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

OMB No 1545-0052

2012

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation ARTHUR L FUNK AND JOAN A FUNK CHARITABLE FOUNDATION		A Employer identification number 74-2587362
Number and street (or P.O. box number if mail is not delivered to street address) 7056 E MAIN STREET	Room/suite	B Telephone number (see instructions) 602-300-0834
City or town, state, and ZIP code SCOTTSDALE AZ 85251		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 780,655	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)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	8	8		
	4 Dividends and interest from securities	19,635	19,635		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	-17,843			
	b Gross sales price for all assets on line 6a	91,018			
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and 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	1,800	19,643	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	9,000			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	6,750	2,750		4,000
	c Other professional fees (attach schedule)	5,952	5,952		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	113	113		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	292	292		
	24 Total operating and administrative expenses. Add lines 13 through 23	22,107	9,107	0	4,000
	25 Contributions, gifts, grants paid	40,000			40,000
26 Total expenses and disbursements. Add lines 24 and 25	62,107	9,107	0	44,000	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-60,307				
b Net investment income (if negative, enter -0-)		10,536			
c Adjusted net income (if negative, enter -0-)			0		

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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
Assets	1	Cash—non-interest-bearing	20,247	3,461	3,461
	2	Savings and temporary cash investments	75,232	14,118	14,118
	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 schedule)			
		Less allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	644,135	661,727	763,076
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis			
Liabilities		Less accumulated depreciation (attach schedule)			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	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)	739,614	679,306	780,655
	17	Accounts payable and accrued expenses	6,500	6,500	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe)			
	23	Total liabilities (add lines 17 through 22)	6,500	6,500	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds	733,113	672,806	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1		
	30	Total net assets or fund balances (see instructions)	733,114	672,806	
	31	Total liabilities and net assets/fund balances (see instructions)	739,614	679,306	

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	733,114
2	Enter amount from Part I, line 27a	2	-60,307
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	672,807
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	672,807

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement				
b See Attached Statement				
c See Attached Statement				
d See Attached Statement				
e See Attached Statement				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			0
b			0
c			0
d			0
e			0

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			0
b			0
c			0
d			0
e			0

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-17,843
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	129

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))
2011	24,000	824,931	0.029093
2010	47,000	798,861	0.058834
2009	47,200	715,303	0.065986
2008	47,350	946,529	0.050025
2007			0.000000

2 Total of line 1, column (d)	2	0.203938
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	0.050985
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	0
7 Add lines 5 and 6	7	0
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	0

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		1	211
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, 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	211
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	211
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
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		0
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		211
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0
11 Enter the amount of line 10 to be Credited to 2013 estimated tax Refunded	11		0

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (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? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► AZ		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	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)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► NONE	13	X	
14	The books are in care of ► JAMES D. TROW CPA Located at ► 15830 N. 60TH ST. SCOTTSDALE AZ	Telephone no ► (602) 300-0834 ZIP+4 ► 85254		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15	► <input type="checkbox"/>		
16	At any time during calendar year 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	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 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)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 _____, 20 _____, 20 _____, 20 _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 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)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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		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 NONE - THE FOUNDATION IS ENGAGED ONLY IN MAKING GRANTS TO OTHER EXEMPT ORGANIZATIONS	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	713,015
b	Average of monthly cash balances	1b	93,428
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	806,443
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	806,443
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	12,097
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	794,346
6	Minimum investment return. Enter 5% of line 5	6	39,717

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	39,717
2a	Tax on investment income for 2012 from Part VI, line 5	2a	211
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	211
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	39,506
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	39,506
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	39,506

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	44,000
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	44,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	44,000

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				39,506
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____				
3 Excess distributions carryover, if any, to 2012				
a From 2007	4,112			
b From 2008	560			
c From 2009	12,101			
d From 2010	7,245			
e From 2011				
f Total of lines 3a through e	24,018			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 44,000				
a Applied to 2011, but not more than line 2a				
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 2012 distributable amount				39,506
e Remaining amount distributed out of corpus	4,494			
5 Excess distributions carryover applied to 2012 (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	28,512			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see instructions				
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)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	4,112			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	24,400			
10 Analysis of line 9				
a Excess from 2008	560			
b Excess from 2009	12,101			
c Excess from 2010	7,245			
d Excess from 2011				
e Excess from 2012	4,494			

