	31,801
Other	129,082	128,989	129,767	173,115	172,842	171,960	170,896	172,952	172,231	168,301	172,450	171,443	171,006	161,926
	<u>695,484</u>	<u>707,582</u>	<u>726,550</u>	<u>774,640</u>	<u>797,857</u>	<u>790,757</u>	<u>779,653</u>	<u>844,356</u>	<u>741,714</u>	<u>622,630</u>	<u>673,746</u>	<u>673,250</u>	<u>698,119</u>	<u>732,795</u>
Line 1b - Average of monthly cash balances:														
Wells Fargo Bank A/C	44,654	27,714	26,947	1,179	822	1,051	93	719	1,411	7,856	12,335	11,565	20,247	12,046
Chas Schwab cash & money funds	108,660	107,773	108,430	66,616	66,041	67,220	70,075	71,210	70,785	130,273	129,858	130,673	75,232	92,527
Merrill Lynch cash & money funds	410	410	410	410	-	-	-	-	-	-	-	-	-	126
Total cash	<u>153,724</u>	<u>135,897</u>	<u>135,787</u>	<u>68,205</u>	<u>66,863</u>	<u>68,271</u>	<u>70,168</u>	<u>71,929</u>	<u>72,196</u>	<u>138,129</u>	<u>142,193</u>	<u>142,238</u>	<u>95,479</u>	<u>104,698</u>