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 JUL 1, 2011 **, and ending** JUN 30, 2012

Name of foundation
THE KARL KIRCHGESSNER FOUNDATION
C/O KARL KRAMER

A Employer identification number 68-0530356

Number and street (or P O box number if mail is not delivered to street address) 1278 GLENNEYRE #311 Room/suite

B Telephone number 310-318-2949

City or town, state, and ZIP code
LAGUNA BEACH, CA 92651

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 16,988,015.

J Accounting method: ☐ Cash [X] Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

	Line		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received				
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	702,419.	702,419.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	165,124.			
	b	Gross sales price for all assets on line 6a 6,996,316.				
	7	Capital gain net income (from Part IV, line 2)		165,124.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income	12,154.	0.	0.	STATEMENT 2
	12	**Total.** Add lines 1 through 11	879,697.	867,543.	0.	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	104,453.	74,300.	0.	30,153.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees STMT 3	26,009.	22,971.	0.	3,038.
	b	Accounting fees STMT 4	30,000.	19,500.	0.	10,500.
	c	Other professional fees STMT 5	153,394.	102,275.	0.	51,119.
	17	Interest				
	18	Taxes STMT 6	-9,778.	0.	0.	0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 7	16,169.	10,462.	0.	5,707.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	320,247.	229,508.	0.	100,517.
	25	Contributions, gifts, grants paid	770,885.			770,885.
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,091,132.	229,508.	0.	871,402.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	-211,435.			
	b	**Net investment income** (if negative, enter -0-)		638,035.		
	c	**Adjusted net income** (if negative, enter -0-)			0.	

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12-02-11 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2011)

09441112 758382 5160 2011.04040 THE KARL KIRCHGESSNER FOUND 5160___1

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	5,407.	2,545.	2,545.
	2 Savings and temporary cash investments	188,556.	195,280.	195,280.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	18,231,903.	16,790,190.	16,790,190.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	18,425,866.	16,988,015.	16,988,015.
Liabilities	17 Accounts payable and accrued expenses	35,806.	37,478.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 9)	41,834.	-5,996.	
	23 **Total liabilities** (add lines 17 through 22)	77,640.	31,482.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ [X] **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	18,348,226.	16,956,533.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	18,348,226.	16,956,533.	
	31 **Total liabilities and net assets/fund balances**	18,425,866.	16,988,015.	

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	18,348,226.
2 Enter amount from Part I, line 27a	2	-211,435.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	18,136,791.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSS IN FAIR VALUE	5	1,180,258.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	16,956,533.

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	MORGAN STANLEY SMITH BARNEY	P	VARIOUS	VARIOUS
b	MORGAN STANLEY SMITH BARNEY	P	VARIOUS	VARIOUS
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	2,466,759.		2,479,603.	-12,844.
b	4,529,557.		4,351,589.	177,968.
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				-12,844.
b				177,968.
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	165,124.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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 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	823,522.	17,832,921.	.046180
2009	761,019.	16,361,497.	.046513
2008	841,039.	15,228,427.	.055228
2007	918,530.	21,587,198.	.042550
2006	1,205,839.	22,163,213.	.054407

2	Total of line 1, column (d)	2	.244878
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	.048976
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	17,165,043.
5	Multiply line 4 by line 3	5	840,675.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	6,380.
7	Add lines 5 and 6	7	847,055.
8	Enter qualifying distributions from Part XII, line 4	8	871,402.

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)

1a 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 ▶ [X] and enter 1% of Part I, line 27b			1	6,380.
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	6,380.
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	6,380.
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	25,000.		
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	25,000.
8 Enter any **penalty** for underpayment of estimated tax. Check here [X] if Form 2220 is attached			8	4.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	18,616.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶	18,616.	**Refunded** ▶	11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year?	7	X	
If "Yes," complete Part II, col. (c), and Part XV			
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA,NV			
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*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

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

Website address ▶ HTTP://WWW.KIRCHGESSNERFOUNDATION.ORG

14 The books are in care of ▶ KARL KRAMER Telephone no. ▶ 949-497-2809

Located at ▶ 1278 GLENNEYRE SUITE 311, LAGUNA BEACH, CA ZIP+4 ▶ 92651

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 N/A

			Yes	No
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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
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? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☒ No If "Yes," list the years ▶ ______, ______, ______, ______			
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.) N/A	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. ▶ ______, ______, ______, ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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.)* N/A	3b		
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)*

			Yes	No
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)?	☐ 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)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ 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		X
If "Yes" to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	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.