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 2012, 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2012	(b) 2011	(c) 2010	(d) 2009	
				0
b 85% of line 2a				0
c Qualifying distributions from Part XII, line 4 for each year listed				0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities				
Subtract line 2d from line 2c				0
3 Complete 3a, b, or c for the alternative test relied upon				
a "Assets" alternative test—enter				
(1) Value of all assets				0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0
c "Support" alternative test—enter				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				0
(3) Largest amount of support from an exempt organization				0
(4) Gross investment income				0

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

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>				
CHILDREN'S HOSPITAL FOUNDATION 3020 CHILDREN'S WAY SAN DIEGO, CA 92123		PUBLIC	PECKAM CTR	5,000
NAU FOUNDATION PO BOX 4086 FLAGSTAFF, AZ 86011		PUBLIC	COLLEGE OF EDUCATION	3,000
PHOENIX CHILDREN'S HOSP FOUNDATION 2929 E CAMELBACK RD #122 PHOENIX, AZ 85016		PUBLIC	GENERAL SUPPORT	4,000
SCRIPPS HEALTH FOUNDATION PO BOX 2669 LA JOLLA, CA 92038		PUBLIC	POLSTER BREAST CTR	20,000
UC SAN DIEGO FOUNDATION 9500 GILMAN DR LA JOLLA, CA 92093		PUBLIC	BIRCH AQUARIUM	3,000
UNIVERSITY OF ARIZONA FOUNDATION 1111 N CHERRY AVE TUCSON, AZ 85721		PUBLIC	SCHOLARSHIP GRAD SCH OF BUSINESS	5,000
Total			3a	40,000
b <i>Approved for future payment</i>				
Total			3b	0

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

Check "X" to include in Part IV	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Totals					Net Gain or Loss
									Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improvements	Depreciation	Adjustments	
Capital Gains/Losses										Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss		
Other sales										91,018	108,861	-17,843		
										0	0	0		
1	X	COLGATE-PALMOLIVE CO 10	FOUNDATION		11/25/2003	P	6/15/2012	10,123	5,331			4,792		
2	X	GENERAL MOTORS 95	FOUNDATION		4/21/2011	P	6/15/2012	2,030	0			2,030		
3	X	GENERAL MOTORS 2	FOUNDATION		7/28/2011	P	6/15/2012	43	0			43		
4	X	GENERAL MOTORS 1	FOUNDATION		10/28/2011	P	6/15/2012	21	25			-4		
5	X	HEWLETT-PACKARD CO 1000	FOUNDATION		5/2/2000	P	6/15/2012	21,661	54,873			-33,212		
6	X	INVESCO GBL HEALTH 1115S	FOUNDATION		4/25/2000	P	3/20/2012	33,673	35,794			-2,121		
7	X	INVESCO GBL HEALTH 26SH	FOUNDATION		12/9/2011	P	3/20/2012	789	699			90		
8	X	ISHARES SILVER TRUST 100S	FOUNDATION		9/24/2009	P	10/11/2012	3,288	1,615			1,673		
9	X	PROCTOR & GAMBLE	FOUNDATION		11/25/2003	P	7/20/2012	19,390	10,524			8,866		

Part I, Line 16a (990-PF) - Legal Fees

0 0 0

Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Joseph Worischek			

Part I, Line 16a (990-PF) - Legal Fees

0

	Disbursements for Charitable Purposes (Cash Basis Only)
1	

Part I, Line 16b (990-PF) - Accounting Fees

6,750 2,750 0

Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	JAMES D TROW CPA	6,750	2,750	

Part I, Line 16b (990-PF) - Accounting Fees

4,000

	Disbursements for Charitable Purposes (Cash Basis Only)
1	4,000

Part I, Line 16c (990-PF) - Other Professional Fees

5,952 5,952 0

Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	AMERICAN ASSET MANAGEMENT	5,952	5,952	

Part I, Line 16c (990-PF) - Other Professional Fees

0

	Disbursements for Charitable Purposes (Cash Basis Only)
1	

Part I, Line 18 (990-PF) - Taxes

		113	113	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1				
2	FOREIGN TAXES	113	113	

