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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

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	Room/suite
City or town, state, and ZIP code SCOTTSDALE AZ 85251	
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	A B C D E F
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	1. Foreign organizations, check here 2. Foreign organizations meeting the 85% test, check here and attach computation
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 791,838	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____

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) 1 1 2012		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.		20,830	10,330	0	4,000
Add lines 13 through 23					
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	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		End of year		
		(a) Book Value	(b) Book 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
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
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
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
Liabilities				
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 ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
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		
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 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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
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	8	0

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1
 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► 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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments

a 2011 estimated tax payments and 2010 overpayment credited to 2011

b Exempt foreign organizations—tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax Check here if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►

11 Enter the amount of line 10 to be Credited to 2012 estimated tax ► 0 Refunded ► 0

6a	0
6b	
6c	0
6d	
7	0
8	0
9	312
10	0
11	0

Part VII-A Statements Regarding Activities

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?

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

c Did the foundation file Form 1120-POL for this year?

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

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*

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?
 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?
If "Yes," attach the statement required by General Instruction T

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?

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*

8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ►
 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? *If "No," attach explanation*

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)? *If "Yes," complete Part XIV*

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*

	Yes	No
1a	X	
1b	X	
1c	X	
2	X	
3	X	
4a	X	
4b	N/A	
5	X	
6	X	
7	X	
8b		
9	X	
10	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?	13	X
Website address ► NONE			
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	► <input type="checkbox"/>
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?	16	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If "Yes," enter the name of the foreign country ►			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(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 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>			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 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	
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	3a	
a	Suitability test (prior IRS approval required)	3b	0
b	Cash distribution test (attach the required schedule)	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			0	
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 XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**N/A**

1 a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling				►	
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/>	4942(j)(3) or <input type="checkbox"/> 4942(j)(5)
2 a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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					0
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3)	Largest amount of support from an exempt organization					0
(4)	Gross investment income					0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

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

a The name, address, and telephone number 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 Paid during the year				
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 Approved for future payment				
Total			► 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	10	
4 Dividends and interest from securities			14	17,746	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			14	8,149	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue	a				
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		25,905	0
13 Total. Add line 12, columns (b), (d), and (e)	13				25,905

Part XVII B. Relationship of Activities to the Accomplishment of Event Purposes

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:	1a(1)	X
(1)	Cash	1a(2)	X
(2)	Other assets	1b(1)	X
b	Other transactions:	1b(2)	X
(1)	Sales of assets to a noncharitable exempt organization	1b(3)	X
(2)	Purchases of assets from a noncharitable exempt organization	1b(4)	X
(3)	Rental of facilities, equipment, or other assets	1b(5)	X
(4)	Reimbursement arrangements	1b(6)	X
(5)	Loans or loan guarantees	1c	X
(6)	Performance of services or membership or fundraising solicitations		
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		
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.		

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

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

**Sign
Here**

~~Signature of officer or trustee~~

Date _____

► TREASURER

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

Paid Preparer Use Only	Signature of officer or trustee		Date	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Preparer's signature		
	Firm's name ►		Firm's EIN ►		
Firm's address ►		Phone no			

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

Long Term CG Distributions		Amount	539	Short Term CG Distributions			
Totals				Gross Sales	131,656	Cost, Other Basis and Expenses	123,507
Securities					0		Net Gain or Loss
Other sales					0		8,149
							0

Line 16b (990-PF) - Accounting Fees

	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	0	4,000
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

	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	0	
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

