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Form **990-PF**

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

OMB No 1545-0052

2011Department of the Treasury
Internal Revenue Service

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

For calendar year 2011 or tax year beginning 10/01/11, and ending 09/30/12

Name of foundation A. J. FRANK FAMILY FOUNDATION		A Employer identification number 93-0523395
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 79	Room/suite	B Telephone number (see instructions) 503-897-2371
City or town, state, and ZIP code MILL CITY OR 97360		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 7,326,583	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	70,000			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	99,426	99,426		
	4 Dividends and interest from securities	91,208	91,180		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 STMT 1	-36,717			
	b Gross sales price for all assets on line 6a 1,014,418				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	223,917	190,606	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 2	6,700	6,700		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 3	26,035	918		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) STMT 4	48,145	48,145		
	24 Total operating and administrative expenses. Add lines 13 through 23	80,880	55,763	0	0
25 Contributions, gifts, grants paid	354,207			354,207	
26 Total expenses and disbursements. Add lines 24 and 25	435,087	55,763	0	354,207	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-211,170				
b Net investment income (if negative, enter -0-)		134,843			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash—non-interest-bearing	26,327	29,911	29,911
	2 Savings and temporary cash investments	2,160,387	1,328,912	1,328,912
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S. and state government obligations (attach schedule) STMT 5	2,651,273	2,780,091	2,797,842
	b Investments—corporate stock (attach schedule) SEE STMT 6	1,221	690,940	719,504
	c Investments—corporate bonds (attach schedule) SEE STMT 7	1,027,741	973,306	982,258
	11 Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12 Investments—mortgage loans	1,615,537	1,468,156	1,468,156
	13 Investments—other (attach schedule)			
Liabilities	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	7,482,486	7,271,316	7,326,583
	17 Accounts payable and accrued expenses			
Liabilities	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
Net Assets or Fund Balances	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	7,482,486	7,271,316	
Net Assets or Fund Balances	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
Net Assets or Fund Balances	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)	7,482,486	7,271,316	
	31 Total liabilities and net assets/fund balances (see instructions)	7,482,486	7,271,316	

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	7,482,486
2 Enter amount from Part I, line 27a	2	-211,170
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	7,271,316
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,271,316

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 N/A			
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			
b			
c			
d			
e			

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

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

2 Capital gain net income or (net capital loss)	2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year, see 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	367,121	7,542,595	0.048673
2009	351,073	7,362,477	0.047684
2008	435,008	6,984,061	0.062286
2007	454,992	8,812,040	0.051633
2006	428,200	9,476,406	0.045186

2 Total of line 1, column (d)	2	0.255462
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	0.051092
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	7,364,825
5 Multiply line 4 by line 3	5	376,284
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,348
7 Add lines 5 and 6	7	377,632
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	8	354,207

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	2,697
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	2,697
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	2,697
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	15,160
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	15,160
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	12,463
11	Enter the amount of line 10 to be Credited to 2012 estimated tax 2,720 Refunded	11	9,743

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	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?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) OR 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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► RYAN BANNING PO BOX 79 Located at ► MILL CITY OR ZIP+4 ► 97360 Telephone no ► 			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► N/A	1b	
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? N/A	1c	
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? If "Yes," list the years ► 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see 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 ► 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) 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)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **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 **6b**

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **7b** **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 **N/A**

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A**

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
J. T. FRANK PO BOX 79 MILL CITY OR 97360	DIRECTOR 1.00	0	0	0
D. D. FRANK PO BOX 79 MILL CITY OR 97360	DIRECTOR 1.00	0	0	0
C. M. CAREY PO BOX 79 MILL CITY OR 97360	DIRECTOR 1.00	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

0

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

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

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

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

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 ▶

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	4,144,186
b	Average of monthly cash balances	1b	1,796,335
c	Fair market value of all other assets (see instructions)	1c	1,536,459
d	Total (add lines 1a, b, and c)	1d	7,476,980
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	7,476,980
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	112,155
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,364,825
6	Minimum investment return. Enter 5% of line 5	6	368,241

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	368,241
2a	Tax on investment income for 2011 from Part VI, line 5	2a	2,697
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,697
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	365,544
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	365,544
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	365,544

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	354,207
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	354,207
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	354,207

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				365,544
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			353,795	
b Total for prior years 20____, 20____, 20____				
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				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 354,207				
a Applied to 2010, but not more than line 2a			353,795	
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				412
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				365,132
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)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
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)

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

Part XV Supplementary Information (Complete this part only if the 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))
N/A