Part I, Line 18 (990-PF) - Taxes

	Disbursements for Charitable Purposes	0
1		
2		

Part I, Line 23 (990-PF) - Other Expenses

		292	292	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	BANK SERVICE CHARGES	292	292	

Part I, Line 23 (990-PF) - Other Expenses

	Disbursements for Charitable Purposes	0
1		

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

Description		Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	AMERICAN STATES WATER	100	2,685	2,685	3,490	4,798
2	AMERICAN STATES WATER	200	7,154	7,154	6,980	9,596
3	AQUA AMERICA INC	200	0	4,901	0	5,084
4	AT&T INC	400	13,908	13,908	12,096	13,484
5	BHP BILLITON LTD	200	13,673	13,673	14,126	15,684
6	NEXTERA ENERGY INC	100	5,724	5,724	6,088	6,919
7	NEXTERA ENERGY INC	100	5,726	5,726	6,088	6,919
8	ABB LTD ADR	400	7,236	7,236	7,532	8,316
9	CANADIAN NATIONAL RAILWAY CO	200	8,020	8,020	15,712	18,202
10	CHEVRON CORP	200	7,117	7,117	21,280	21,628
11	CHINA MOBILE LTD ADR	100	2,425	2,425	4,849	5,872
12	CHINA MOBILE LTD ADR	100	4,859	4,859	4,849	5,872
13	COCA COLA COMPANY	200	5,295	5,295	6,997	7,250
14	COCA COLA COMPANY	200	6,700	6,700	6,997	7,250
15	COLGATE PALMOLIVE CO	300	21,324	15,993	36,956	31,362
16	CONOCOPHILLIPS	200	12,889	12,889	14,574	11,598
17	CONOCOPHILLIPS	100	7,310	7,310	7,287	5,799
18	CONSOLIDATED EDISON INC	200	8,724	8,724	12,406	11,108
19	CONSOLIDATED EDISON INC	100	5,929	5,929	6,203	5,554
20	DU PONT EI DE NEMOUR & CO	600	29,231	29,231	27,468	26,987
21	EXXON MOBIL CORPORATION	200	16,256	16,256	16,952	17,310
22	GENERAL MOTORS CO	98	0	0	1,986	0
23	GOLDCORP NEW	100	1,381	1,381	4,425	3,670
24	GOLDCORP NEW	200	10,388	10,388	8,850	7,340
25	HALLIBURTON CO	600	19,019	19,019	20,706	20,814
26	HEINZ H J CO	600	20,015	20,015	32,424	34,608
27	HEWLETT-PACKARD CO	1,000	54,881	0	25,760	0
28	INTEL CORP	1,000	34,108	34,108	24,250	20,620
29	INTERNATIONAL PAPER CO	1,000	34,468	34,468	29,600	39,840
30	JOHNSON & JOHNSON	500	26,344	26,344	32,790	35,050
31	MICROSOFT CORP	400	10,760	10,760	10,384	10,684
32	NATIONAL FUEL GAS CO	100	2,846	2,846	5,558	5,069
33	NATIONAL FUEL GAS CO	100	5,957	5,957	5,558	5,069
34	NEWMONT MINING CORP	100	4,633	4,633	6,001	4,644
35	NEWMONT MINING CORP	100	6,684	6,684	6,001	4,644
36	PIEDMONT NATURAL GAS CO	400	6,463	6,463	13,592	12,524
37	PROCTOR & GAMBLE CO	300	10,524	0	20,013	0
38	THE SOUTHERN CO	200	6,336	6,336	9,258	8,562
39	BRE PROPERTIES INC MD	200	4,451	4,451	10,096	10,166
40	INVESCO GLOBAL HEALTH FD	1,141	36,512	0	31,027	0
41	ISHARES TR BARCLAYS BOND	1,200	101,195	101,195	101,400	101,304
42	ISHARES TR BARCLAYS TIPS	500	44,096	55,815	46,676	60,705
43	ISHARES SILVER TRUST	100	1,615	0	2,694	0
44	POWERSHARES EXCH TRAD FD TR	200	4,514	4,514	3,370	4,150
45	WELLS FARGO IX 5 625%34	200	4,760	4,760	5,010	5,016