(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 STATEMENT 10		104,453.	0.	0.

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
MORGAN STANLEY SMITH BARNEY, ANDREW PRICE 10960 WILSHIRE BLVD., LOS ANGELES, CA 90024	INVESTMENT COUNSEL	94,227.
CHRISTINE TUTHILL, GRANTS COORDINATOR 1912 HARRIMAN LANE, REDONDO BEACH, CA 90278	INDEPENDENT CONSULTANT	51,712.
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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
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	17,419,257.
b	Average of monthly cash balances		1b	7,183.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	17,426,440.
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	17,426,440.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	261,397.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	17,165,043.
6	**Minimum investment return.** Enter 5% of line 5		6	858,252.

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	858,252.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 6,380.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	6,380.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	851,872.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	851,872.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	851,872.

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	871,402.
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	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	871,402.
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	5	6,380.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	865,022.

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				851,872.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			853,821.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 871,402.				
a Applied to 2010, but not more than line 2a			853,821.	
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				17,581.
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).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
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 instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				834,291.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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 ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

SEE STATEMENT A

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

SEE STATEMENT A

c Any submission deadlines:

SEE STATEMENT A

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

SEE STATEMENT A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT B				770,885.
Total			▶ 3a	770,885.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	702,419.	
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			14	12,154.	
8 Gain or (loss) from sales of assets other than inventory			18	165,124.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		879,697.	0.
13 **Total.** Add line 12, columns (b), (d), and (e)				13	879,697.

(See worksheet in line 13 instructions to verify calculations.)

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

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

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

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

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

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
N/A		

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], Pres. 11/13/12 ▶ President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JON HUCKABAY	[signature]	11/12/12		P00643518
Firm's name ▶ HASKELL & WHITE LLP			Firm's EIN ▶ 33-0310569	
Firm's address ▶ 8001 IRVINE CENTER DR, STE 300 IRVINE, CA 92618			Phone no. 949-450-6200	

