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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation
JW SEFTON FOUNDATION

A Employer identification number
95-1513384

Number and street (or P O box number if mail is not delivered to street address) Room/suite
2550 FIFTH AVENUE STE 808

B Telephone number (see instructions)
(619) 685-2900

City or town, state, and ZIP code
SAN DIEGO, CA 92103

C If exemption application is pending, check here ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 21,649,507

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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)	426			
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	598,438	598,438		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	207,160			
	b	Gross sales price for all assets on line 6a 2,331,606				
	7	Capital gain net income (from Part IV, line 2)		207,160		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	806,024	805,598		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	3,300	330		2,970
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	4,085	408		3,677
	b	Accounting fees (attach schedule)	4,993	499		4,494
	c	Other professional fees (attach schedule)	119,044	85,887		33,157
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	14,498	6,488		10
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	75	0		75
	22	Printing and publications				
	23	Other expenses (attach schedule)	13,023	1,625		11,398
	24	**Total operating and administrative expenses.** Add lines 13 through 23	159,018	95,237		55,781
	25	Contributions, gifts, grants paid	1,059,650			1,059,650
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,218,668	95,237		1,115,431
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-412,644			
	b	**Net investment income** (if negative, enter -0-)		710,361		
	c	**Adjusted net income** (if negative, enter -0-)				

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	28,610	26,673	26,673
	2	Savings and temporary cash investments	314,326	834,192	834,192
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶	640,000	0	0
	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)	14,154,754	13,740,340	16,139,905
	c	Investments—corporate bonds (attach schedule)	4,400,314	4,525,676	4,645,042
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ 9,036			
		Less accumulated depreciation (attach schedule) ▶ 9,036			
	15	Other assets (describe ▶)	5,216	3,695	3,695
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	19,543,220	19,130,576	21,649,507
Liabilities	17	Accounts payable and accrued expenses			
	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)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☑ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	19,543,220	19,130,576	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	19,543,220	19,130,576	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	19,543,220	19,130,576	

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	19,543,220
2	Enter amount from Part I, line 27a	2	-412,644
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	19,130,576
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	19,130,576

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)
1 a	CHARLES SCHWAB #5587 ST - SEE ATTACHED	P	2012-01-01	2012-12-31
b	CHARLES SCHWAB #5587 LT - SEE ATTACHED	P	2012-01-01	2012-12-31
c	CAPITAL GAINS DIVIDENDS	P		
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	347,808		331,545	16,263
b	1,851,738		1,792,901	58,837
c	132,060			132,060
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a				16,263
b				58,837
c				132,060
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	207,160
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 page 18 of 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	1,122,893	20,572,462	0 054582
2010	1,103,464	19,956,911	0 055292
2009	829,090	18,298,132	0 045310
2008	1,239,555	21,513,860	0 057617
2007	1,234,093	23,004,220	0 053646

2	**Total** of line 1, column (d).	2	0 266447
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 053289
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	20,548,318
5	Multiply line 4 by line 3.	5	1,094,999
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	7,104
7	Add lines 5 and 6.	7	1,102,103
8	Enter qualifying distributions from Part XII, line 4.	8	1,115,431

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 page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	7,104
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	7,104
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	7,104
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 10,444		
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	10,444
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	3,340
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 3,340 **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
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)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0 **(2)** On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
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?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶CA			
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	Yes	
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*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶JW SEFTON FOUNDATION Telephone no ▶(619) 685-2900

Located at ▶2550 FIFTH AVENUE SUITE 808 SAN DIEGO CA ZIP+4 ▶92103

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 |

			Yes	No
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		No

See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☑ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		No
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? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
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? ☐ Yes ☑ 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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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)?	**5b**		**No**
	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? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

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. . . . . ▶		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	
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	0
2	
All other program-related investments See page 24 of the 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	20,075,077
b	Average of monthly cash balances		1b	786,160
c	Fair market value of all other assets (see instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	20,861,237
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	20,861,237
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	312,919
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	20,548,318
6	**Minimum investment return.** Enter 5% of line 5		6	1,027,416

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	1,027,416
2a	Tax on investment income for 2012 from Part VI, line 5	2a 7,104		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	7,104
3	Distributable amount before adjustments Subtract line 2c from line 1		3	1,020,312
4	Recoveries of amounts treated as qualifying distributions		4	0
5	Add lines 3 and 4		5	1,020,312
6	Deduction from distributable amount (see instructions)		6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	1,020,312

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	1,115,431
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,115,431
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	7,104
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,108,327