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
N/A

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
RYAN BANNING
P.O. BOX 79, MILL CITY, OR 97360

b The form in which applications should be submitted and information and materials they should include
SEE STATEMENT 8

c Any submission deadlines
SEE STATEMENT 9

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
SEE STATEMENT 10

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 SEE SCHEDULE 2			PHILANTHROPIC	354,207
Total			► 3a	354,207
b Approved for future payment N/A				
Total			► 3b	

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

N/A

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price					
SEE SCHEDULE 6		VARIOUS	VARIOUS	PURCHASE \$ 646,514		\$ 667,475	\$	\$	\$ -20,961
SEE SCHEDULE 6		VARIOUS	VARIOUS	PURCHASE 367,904		383,660			-15,756
TOTAL				\$ 1,014,418		\$ 1,051,135	\$ 0	\$ 0	\$ -36,717

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 6,700	\$ 6,700	\$	\$
TOTAL	\$ 6,700	\$ 6,700	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAX ON INVESTMENT	\$ 25,117	\$	\$	\$
STATE OF OREGON	918	918		
TOTAL	\$ 26,035	\$ 918	\$ 0	\$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
INVESTMENT ADVISORS	48,095	48,095		
OTHER	50	50		
TOTAL	<u>48,145</u>	<u>48,145</u>	<u>0</u>	<u>0</u>

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE SCHEDULE 3	\$ 2,651,273	\$ 2,780,091		\$ 2,797,842
TOTAL	<u>2,651,273</u>	<u>2,780,091</u>		<u>2,797,842</u>

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE SCHEDULE 4	\$ 1,221	\$ 690,940		\$ 719,504
TOTAL	<u>1,221</u>	<u>690,940</u>		<u>719,504</u>

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE SCHEDULE 5	\$ 1,027,741	\$ 973,306		\$ 982,258
TOTAL	<u>1,027,741</u>	<u>973,306</u>		<u>982,258</u>

Statement 8 - Form 990-PF, Part XV, Line 2b - Application Format and Required ContentsDescription

LETTER DESCRIBING ORGANIZATION, PURPOSE, PROJECT BUDGET,
PROOF OF TAX EXEMPTION

Statement 9 - Form 990-PF, Part XV, Line 2c - Submission DeadlinesDescription

FUNDING CYCLE DEADLINE: 8/15, 12/15. NOTIFICATION TO
APPLICANT: 9/15, 1/15

Statement 10 - Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

GRANTS GENERALLY WITHIN STATE OF OREGON. NO GRANTS TO
INDIVIDUALS.

A. J. FRANK FAMILY FOUNDATION

93-0523395

YEAR ENDED SEPTEMBER 30, 2012

Frank Timber Resources, Inc.	\$50,000
Dennis & Dawn Frank	20,000
<hr/>	
Total contributions received	\$70,000
<hr/>	

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

Assistance League of Salem	\$ 100
Benedictine Sisters (Providence)	5,000
Birthright of Salem	2,000
Canyon Crisis Center	10,500
Canyon Gleaners	2,000
Carter Center, The	2,000
Catholic Charities	2,000
Catholic Church Extension Society	2,000
Catholic Community Services	1,500
Catholic Guild for the Blind	1,000
Catholic Near East Welfare	5,000
Catholic Relief Services	1,000
City of Scio	500
Detroit Lake Recreation Area	500
Forester's Fund	100
Forests Forever, Inc.	2,000
Gates Community Church of Christ	100
Habitat for Humanity Salem Area	10,000
Holy Cross Mission	1,000
Holy Trinity School	5,000
Humane Society of Willamette Valley	5,000
ICPE Mission	3,000
Immaculate Conception	5,100
Keep Oregon Green	750
Laurelhurst School Foundation	2,500
Lourdes Public Charter School	5,500
Mari-Linn School	500
Marion County Jr. Market Auction	6,702
Marylhurst College	7,000
Mill City Baptist Church	500
Mill City Volunteer Fire Department	100
Mt. Angel Abbey	25,000
Multiple Sclerosis Society	200
Ontario Basque Club, Inc.	100
Oregon District 7 Little League	100
Oregon Junior Golf	100
Pilot Rock Education Foundation	100
Propagation of The Faith	2,000
Regis Foundation	50,000
Regis High School	8,855