STATEMENT B

THE KARL KIRCHESSNER FOUNDATION
FOR THE TAX YEAR ENDED JUNE 30, 2012
68-0530356

Recipient's Name	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
BLIND CHILDREN'S CENTER 4120 MARATHON STREET LOS ANGELES, CA 90029	SCHOOL - §170(b)(1)(A)(ii)	TO SUPPORT THE CENTER'S THERAPEUTIC SUPPORT SERVICES THAT HELP THE BLIND OR VISUALLY IMPAIRED CHILDREN	$ 25,000 00
BLIND CHILDREN'S LEARNING CENTER 18542-B VANDERLIP AVENUE SANTA ANA, CA 92705	SCHOOL - §170(b)(1)(A)(ii)	TO HELP 110 BLIND AND VISUALLY IMPAIRED CHILDREN THROUGHOUT ORANGE COUNTY DEVELOP AND/OR IMPROVE BRAILLE LITERACY SKILLS DURING THE NEXT YEAR	$ 40,000 00
BRAILLE INSTITUTE OF AMERICA 741 NORTH VERMONT AVENUE LOS ANGELES, CA 90029	SCHOOL - §170(b)(1)(A)(ii)	TO HELP FUND THE BRAILLE EDUCATION PROGRAM WHICH WILL PROVIDE BRAILLE INSTRUCTION IN THE ONSITE PRESCHOOL PROGRAM AND IN THE YOUTH OUTREACH PROGRAM	$ 20,000 00
THE CENTER FOR THE PARTIALLY BLINDED 12301 WILSHIRE BLVD , SUITE 600 LOS ANGELES, CA 90025	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO HELP SUPPORT OPTOMETRIC SERVICES TO INDIVIDUAL AGE 19 OR OLDER	$ 25,000 00
CHILDREN'S HOSPITAL LOS ANGELES 4650 SUNSET BLVD LOS ANGELES, CA 90027	HOSPITAL - §170(b)(1)(A)(iii)	TO PURCHASE AN ELLEZ EYE CUBED ULTRASOUND MACHINE, A PREMIER DIAGNOSTIC TOOL FROM ONE OF THE OPTHALMIC INDSUTRY'S MOST ADVANCED TECHNOLOGY PROVIDERS	$ 30,000 00
CHILDSIGHT LOS ANGELES 761 TERMINAL STREET, 2ND FLOOR LOS ANGELES, CA 90021	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO HELP CHILD SIGHT® LOS ANGELES PROVIDE FREE IN SCHOOL VISION SCREENINGS TO DISADVANTAGED YOUTH IN LOS ANGELES	$ 25,000 00
FAMILY HEALTH CENTER OF SAN DIEGO 823 GATEWAY CENTER WAY SAN DIEGO, CA 92102	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO PROVIDE ADDITIONAL EQUIPMENT TO THE CENTER VISION CARE CENTER FOR THE UNDERPRIVILEGED	$ 15,000 00
GOODWILL INDUSTRIES OF ORANGE COUNTY 401 NORTH FAIRVIEW SANTA ANA, CA 92703	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO SUPPORT THE EXPANSION OF ATEC'S LOW VISION/BLIND SERVICES	$ 7,500 00
GUIDE DOGS OF THE DESERT P O BOX 1692 PALM SPRINGS, CA 92263	SCHOOL - §170(b)(1)(A)(ii)	TO HELP OFFSET DIRECT PROGRAM COSTS FOR EXPANDED CLASSES TO TRAIN A STUDENT/DOG TEAM	$ 30,000 00
JUNIOR BLIND OF AMERICA 5300 ANGELES VISTA BLVD LOS ANGELES, CA 90043	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO CONTINUE PROVIDING VITAL SERVICES TO THOSE CHILDREN WHO ARE BLIND OR VISUALLY IMPAIRED TO BUILD INDEPENDENCE AND SELF-ESTEEM	$ 30,000 00
LAGUNA BEACH COMMUNITY CLINIC 362 3RD STREET LAGUNA BEACH , CA 92651	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO SUPPORT THE CLINIC OPTOMETRY DEPARTMENT	$ 15,100 00
LEARNING ALLY, INC 20 ROSZEL ROAD PRINCETON, NJ 08540	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO SUPPORT GENERAL OPERATIONS TO UNDERWRITE LEARNING ALLY, INC 'S EFFORTS TO REACH AND SERVE STUDENTS SPECIFICALLY IN THE SOUTHERN CALIFORNIA AND LOS ANGELES AREAS	$ 20,000 00