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				1,020,312
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.			0	
b Total for prior years 20___ , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2012				
a From 2007.				
b From 2008. 22,595				
c From 2009.				
d From 2010. 152,300				
e From 2011. 123,382				
f Total of lines 3a through e.	298,277			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 1,115,431				
a Applied to 2011, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2012 distributable amount.				1,020,312
e Remaining amount distributed out of corpus	95,119			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	393,396			
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) . . .	0			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	393,396			
10 Analysis of line 9				
a Excess from 2008. . . . 22,595				
b Excess from 2009. . . .				
c Excess from 2010. . . . 152,300				
d Excess from 2011. . . . 123,382				
e Excess from 2012. . . . 95,119				

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 2012, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2012	**(b)** 2011	**(c)** 2010	**(d)** 2009	**(e) Total**
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 organization 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))

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

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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
PRESIDIO LITTLE LEAGUE PO BOX 126308 SAN DIEGO, CA 92103	NONE	501(C)(3)	JUNIORS FIELD IMPROVEMENTS	37,650
SAN DIEGO NATURAL HISTORY MUSEUM PO BOX 121390 SAN DIEGO, CA 92101	NONE	501(C)(3)	OPERATING EXPENSE GRANT	1,000,000
PROJECT WILDLIFE 4343 MORENA BLVD 7 SAN DIEGO, CA 92117	NONE	501(C)(3)	OPERATING EXPENSE GRANT	11,000
THE BONITA HISTORICAL SOCIETY 4355 BONITA ROAD BONITA, CA 91902	NONE	501(C)(3)	OPERATING EXPENSE GRANT	11,000
Total . . . . ▶ **3a**				1,059,650
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	598,438	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			14	207,160	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .		0		805,598	0

13 **Total.** Add line 12, columns (b), (d), and (e). 13 805,598

(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)
3A	N/A

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

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

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

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

Sign Here

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

Signature of officer or trustee | 2013-05-08 Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
MARY MCGROARTY	MARY MCGROARTY			P00735101

Firm's name ▶ LINDSAY & BROWNELL LLP

Firm's EIN ▶ 33-0885895

Firm's address ▶ 4225 EXECUTIVE SQUARE SUITE 1150 LA JOLLA, CA 92037

Phone no (858) 558-9200

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
DONNA K SEFTON 2550 FIFTH AVENUE SUITE 808 SAN DIEGO,CA 92103	DIRECTOR 1 00	0	0	0
HARLEY SEFTON 2550 FIFTH AVENUE SUITE 808 SAN DIEGO,CA 92103	PRESIDENT 1 00	1,200	0	0
LAURIE S HENSON 2550 FIFTH AVENUE SUITE 808 SAN DIEGO,CA 92103	DIRECTOR EMERITUS 0 00	0	0	0
PETER R LADOW 2550 FIFTH AVENUE SUITE 808 SAN DIEGO,CA 92103	VICE PRESIDENT/TREASURER 0 50	900	0	0
ROBERT SCOTT 2550 FIFTH AVENUE SUITE 808 SAN DIEGO,CA 92103	SECRETARY 0 25	1,200	0	0

TY 2012 Accounting Fees Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	4,993	499		4,494

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TY 2012 General Explanation Attachment

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Identifier	Return Reference	Explanation
GOODS, SERVICES, OR FACILITIES FURNISHED BY A DISQUALIFIED PERSON	990-PF, PART VII-B, QUESTION 1(A)(3)	AN ANNUAL PAYMENT IS MADE TO THE KENNEBEC FINANCIAL CORPORATION, WHICH IS OWNED BY DISQUALIFIED PERSONS RELATED TO J W SEFTON FOUNDATION KENNEBEC FINANCIAL CORPORATION PROVIDES ADMINISTRATIVE AND ACCOUNTING SERVICES TO THE J W SEFTON FOUNDATION FOR A REASONABLE FEE THIS IS AN EXCEPTED ACT OF SELF-DEALING UNDER IRC SECTION 4941(D)(2)(E)

TY 2012 Investments Corporate Bonds Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BONDS	4,525,676	4,645,042

TY 2012 Investments Corporate Stock Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CORPORATE STOCK	13,740,340	16,139,905

TY 2012 Legal Fees Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	4,085	408		3,677

TY 2012 Other Assets Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
INCOME RECEIVABLE	5,216	3,695	3,695

TY 2012 Other Expenses Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DUES & MEMBERSHIPS	7,195	0		7,195
EDUCATION, TRAINING, & SEMINARS	150	0		150
INSURANCE	2,692	1,346		1,346
LICENSE AND FEES	150	0		150
MEALS AND ENTERTAINMENT	50	0		50
OFFICE SUPPLIES	2,786	279		2,507