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

Regis HS -AJ & Louise	\$ 25,000
Salvation Army, The	6,000
Santiam Canyon S.D. Scholarship Campaign	2,000
Sisters of St. Mary	10,000
Sisters of the Holy Name	5,000
Sprague High Band	100
St. Brigid Group Home	10,000
St. Mary Catholic School	30,000
St. Mary Catholic School - AJ & Louise	25,000
St. Mary Catholic School - Joni Carey	10,000
St. Mary Church - Shaw	8,000
St. Vincent de Paul	15,000
Stayton Community Food Bank	1,000
Stayton High School	5,500
Tom Hiron Memorial Scholarship	8,000
Umatilla County Historical Society	100
Union Gospel Mission	7,000
University of Portland	10,000
Willamette Valley Hospice	100
Total contributions disbursed	\$354,207

A. J. FRANK FAMILY FOUNDATION

93-0523395

YEAR ENDED SEPTEMBER 30, 2012

	Face Value	2011	<u>Book Value</u> 2012	Fair Market Value 2012
Investments - U.S. Obligations				
Federal Home Loan Mortgage Corp., 2.478%, due 9/01/35	\$ 650,000	\$ 166,286	\$ -	\$ -
Federal National Mortgage Assn. Pool, 0.375%, due 3/16/15	200,000	-	198,268	200,100
Federal National Mortgage Assn. Pool, 2.385%, due 10/01/34	-	192,906	-	-
Federal National Mortgage Assn. Pool, 2.167%, due 10/01/34	1,250,000	-	155,537	158,358
Federal National Mortgage Assn. Pool, 2.224%, due 6/01/35	-	204,930	-	-
Federal National Mortgage Assn. Pool, 2.488%, due 6/01/35	950,000	-	170,870	174,468
Federal National Mortgage Assn. Pool, 2.699%, due 9/01/35	650,000	-	137,859	141,857
Federal National Mortgage Assn. Pool, 2.388%, due 9/01/35	-	196,173	-	-
Federal National Mortgage Assn. Pool, 2.528%, due 9/01/35	700,000	-	184,707	189,382
Federal National Mortgage Assn. Pool, 2.613%, due 9/01/35	-	195,845	-	-
Federal National Mortgage Assn. Pool, 2.480%, due 9/01/35	1,150,000		162,170	164,209
Federal National Mortgage Assn. Pool, 2.294%, due 9/01/38	-	193,202	-	-
Federal National Mortgage Assn. Pool, 2.404%, due 9/01/38	400,000	-	151,443	155,065
Government National Mortgage Assn., 1.750%, due 12/20/33	-	183,281	-	-
Government National Mortgage Assn., 1.625%, due 12/20/33	750,000	-	165,623	168,524
Government National Mortgage Assn., 1.625%, due 1/20/34	6,000,000	-	278,618	279,120
Government National Mortgage Assn., 1.625%, due 3/20/35	-	210,692	-	-
Government National Mortgage Assn., 2.000%, due 3/20/35	1,486,822	-	192,608	195,067
U.S. Treasury Inflation Note, 2.000%, due 4/15/12	-	285,090	-	-
U.S. Treasury Inflation Note, 3.000% due 7/15/12	-	262,840	-	-
U.S. Treasury Inflation Note, 0.625%, due 4/15/13	250,000	276,038	279,982	273,608
U.S. Treasury Inflation Note, 1.250%, due 4/15/14	250,000	283,990	288,044	281,426
U.S. Treasury Inflation Note, 2.000%, due 7/15/14	150,000	-	193,883	194,481

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

	Face Value		<u>Book Value</u> 2011	2012	Fair Market Value 2012
Investments - U.S. Obligations					
(Continued)					
U.S. Treasury Inflation Note, 0.500%, due 4/15/15	\$ 200,000	\$ -		\$ 220,479	\$ 222,177
Total investments - U.S. obligations		\$2,651,273		\$2,780,091	\$2,797,842