STATEMENT B

MEET EACH NEED WITH DIGNITY 10641 N SAN FERNANDO ROAD PACOIMA, CA 91331	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO SUPPORT THE CLINIC'S OPTOMETRY PROGRAM	$ 18,000 00
THE SABAN FREE CLINIC 8405 BEVERLY BLVD LOS ANGELES, CA 90048	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO PROVIDE EYE CARE SERVICES FOR LOW-INCOME AND UNINSURED HOMELESS, UNEMPLOYED AND WORKING POOR PEOPLE OF THE GREATER LA COUNTY	$ 20,000 00
SAN DIEGO CENTER FOR THE BLIND 5922 EL CAJON BLVD SAN DIEGO, CA 92115	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO INCREASE THE ABILITIES OF ANY ADULT WITH BLINDNESS OR VISION IMPAIRMENT	$ 25,000 00
SOUTHERN CALIFORNIA CONSERVATORY OF MUSIC 8230 FALLBROOK AVENUE WEST HILLS, CA 91304	SCHOOL - §170(b)(1)(A)(ii)	TO FUND AN ADMINISTRATIVE ASSISTANT A PART-TIME GRANT WRITER FOR CONSERVATORY'S BRAILLE MUSIC DIVISION	$ 20,000 00
ST JOSEPH HOSPITAL FOUNDATION 1100 WEST STEWART DRIVE ORANGE, CA 92868	HOSPITAL - §170(b)(1)(A)(iii)	TO PROVIDE SUPPORT TO THE HOSPITAL'S OPTOMETRY PROGRAM	$ 15,000 00
SURGICAL EYE EXPEDITIONS 6950 HOLLISTER AVENUE GOLETA, CA 93117	PUBLIC CHARITY - §509(a)(2)	TO RESTORE SIGHT TO DISADVANTAGED BLIND INDIVIDUALS	$ 15,000 00
UCLA FOUNDATION - UNCLE CLAUDE 100 STEIN PLAZA, SUITE 2-118 LOS ANGELES, CA 90095	PUBLIC CHARITY - §509(a)(1)	TO PROVIDE A MOBILE VISION SCREENING TO SCHOOLS, SENIOR CENTERS AND FREE CLINICS	$ 157,590 00
UNIVERSITY OF MIAMI MILLER SCHOOL OF MEDICINE 1320 S DIXIE HWY CORAL GABLES, FL 33146	SCHOOL - §170(b)(1)(A)(ii)	TO SUPPORT THE UNIVERSITY'S RESEARCH DEPARTMENT	$ 50,000 00
UNIVERSITY OF PORTLAND 5000 N WILLAMETTE BLVD PORTLAND, OR 97203	SCHOOL - §170(b)(1)(A)(ii)	TO PURCHASE A REFRESHABLE BRAILLE DISPLAY AND THE APPROPRIATE ASSISTIVE TECHNOLOGY SOFTWARE	$ 15,990 00
VALLEY COMMUNITY CLINIC 6801 COLDWATER CANYON AVENUE NORTH HOLLYWOOD, CA 91605	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO SUPPORT THE CLINIC'S OPTOMETRY PROGRAM	$ 40,000 00
VENICE FAMILY CLINIC 604 ROSE AVENUE VENICE, CA 90291	PUBLIC CHARITY - §170(b)(1)(A)(vi)	TO PROVIDE 1,440 VISION CARE VISITS TO LOW-INCOME, UNINSURED AND HOMELESS MEN, WOMEN, AND CHILDREN RESIDING ON THE WEST SIDE OF LOS ANGELES COUNTY DURING JULY 1, 2011 - JUNE 30, 2012	$ 30,000 00
VISTA COMMUNITY CLINIC 1000 VALE TERRACE DRIVE VISTA, CA 92084	PUBLIC CHARITY - §170(b)(1)(A)(vi)	IN SUPPORT OF THE PURCHASE OF THREE NEW WELCH ALLYN SURESIGHT OPHTHALMOSCOPES FOR THE SCREENING AND DIAGNOSIS OF VISION AND OTHER HEALTH PROBLEMS	$ 13,850 00
YALE UNIVERSITY 157 CHURCH STREET NEW HAVEN, CT 06510	SCHOOL - §170(b)(1)(A)(ii)	TO SUPPORT THE UNIVERSITY'S RESEARCH DEPARTMENT	$ 50,000 00
OTHER/MISCELLANEOUS GRANTS	CHARITABLE	OTHER CHARITABLE GIFTS	$ 67,855 00
TOTAL GRANTS ACCRUED AND PAID DURING THE YEAR ENDED 6/30/12			$ 820,885 00

STATEMENT C

RESOLUTION OF THE BOARD OF DIRECTORS OF

THE KARL KIRCHGESSNER FOUNDATION

The following resolution is hereby presented to the Board of Directors of The Karl Kirchgessner Foundation, a Nevada Nonprofit Public Benefit Corporation, who are in attendance at the Special Meeting of November 17, 2011:

> WHEREAS, this corporation's Bylaws provide that the Bylaws may be amended by the approval of a majority of the Directors, and
>
> WHEREAS, a majority of the Directors has determined that the requirement that the Board include one Director who is a Jesuit Priest or other person selected by the Provincial of the California Province of the Society of Jesus is no longer appropriate due to the limited number of qualified candidates available; and
>
> WHEREAS, a majority of the Directors has determined that the Bylaws should be amended to eliminate the requirement that the Board include a Jesuit Director and to remove all references to the office of Jesuit Director.
>
> NOW, THEREFORE, BE IT RESOLVED, that subparagraph (b) of Section 3 of Article VI of the Bylaws is hereby deleted and the following new subparagraph (b) of Section 3 of Article VI substituted in lieu thereof:
>
> "(b) Family Director. The Board shall include one Family Director. Karl F. Kramer, Jr. is serving as the current Family Director. His successors shall be elected in the manner provided in Section 4(b)(ii) below."
>
> NOW, THEREFORE, BE IT FURTHER RESOLVED, that subparagraph (iii) of Section 4(b) of Article VI of the Bylaws is hereby deleted in its entirety.
>
> NOW, THEREFORE, BE IT FURTHER RESOLVED, that subparagraph (iii) of Section 5(a) of Article VI of the Bylaws is hereby deleted in its entirety.
>
> NOW, THEREFORE, BE IT FURTHER RESOLVED, that the third full paragraph of Section 15 of Article VI of the Bylaws which addresses the issue of the Jesuit Director's involvement in the management of this corporation's investments is hereby deleted in its entirety.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
INVESTMENT INCOME	702,419.	0.	702,419.
TOTAL TO FM 990-PF, PART I, LN 4	702,419.	0.	702,419.

