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Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments		2,826.	22,543.
	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 (attach sch) ▶			
	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 (attach schedule)			
	b Investments – corporate stock (attach schedule)	94,505.	64,370.	67,297.
	c Investments – corporate bonds (attach schedule)	40,005.		
	11 Investments – land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)	138,756.	148,925.	159,598.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I) ▶	276,092.	235,838.	249,438.
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ See Statement 5 ▶)			
	23 Total liabilities (add lines 17 through 22) ▶	0.	0.	
N F E U N D A S B S E T S C O R E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶	X		
	27 Capital stock, trust principal, or current funds	276,092.	235,838.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	276,092.	235,838.	
	31 Total liabilities and net assets/fund balances (see instructions)	276,092.	235,838.	

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	276,092.
2 Enter amount from Part I, line 27a	2	-40,254.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	235,838.
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	235,838.

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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a See Statement 6					
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) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))		
a					
b					
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	14,457.	
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	9.	

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)

N/A

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 (column (b) divided by column (c))
2011			
2010			
2009			
2008			
2007			

2 Total of line 1, column (d)

2

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

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)	1	515.
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		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments		
a	2012 estimated tax pmts and 2011 overpayment credited to 2012	6a	
b	Exempt foreign organizations – tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d	7	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		
9	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	8	4.
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►		
		Refunded	► 9
			10
			11

Part VII-A **Statements Regarding Activities**

1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

Yes	No
1 a	X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

1 b	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

1 c	X
-----	---

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

2	X
---	---

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

3	X
---	---

(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

4 a	X
-----	---

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

4 b	N/A
-----	-----

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

5	X
---	---

If 'Yes,' attach a detailed description of the activities.

6	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

7	X
---	---

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

8 a	X
-----	---

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

9	X
---	---

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

10	X
----	---

If 'Yes,' attach the statement required by General Instruction T

10	X
----	---

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

10	X
----	---

• By language in the governing instrument, or

10	X
----	---

• 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?

10	X
----	---

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

10	X
----	---

8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

N/A

10	X
----	---

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

10	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

10	X
----	---

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule (see instructions)	11	X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	13	X
14	The books are in care of ► RANDOLPH ORTLIEB Located at ► 970 CANTERBURY PLACE ESCONDIDO CA	Telephone no ► 760-747-3200 ZIP + 4 ► 92025	
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	N/A ► 15	N/A
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes 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
1 a	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	1 b	N/A ►
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1 c	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? 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)	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 __ , 20 __ , 20 __ , 20 __		
3 a	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 2012 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 2012)	3 b	N/A
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2012?	4 b	X

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

5 a 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
 Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

(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)?

5 b N/A

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)

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

6 b X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If 'Yes' to 6b, file Form 8870

7 a 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

7 b

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
RANDOLPH ORTLIEB 355 W. GRAND AVENUE, #2 ESCONDIDO, CA 92025	TRUSTEE 1.00	1,000.	0.	0.
PATRICIA P. ORTLIEB 1150 ANCHORAGE LANE, # 404 SAN DIEGO, CA 92106	TRUSTEE 1.00	0.	0.	0.
FREDERICK M. ORTLIEB 5649 LA JOLLA HERMOSA DRIVE LA JOLLA, CA 92037	TRUSTEE 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		

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	<u>N/A</u>	
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

Total: Add lines 1 through 3 ▶ 2

Total. Add lines 1 through 3

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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	228,583.
b Average of monthly cash balances	1b	4,239.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	232,822.
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	232,822.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	3,492.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	229,330.
6 Minimum investment return. Enter 5% of line 5	6	11,467.