	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

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1					0
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	FMV Beg. of Year	FMV End of Year
1	AMERICAN STATES WATER	100	2,685	2,685	3,447	3,490
2	AMERICAN STATES WATER	200	0	7,154	0	6,980
3	AQUA AMERICA INC	400	9,095	0	8,992	0
4	AT&T INC	400	13,908	13,908	11,752	12,096
5	BHP BILLITON LTD	200	6,008	13,673	9,292	14,126
6	JP MORGAN CHASE	1,000	24,445	0	42,420	0
7	NEXTERA ENERGY INC.	100	5,724	5,724	5,199	6,088
8	NEXTERA ENERGY INC.	100	0	5,726	0	6,088
9	ABB LTD ADR	400	0	7,236	0	7,532
10	CANADIAN NATIONAL RAILWAY CO	200	8,020	8,020	13,294	15,712
11	CHEVRON CORP	300	10,675	0	27,375	0
12	CHEVRON CORP	200	7,117	7,117	18,250	21,280
13	CHINA MOBILE LTD ADR	100	2,425	2,425	4,962	4,849
14	CHINA MOBILE LTD ADR	100	0	4,859	0	4,849
15	COCA COLA COMPANY	100	5,295	5,295	6,577	6,997
16	COCA COLA COMPANY	100	0	6,700	0	6,997
17	COLGATE PALMOLIVE CO	400	21,324	21,324	32,148	36,956
18	CONOCOPHILLIPS	200	12,889	12,889	13,620	14,574
19	CONOCOPHILLIPS	100	0	7,310	0	7,287
20	CONSOLIDATED EDISON INC	200	8,724	8,724	9,914	12,406
21	CONSOLIDATED EDISON INC	100	0	5,929	0	6,203
22	DU PONT E.I. DE NEMOURS & CO	600	28,110	29,231	29,928	27,468
23	DU PONT E.I. DE NEMOURS & CO	200	9,371	0	9,976	0
24	EXXON MOBIL CORPORATION	200	0	16,256	0	16,952
25	GENERAL MOTORS CO	98	25,578	0	7,950	1,986
26	GOLDCORP NEW	100	1,381	1,381	4,598	4,425
27	GOLDCORP NEW	200	0	10,388	0	8,850
28	HALLIBURTON CO	600	19,019	19,019	24,498	20,706
29	HALLIBURTON CO	400	12,680	0	16,332	0
30	HEINZ H J CO	600	20,015	20,015	29,676	32,424
31	HEWLETT-PACKARD CO	1,000	54,881	54,881	42,100	25,760
32	INTEL CORP	1,000	34,108	34,108	21,030	24,250
33	INTERNATIONAL PAPER CO	1,000	34,468	34,468	27,240	29,600
34	JOHNSON & JOHNSON	500	26,344	26,344	30,925	32,790
35	MICROSOFT CORP	400	10,760	10,760	11,164	10,384
36	NATIONAL FUEL GAS CO	100	2,846	2,846	6,562	5,558
37	NATIONAL FUEL GAS CO	100	0	5,957	0	5,558
38	NEWMONT MINING CORP	100	4,633	4,633	6,143	6,001
39	NEWMONT MINING CORP	100	0	6,684	0	6,001
40	PIEDMONT NATURAL GAS CO	400	6,463	6,463	11,184	13,592
41	PROCTOR & GAMBLE CO	300	10,524	10,524	19,299	20,013
42	PROCTOR & GAMBLE CO	90	3,157	0	5,790	0
43	ZIMMER HOLDINGS	300	19,739	0	16,104	0
44	THE SOUTHERN CO	200	6,336	6,336	7,646	9,258

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 MD	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	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	0		0		0					
												Amount	539	0	0	131,117	0	123,507	7,610	0	0
1	GEN MTRS 7.25% PINES		P	10/5/2001	4/25/2011	114	0	25,578	-25,464	0	0									-25,464	
2	AQUA AMER INC 400 SH		P	6/10/2007	9/16/2011	8,720	0	9,095	-375	0	0									-375	
3	CHEVRON CORP 300 SH		P	11/25/2003	12/6/2011	31,081	0	10,675	20,406	0	0									20,406	
4	DU PONT E.I. DE NEMOURS 200		P	7/11/2000	12/6/2011	9,564	0	8,250	1,314	0	0									1,314	
5	HALLIBURTON CO 400 SH		P	3/26/2007	12/6/2011	14,073	0	12,680	1,393	0	0									1,393	
6	JP MORGAN CHASE 1000 SH		P	3/28/2001	9/16/2011	33,241	0	24,445	8,796	0	0									8,796	
7	PROCTOR & GAMBLE 90 SH		P	11/25/2003	12/6/2011	5,809	0	3,157	2,652	0	0									2,652	
8	VIACOM INC 200 SH		P	11/25/2003	9/21/2011	11,480	0	9,888	1,592	0	0									1,592	
9	ZIMMER HOLDINGS INC 300 SH		P	11/25/2003	9/16/2011	17,035	0	19,739	-2,704	0	0									-2,704	
10						0	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