FORM 990-PF	OTHER INCOME	STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	12,154.	0.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	12,154.	0.	0.

FORM 990-PF	LEGAL FEES	STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	26,009.	22,971.	0.	3,038.
TO FM 990-PF, PG 1, LN 16A	26,009.	22,971.	0.	3,038.

FORM 990-PF	ACCOUNTING FEES	STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CPA FEES	30,000.	19,500.	0.	10,500.
TO FORM 990-PF, PG 1, LN 16B	30,000.	19,500.	0.	10,500.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT COUNSULTING FEES	94,227.	94,227.	0.	0.
CONSULTANT FEES	52,792.	8,048.	0.	44,744.
PROFESSIONAL FEES	6,375.	0.	0.	6,375.
TO FORM 990-PF, PG 1, LN 16C	153,394.	102,275.	0.	51,119.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CURRENT YEAR TAX PROVISION	-9,778.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	-9,778.	0.	0.	0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER G&A EXPENSES	16,169.	10,462.	0.	5,707.
TO FORM 990-PF, PG 1, LN 23	16,169.	10,462.	0.	5,707.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT 8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MARKETABLE SECURITIES	FMV	16,790,190.	16,790,190.
TOTAL TO FORM 990-PF, PART II, LINE 13		16,790,190.	16,790,190.

FORM 990-PF OTHER LIABILITIES STATEMENT 9

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
TAXES PAYABLE	12,988.	-11,256.
DEFERRED TAX LIABILITY	28,846.	5,260.
TOTAL TO FORM 990-PF, PART II, LINE 22	41,834.	-5,996.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
KARL F. KRAMER 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	VICE PRESIDENT/CFO/TREASUR 12.00	53,975.	0.	0.
ROBERT HUBER 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	PRESIDENT/DIRECTOR 10.00	35,275.	0.	0.
DIANA KRAMER 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	DIRECTOR 2.00	2,550.	0.	0.
KATHLEEN MCGRATH KRAMER 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	DIRECTOR 3.00	5,853.	0.	0.
MICHAEL KRAMER 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	DIRECTOR 2.00	3,400.	0.	0.
GEORGE LETTENEY 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	DIRECTOR 2.00	1,700.	0.	0.
DAVID TODD 1525 AVIATION BLVD. #168 REDONDO BEACH, CA 90278	DIRECTOR 2.00	1,700.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		104,453.	0.	0.

STATEMENT A

GRANT MAKING GUIDELINES
OF
THE KARL KIRCHGESSNER FOUNDATION

(As Revised 02/17/11)

1. The Foundation's Purposes

The Karl Kirchgessner Foundation ("Foundation") is a private foundation organized in 1979. The Foundation's purposes are exclusively charitable and are accomplished primarily through support of institutions located in the Southern California area, which are actively engaged in the provision of services in the field of vision.

The Foundation's mission is to assist economically disadvantaged persons, especially those among the young, the elderly, and the disabled. While the Foundation supports a limited amount of eye research, its emphasis is to support activities in the area of eye care, and in helping those with sight problems to be self-sufficient.

2. Eligibility for Grants

2.1 Applicants. The Foundation makes grants only to organizations which are currently qualified as tax-exempt under Internal Revenue Code Section 501 (c)(3) and are not private foundations or supporting organizations. Typical applicants are organizations which seek to help the blind and other vision-impaired individuals to become self-sufficient. Particular consideration is given to applicants from the Southern California area.

2.2 Types of Grants.

The Foundation makes the following types of grants:

2.2.1 Grants to support a specific project or program, or the acquisition by purchase or otherwise of one or more specific items of equipment needed for a project or program.

2.2.2 Grants to provide operating or general support. Such grants are determined on a case-by-case basis.

2.2.3 Grants for seed money to assist in establishing a new project, program or organization, including salary and other operating expenses. Such grants are determined on a case-by-case basis.

Each type of grant described above, and any others actually made by the Foundation, are collectively referred to in these Guidelines as a "Grant".