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	11,467.
2a Tax on investment income for 2012 from Part VI, line 5	2a	515.
b Income tax for 2012 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	515.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	10,952.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	10,952.
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	10,952.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes	1a	60,650.
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1b	
b Program-related investments – total from Part IX-B	2	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	3a	
3 Amounts set aside for specific charitable projects that satisfy the	3b	
a Suitability test (prior IRS approval required)	4	60,650.
b Cash distribution test (attach the required schedule)	5	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	60,650.
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)		
6 Adjusted qualifying distributions. Subtract line 5 from line 4		

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				10,952.
2 Undistributed income, if any, as of the end of 2012			0.	
a Enter amount for 2011 only				
b Total for prior years 20 20 20		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007 35,726.				
b From 2008 32,899.				
c From 2009 25,782.				
d From 2010 45,426.				
e From 2011 40,821.				
f Total of lines 3a through e 180,654.				
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 60,650.			0.	
a Applied to 2011, but not more than line 2a				
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 2012 distributable amount				10,952.
e Remaining amount distributed out of corpus				0.
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	49,698.	0.		0.
6 Enter the net total of each column as indicated below:	230,352.			
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 2011. Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	35,726.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	194,626.			
10 Analysis of line 9.				
a Excess from 2008 32,899.				
b Excess from 2009 25,782.				
c Excess from 2010 45,426.				
d Excess from 2011 40,821.				
e Excess from 2012 49,698.				

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)				
<i>a Paid during the year</i>				
See Statement 7				
Total				► 3a 60,650.
<i>b Approved for future payment</i>				
Total				► 3b
BAA	TEEA0501L 12/23/12			Form 990-PF (2012)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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			1	2,320.	
4 Dividends and interest from securities			1	4,934.	
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			1	4,018.	
8 Gain or (loss) from sales of assets other than inventory					14,457.
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)				11,272.	14,457.
13 Total Add line 12, columns (b), (d), and (e)				13	25,729.

(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). (See instructions.)
N/A	

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization or

- (1) Cash
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitation

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		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		
		</

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

**Sign
Here**

Ramona Allen
Signature of officer or trustee

1/13-13=20/13

1

Trustee

11

May the IRS discuss this return with the preparer shown below (see instructions)?

Signature of officer or trustee		Date	Title	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date	PTIN	
	JAMES H. LAMB, JR.		<i>JAMES H. LAMB, JR.</i>	5-8-13	<input type="checkbox"/> if self employed	P00182917
	Firm's name	► Lamb & Meyer APC			Firm's EIN	20-0480664
Firm's address	► 1761 Hotel Circle S., Suite 100			Phone no	(619) 295-0255	
	San Diego, CA 92108-3318					

BAA

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KATHERINE BAXTER MEMORIAL FOUNDATION

33-0522589

5/08/13

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Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	\$ 4,018.	\$ 4,018.	\$ 4,018.
Total	\$ 4,018.	\$ 4,018.	\$ 4,018.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TAX RETURN PREPARATION	\$ 1,550.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 1,550.	\$ 0.	\$ 0.	\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FTB	\$ 25.	\$ 0.	\$ 0.	\$ 0.
US TREASURY	\$ 2,294.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 2,319.	\$ 0.	\$ 0.	\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ADMINISTRATIVE	\$ 464.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 464.	\$ 0.	\$ 0.	\$ 0.

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Statement 5
Form 990-PF, Part II, Line 22
Other Liabilities

Total \$ 0.

Statement 6
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	230 EMC	Purchased	6/04/1999	2/01/2012
2	150 EMC	Purchased	6/04/1999	2/23/2012
3	75 EMC	Purchased	6/04/1999	7/03/2012
4	175 CISCO	Purchased	12/13/1995	2/01/2012
5	75 CISCO	Purchased	12/13/1995	2/23/2012
6	100 CISCO	Purchased	12/13/1995	7/03/2012
7	133 XL CAPITAL LTD CLASS A	Purchased	12/13/1995	7/03/2012
8	175 PFIZER	Purchased	8/17/2000	7/03/2012
9	62 EXXON MOBIL	Purchased	6/01/2001	7/03/2012
10	48 BOSTON PROPERTIES INC	Purchased	5/13/2003	7/03/2012
11	75 CONSOLIDATED EDISON	Purchased	2/04/2009	7/03/2012
12	62 WALGREEN	Purchased	12/18/2006	7/03/2012
13	147 WELLS FARGO	Purchased	12/18/2006	7/03/2012
14	961.54 WESTERN ASSET SHT MUNI INC CL	Purchased	9/26/2011	5/01/2012
15	38.462 WESTERN ASSET SHT MUNI INC CL	Purchased	9/26/2011	10/29/2012
16	3846.154 WESTERN ASSET SHT MUNI INC CL	Purchased	9/26/2011	12/10/2012
17	40000 GENERAL ELECT CORP BOND	Purchased	3/11/2007	9/17/2012