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

	Shares	<u>Book Value</u>		Fair Market
		2011	2012	Value 2011
Investments - Common Stock				
3M Company	175	\$ -	\$ 15,547	\$ 16,173
Aetna, Inc. (New)	250	-	10,173	9,900
Amgen, Inc.	175	-	11,685	14,751
Archer Daniels Midland	600	-	18,465	16,308
Becton Dickinson Co.	250	-	19,338	19,640
Blackrock, Inc.	100	-	18,102	17,830
Boston Scientific Corp.	1,700	-	10,129	9,758
Chevron Corp.	200	-	21,194	23,312
Conagra Foods, Inc.	600	-	15,462	16,554
ConocoPhillips	300	-	16,301	17,154
Corning Inc	900	-	10,378	11,835
Devon Energy Corp. New	300	-	18,958	18,150
Dun & Bradstreet Corp. New	175	-	13,662	13,933
Emerson Electric Co.	300	-	15,484	14,481
Energys	300	-	9,169	10,587
Engility Holdings, Inc.	45	-	752	830
Fedex Corp.	140	-	11,762	11,847
General Electric Co.	800	-	15,110	18,168
Harris Corporation Delaware	250	-	10,746	12,805
Helmerich & Payne, Inc.	225	-	10,244	10,712
Hospira Inc.	450	-	14,820	14,769
Intel Corp.	850	-	22,627	19,257
Johnson Controls Incorporated	600	-	19,508	16,440
JPMorgan Chase & Co.	400	-	15,114	16,192
L-3 Communications Holdings, Inc.	275	-	18,482	19,720
McKesson Corp.	225	-	18,491	19,357
Merck & Co., Inc. New	350	-	13,344	15,783
Microsoft Corp.	750	-	22,889	22,320
Molson Coors Brewing Co.	400	-	17,726	18,020
Morgan Stanley	1,200	-	20,593	20,088
Murphy Oil Corp.	300	-	17,564	16,107
Nextera Energy, Inc.	175	-	11,879	12,308
Phillips 66	245	-	8,750	11,361
PNC Financial Services Group	300	-	17,836	18,930
Primerica, Inc.	400	-	9,438	11,456
Raytheon Co. (New)	375	-	18,480	21,435
Schlumberger Ltd.	300	-	20,046	21,699
Southwest Airlines	1,600	-	13,233	14,032
Staples, Inc.	1,500	-	20,708	17,280
State Street Corp.	500	-	20,192	20,980
Symantec Corp.	455	-	7,662	8,179
Target Corporation	125	-	6,505	7,934
TE Connectivity Ltd. New	300	-	9,413	10,203
Time Warner Inc. New	300	-	10,725	13,600
Wal-Mart Stores Inc.	100	-	5,940	7,380

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

	Shares	<u>Book Value</u>		Fair Market
		2011	2012	Value 2012
Investments - Common Stock				
(Continued)				
Walgreen Co.	600	\$ -	\$ 20,080	\$ 21,864
Zimmer Holdings, Inc.	255	-	15,032	17,243
<hr/>				
Total investments – common stock		-	689,738	718,665
<hr/>				
	Shares	<u>Book Value</u>		Fair Market
		2011	2012	Value 2012
Investments - Mutual Funds				
Cohen & Steers Infrastructure Fund	46	1,221	1,202	838
<hr/>				
Total stock		\$1,221	\$690,940	\$719,504

A. J. FRANK FAMILY FOUNDATION**93-0523395****YEAR ENDED SEPTEMBER 30, 2012**

	Face Value	2011	<u>Book Value</u> 2012	Fair Market Value 2012
Investments - Corporate Bonds				
General Electric Capital Corp., 0.435%, due 10/06/15	\$ -	\$ 194,382	\$ -	\$ -
General Electric Capital Corp., 0.649%, due 10/06/15	200,000	-	194,382	196,986
Goldman Sachs Group Inc., 1.269%, due 2/07/14	-	198,540	-	-
Goldman Sachs Group Inc., 1.269%, due 2/07/14	200,000	-	198,540	199,898
SBA Pool #508140, 3.075%, due 7/25/18	441,803	208,476	174,023	172,649
SBA Pool #506391, 2.125%, due 4/28/28	1,200,000	220,681	209,393	211,212
SBA Pool #508940, 2.575%, due 6/25/30	200,000	205,662	196,967	201,513
Total investments - corporate bonds		\$1,027,741	\$973,305	\$982,258

YEAR ENDED SEPTEMBER 30, 2012

SECURITY	HOW ACQUIRED	DATE ACQUIRED	DATE SOLD	GROSS SALES PRICE	COST OR BASIS	SHORT- TERM GAIN (LOSS)	LONG- TERM GAIN (LOSS)
MORGAN STANLEY ACCT 181-025840-053	P	VARIOUS	VARIOUS	669	19		650
MORGAN STANLEY ACCT 181-025838-053	P	VARIOUS	VARIOUS	199,743	207,515	(7,772)	
MORGAN STANLEY ACCT 181-025842-543	P	VARIOUS	VARIOUS	446,771	459,960	(13,189)	
MORGAN STANLEY ACCT 181-025842-543	P	VARIOUS	VARIOUS	367,235	383,641		(16,406)
Total capital gain and loss				1,014,418	1,051,135	(20,961)	(15,756)
Short-Term				646,514	667,475	(20,961)	
Long-Term				367,904	383,660		(15,756)