2.3 Length of Grant. The Foundation considers each year's applicants carefully on the merits of the current applications; accordingly, the fact that the Foundation makes a Grant in one year does not in any way imply that similar Grants will be made in ensuing years. On occasion, the Foundation does make a Grant which can only be completely utilized over more than one fiscal year of the Foundation. Any such Grant will likely require the approval of interim reports before further installment(s) are paid on the Grant.

2.4 Matching Grants. The Foundation strongly encourages applications which incorporate funding through matching grants. The Foundation's Matching Grant Program is described in detail in Section 6 below.

2.5 Non-Discrimination. There are no restrictions on the granting of or use of Grants with respect to race, color, creed, sex, sexual orientation or religion.

2.6 Overhead Restrictions. Grants are restricted to organizations whose projected overhead (indirect expenses) expenses allocable to the Grant being funded is deemed reasonable by the Foundation. In that regard, complete information is required before an application will be approved.

2.7 Excluded Grants. The Foundation does not consider requests from: individuals; private foundations, private operating foundations, or supporting organizations; political or business lobbying organizations or campaigns; or fund-raising campaigns, dinners, banquets, etc. Moreover, the Foundation neither supports nor engages in political activity. It does not attempt to influence legislation or provide support for organizations engaged in such activities.

3. **Submission of Grant Applications**

3.1 Letter of Intent

3.1.1 An organization or institution desiring to apply for a Grant should first determine, after a careful study of these Guidelines, whether or not its proposal falls within the stated Guidelines and priorities of this Foundation. If so, a brief Letter of Intent containing all contact information, including email address but not accompanied by any supporting materials, should be addressed to the Grants Coordinator of the Foundation, 1525 Aviation Boulevard #168, Redondo Beach, California 90278. This Letter of Intent shall state:

(a) the description of the project or program of the Grant for which funding is desired;

(b) the amount of funding requested;

(c) the time or times when funds are to be provided by this Foundation; and

(d) if any matching or challenge grants will be available or sought by the applicant.

The Letter of Intent should also include a statement that the applicant does and will comply with the requirements set forth in these Guidelines. Applications for research grants are not solicited and, if received by the Foundation, will be evaluated by its Scientific Advisory Board.

3.1.2 The Foundation's fiscal year ends June 30th and Grants are normally funded in June. In order for grant applications to receive adequate consideration, **Letters of Intent to apply for funding should be received by the Foundation by November 1st.** After receipt of such a Letter, the Foundation will advise the applicant whether there is an interest in pursuing the matter and, if so, will request submission of a formal Application, as outlined below.

3.2 Grant Application. If the Foundation requests the submission of a formal and detailed Application, the following information will be required **on or before February 1st** of the applicable year:

3.2.1 The general history and description of the applicant;

3.2.2 The purpose(s) for which the grant is being requested and the manner in which specified goals and tasks will be accomplished (including the qualifications of the applicant's personnel to accomplish its intended objectives, with particular regard to the capabilities and experience of the persons responsible for implementation of the proposal);

3.2.3 The total amount requested from the Foundation; the total budget; an explanation of the specific uses to which Foundation funds would be put; and a statement of the estimated overhead expenses expressed as a percentage of the total direct expenses allocable to the Grant;

3.2.4 If practicable, a breakdown of the grant request into appropriate components, with dollars allocated to each component, and a prioritization of these components. This information will assist our Foundation in determining whether and to what extent a Grant of less than the full amount will be effective for and helpful to the applicant;

3.2.5 A list of other sources of funding for the request detailing amounts received or committed;

3.2.6 The applicant's federal tax identification number;

3.2.7 A copy of the Internal Revenue Service Determination Letter stating that (a) the applicant has Section 501(c)(3) tax-exempt status, and (b) it is not a private foundation. Applicant is to certify that it has no knowledge or notice that these determinations are not still applicable; and

3.2.8 A current financial statement of the applicant, including a copy of the latest balance sheet showing assets and liabilities and the latest income statement showing income and expenses. A copy of the applicant's last federal information return (Form 990) is also required.

4. **Grant Review Procedure**

4.1 Criteria. This Foundation utilizes and weighs the following criteria, among others, in examining grant applications:

4.1.1 The stability and integrity of the applicant;

4.1.2 The focus of the Grant, including its significance relative to the operations of the applicant;

4.1.3 The capabilities and experience of the persons responsible for the implementation of the proposed Grant;

4.1.4 Whether the proposed Grant will duplicate or work in conjunction with similar Grants, and whether the proposal will meet a demonstrated need;

4.1.5 The extent of governmental, public or private support, if any;

4.1.6 The anticipated short- and long-term results of the Grant request; and

4.1.7 Whether there is a need for future financial support, including consideration of continued support from the Foundation, the community or other funding sources.