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

	Description	Num Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
46	ABB LTD ADR	400	0	7,076	0	8,316
47	BECKTON DICKINSON & CO	100	0	7,736	0	7,819
48	DOVER CORPORATION	100	0	6,363	0	6,571
49	GENUINE PARTS CO	100	0	6,367	0	6,358
50	HEINZ H J CO	100	0	5,444	0	5,768
51	INTEL CORP	500	0	10,328	0	10,310
52	MOTORS LIQ CO GUC TRUST	25	0	0	0	530
53	PHILLIPS 66	150	0	0	0	7,965
54	DWS GNMA FD INST CL SHRS	3,208	0	50,000	0	49,405
55	GENERAL MOTORS CLA 16WT	90	0	0	0	1,755
56	GENERAL MOTORS CLB 19WT	90	0	0	0	1,124
57	REALTY INCOME CORP	400	0	16,521	0	16,084

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

Description of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Adjustments	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
Long Term CG Distributions	0												
Short Term CG Distributions	0												
1 COLGATE-PALMOLIVE CO 100SH		P	11/25/2003	6/15/2012		10,123		5,331	4,792	0	0	0	4,792
2 GENERAL MOTORS 95		P	4/21/2011	6/15/2012		2,030		0	2,030	0	0	0	2,030
3 GENERAL MOTORS 2		P	7/28/2011	6/15/2012		43		0	43	0	0	0	43
4 GENERAL MOTORS 1		P	10/28/2011	6/15/2012		21		25	-4	0	0	0	-4
5 HEWLETT-PACKARD CO 1000SH		P	5/2/2000	6/15/2012		21,661		54,873	-33,212	0	0	0	-33,212
6 INVESCO GBL HEALTH 1115SH		P	4/25/2000	3/20/2012		33,673		35,794	-2,121	0	0	0	-2,121
7 INVESCO GBL HEALTH 26SH		P	12/9/2011	3/20/2012		769		699	90	0	0	0	90
8 ISHARES SILVER TRUST 100SH		P	9/24/2009	10/11/2012		3,288		1,615	1,673	0	0	0	1,673
9 PROCTOR & GAMBLE		P	11/25/2003	7/20/2012		19,390		10,524	8,866	0	0	0	8,866

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

		Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
										9,000	0	
1	SYDNEY J KINSELLA		910 CORNISH DR	SAN DIEGO	CA	92107		PRES & DIR	2 00	3,000		
2	JOSEPH WORISCHECK		7056 E MAIN ST	SCOTTSDALE	AZ	85251		SEC & DIR	0 00	0		
3	JAMES D TROW CPA		15830 N 60TH ST	SCOTTSDALE	AZ	85254		TREAS & DIR	2 00	3,000		
4	BRADLEY KINSELLA		910 CORNISH DR	SAN DIEGO	CA	92107		VP & DIR	2 00	3,000		
5												

ARTHUR L. FUNK AND JOAN A. FUNK CHARITABLE FOUNDATION

PART X MINIMUM INVESTMENT RETURN

DESCRIPTION	2011 DEC	2012 JAN	FAIR VALUE BY MONTH											
			FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVE
Line 1a - Average monthly fair market value of securities														
C Schwab														
Equities	496,086	503,856	513,320	528,425	525,853	495,972	495,350	490,496	492,209	502,920	493,926	489,648	513,367	503,187
Equity Funds	31,027	33,172	33,868	-	-	-	-	-	-	-	-	-	-	7,544
Bond Funds										49,918	49,565	49,437	49,405	15,256
Other	171,006	173,852	173,290	184,626	185,470	185,099	184,111	185,803	185,706	202,344	199,383	200,377	200,304	187,029
	698,119	710,880	720,478	713,051	711,323	681,071	679,461	676,299	677,915	755,182	742,874	739,462	763,076	713,015
Line 1b - Average of monthly cash balances														
Wells Fargo Bank A/C Checking	20,247	17,462	16,693	15,924	15,155	14,386	13,294	12,275	11,353	10,600	9,546	8,379	3,461	12,983
Wells Fargo Bank A/C Savings	-	-	-	-	-	-	-	-	150	144	444	594	744	160
Chas Schwab cash & money funds	75,232	74,506	75,121	84,244	83,730	84,928	106,574	125,516	126,090	62,569	65,528	66,307	13,374	80,286
Total cash	95,479	91,968	91,814	100,168	98,885	99,314	119,868	137,791	137,593	73,313	75,518	75,280	17,579	93,428