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
1	5,750.		300.	5,450.				\$ 5,450.
2	3,942.		200.	3,742.				3,742.
3	1,686.		94.	1,592.				1,592.
4	3,285.		753.	2,532.				2,532.
5	1,410.		323.	1,087.				1,087.
6	1,539.		430.	1,109.				1,109.
7	2,580.		4,989.	-2,409.				-2,409.
8	3,793.		7,600.	-3,807.				-3,807.
9	4,976.		2,785.	2,191.				2,191.
10	4,828.		989.	3,839.				3,839.
11	4,499.		3,536.	963.				963.
12	1,698.		2,821.	-1,123.				-1,123.
13	4,564.		5,315.	-751.				-751.
14	5,000.		4,991.	9.				9.
15	200.		200.	0.				0.
16	20,000.		19,962.	38.				38.
17	40,000.		40,005.	-5.				-5.
							Total \$ 14,457.	

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Statement 7
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
POMONA COLLEGE 333 N. COLLEGE WAY CLAREMONT, CA 91711	NONE	EXEMPT	DONATION	\$ 25,000.
GREEN OAK RANCH 1237 GREEN OAK ROAD VISTA, CA 92083	NONE	EXEMPT	DONATION	4,000.
PALOMAR FAMILY YMCA 1050 N. BROADWAY ESCONDIDO, CA 92026	NONE	EXEMPT	DONATION	19,950.
AMERICAN STROKE ASSOCIATION 20 SPEEN ST. FRAMINGHAM, MA 01701	NONE	EXEMPT	DONATION	5,000.
BOY SCOUTS OF AMERICA 1207 UPAS ST SAN DIEGO, CA 92103	NONE	EXEMPT	DONATION	200.
NORTH COUNTY PRAYER BREAKFAST 1305 SCENIC DRIVE ESCONDIDO, CA 92029	NONE	EXEMPT	DONATION	500.
DIAL-A- PRAYER MINISTRIES 2448 ALEXANDER DRIVE ESCONDIDO, CA 92029	NONE	EXEMPT	DONATION	1,500.
KIWANIS CLUB OF ESCONDIDO PO BOX 461471 ESCONDIDO, CA 92046	NONE	EXEMPT	DONATION	1,000.
PATRICK HENRY HIGH SCHOOL 6702 WANDERMERE DRIVE SAN DIEGO, CA 92120	NONE	EXEMPT	DONATION	1,000.
SPHSMBA 243 S. ESCONDIDO BLVD, # 713 ESCONDIDO, CA 92025	NONE	EXEMPT	DONATION	1,000.
KPBS 5200 CAMPANILE DRIVE SAN DIEGO, CA 92182	NONE	EXEMPT	DONATION	500.
LEUKEMIA & LYMPHOMA SOCIETY 9150 CHESAPEAKE DR, SUITE 100 SAN DIEGO, CA 92123	NONE	EXEMPT	DONATION	1,000.

Total \$ 60,650.

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Other Income Producing Activities**Interest on savings & cash investments**

CASH & BONDS

Total \$ 2,320.
\$ 2,320.**Other Income Producing Activities****Dividends/interest from securities.**

DIVIDENDS ON SECURITIES

Total \$ 4,934.
\$ 4,934.**Other Income Producing Activities****Other investment income [O]**

OTHER INVESTMENT INCOME

Total \$ 4,018.
\$ 4,018.**Undistributed Income (990-PF)****Average monthly fair market value of securities [O]**

CORPORATE STOCK

\$ 101,947.

CORPORATE BONDS

35,134.

MUTUAL FUNDS

83,505.

OTHER PUBLICLY TRADED

7,997.

Total \$ 228,583.**Undistributed Income (990-PF)****Average of monthly cash balances [O]**

CASH

Total \$ 4,239.
\$ 4,239.**Balance Sheet****Savings and temporary cash investments**

CASH

Total \$ 22,543.
\$ 22,543.