4.2 Notice to Applicants. The proposal will first be analyzed by the Grants Committee which will then make its recommendations to the Board of Directors of the Foundation. The Foundation may propose that an on-site visit be scheduled. Applicants whose proposals are accepted will be notified, and receive their funding, in June. When an application has been acted upon by the Foundation, such action is final. If an application has been rejected, it will not be carried over for future consideration. The applicant may later make a new application which must not be merely a request to reinstate the prior application.

5. **Post-Grant Reporting Requirements**

5.1 Generally. After a Grant has been made, the Foundation may request interim evaluation/progress reports at intervals of not less than every six months during the period that Grant funds are being utilized, and a final report when the Grant funds have been completely expended or the purposes for which the Grant was made have been accomplished, whichever is later. The Foundation will supply forms for these reports. Reports should be addressed to the Grants Coordinator of the Foundation, 1525 Aviation Boulevard #168, Redondo Beach, California 90278.

5.2 Notice of Changes. It is a condition of each Grant that the Foundation be immediately notified in writing should circumstances change regarding the Grant or its purposes.

5.3 Additional Information. After any report has been received and reviewed, the Foundation reserves the right to request additional information of specific interest and concern. In some cases, an on-site visit may be requested.

6. **Matching Grant Program**

6.1 Generally. The Foundation has made a commitment to a Matching Grant Program which allows it to better utilize its limited resources to provide support to the greatest number of worthy organizations. In addition, the Foundation believes that its promise of a matching grant will empower its Grantee organizations to successfully secure grant commitments from other grant organizations. If an organization indicates a desire to be considered for a matching grant in its Letter of Intent, it will likely increase its chances of receiving a grant award from the Foundation. In some cases, the Foundation may award both a regular grant and a matching grant to an organization.

6.2 Forms of Matching Grants.

The Foundation offers two forms of matching grants:

6.2.1 The first form of matching grant is called a "Matching Grant" and is an offer to a grantee organization to pay a stated amount to the grantee organization on the condition that the grantee organization is able to provide evidence that it has raised matching funds of the full amount requested from fresh sources within a specified period of time. If the grantee organization fails to raise the full amount requested, it will not receive any matching funds from the Foundation.

6.2.2 The second form of matching grant is called a "Challenge Grant" and is an offer made to a grantee organization to match funds raised from fresh sources within a specified period of time up to a specified amount. If the grantee organization fails to raise the full amount requested, it will still receive matching funds from the Foundation equal to the amount received from fresh sources.

6.3 Indication of Interest in Matching Grant Program. An organization desiring to apply for a matching grant should so indicate in its Letter of Intent. The Letter of Intent should include the amount of the matching grant request.

6.4 Supplemental Information in Grant Application. If an organization is invited to submit a Grant Application for a matching grant, then in addition to the information requested in Paragraph 3.2. above, the organization will also be asked to provide (i) a brief description of how the organization expects to secure the matching funds from fresh sources in an amount equal to the matching grant, and (ii) a statement that the organization expects that it will be able to provide evidence of the procurement of such matching funds prior to April 30 of the current grant year.

6.5 Review of Matching Grant Request. The Foundation will review matching grant requests as part of its general review of grant proposals. In addition to the criteria used to review regular grants, as set forth in Paragraph 4.1 above, the Foundation will also consider any evidence that the organization has provided which indicates a likelihood that the organization will be successful in procuring matching funds from fresh sources prior to April 30.

6.6 Conditions of Matching Grant. Except as otherwise indicated, an organization which receives a matching grant will be subject to all of the terms and conditions applicable to Grantees as set forth in these Guidelines.

7. **Relationship with Grant Recipients**

The Foundation desires to be a partner with its Grantees. Accordingly, Grant recipients are encouraged to send the Grants Coordinator of the Foundation, 1525 Aviation Boulevard #168, Redondo Beach, California 90278, newsletters and other mailings of interest on a regular basis so that the Foundation may better perform its functions while the Grantees carry on their valuable work.

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This document constitutes grant making policies and procedures which are subject to periodic review and modification by the Foundation.