TY 2012 Other Professional Fees Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER PROFESSIONAL FEES	119,044	85,887		33,157

TY 2012 Taxes Schedule

Name: JW SEFTON FOUNDATION

EIN: 95-1513384

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAXES	8,000	0		0
STATE TAXES	10	0		10
FOREIGN TAXES	6,488	6,488		0

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SHORT TERM GAINS LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort or Accretion	Gain or Loss Short Term
500	Devon Energy	04-26-2011	02 10 2012	32.319 93	44.511 91		-12.191 98
1.300 649	DFA Int'l Small Cap	06-16-2011	02 10 2012	20.000 00	22.081 06		-2.081 06
2.919 708	DFA US Micro Cap	06-16-2011	02 10 2012	42.372 98	40.029 99		2.342 99
1.021 356	DFA US Small Cap	06-16-2011	02 10 2012	22.998 37	22.029 99		968 38
50.000	Freddie Mac 2 800% Due 02-24-16	05-09-2011	02 24 2012	50.000 00	50.710 00		-710 00
1.000	Medco Health	04-26-2011	04 03 2012	28.800 00	0 00		28.800 00
61.000	FNMA 2 500% Due 04-20-16	07-07-2011	04 20 2012	61.000 00	61.622 20		-622 20
50.000	FNMA 3 000% Due 04-27-17	05-24-2011	04 27 2012	50.000 00	50.529 50		-529 50
3.619 910	Vanguard GNMA Adm	03-12-2012	09 26 2012	40.316 84	40.029 99		286 85

[redacted]

LONG TERM GAINS LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort or Accretion	Gain or Loss Long Term
20.000	Federal Home Loan 6 000% Due 07-03-17	05-04-2010	01 03 2012	20.000 00	21.325 00		-1.325 00
975 973	DFA Int'l Sm Cap Val	03-18-2010	02 10 2012	15.000 00	15.364 95		-364 95
2.637 064	DFA Real Estate	03-18-2010	02 10 2012	65.000 00	50.317 75		14.682 25
1.214 589	DFA US Micro Cap	03-18-2010	02 10 2012	17.627 02	14.102 44		3.524 58
310 942	DFA US Small Cap	03-18-2010	02 10 2012	7.001 63	5.653 64		1.347 99
471 455	Dodge & Cox Intl	03-18-2010	02 10 2012	15.000 00	15.461 72		-461 72
300	Marathon Petroleum	03-18-2010	02 10 2012	13.239 44	7.762 84		5.476 60
250	Marathon Petroleum	03-18-2010	02 10 2012	11.032 86	6.469 03		4.563 83
50	Marathon Petroleum	03-18-2010	02 10 2012	2.206 57	1.293 80		912 77
100	Marathon Petroleum	03-18-2010	02 10 2012	4.413 15	2.587 49		1.825 66
50	Marathon Petroleum	03-18-2010	02 10 2012	2.206 57	1.293 79		912 78
50	Marathon Petroleum	03-18-2010	02 10 2012	2.206 58	1.293 75		912 83
2.900	Symantec	03-18-2010	02 10 2012	51.524 80	50.149 95		1.374 85
1.916 086	Vand Total Int'l Sig	03-18-2010	02 10 2012	55.000 00	56.086 55		-1.086 55
50.000	Federal Farm Credit 3 600% Due 03-22-17	04-28-2010	03 22 2012	50.000 00	50.045 00		-45 00
50.000	American Express 3 000% Due 03-26-12	03-19-2010	03 26 2012	50.000 00	51.178 17		-1.178 17
50.000	U S Treasury Note 1 000% Due 03-31-12	03-23-2010	04 02 2012	50.000 00	50.000 00		0 00
20.000	Federal Home Loan 5 560% Due 06-06-17	05-04-2010	06 06 2012	20.000 00	21.365 00		-1.365 00
45.000	Discover Bank 5 400% Due 06-27-12	04-06-2010	06 27 2012	45.000 00	47.725 00		-2.725 00
50.000	Federal Home Loan 3 800% Due 09-14-16	03-24-2010	09 14 2012	50.000 00	50.575 00		-575 00
50.000	U S Treasury Note 1 375% Due 09-15-12	03-29-2010	09 15 2012	50.000 00	50.066 41		-66 41
1.200	Best Buy Inc	03-18-2010	09 25 2012	20.574 19	48.487 75		-27.913 56
700	Comcast Class A	03-18-2010	09 25 2012	25.388 79	12.378 24		13.010 55
200	Costco Wholesale	03-18-2010	09 25 2012	20.456 99	12.259 84		8.197 15
1.409 112	DFA Emerg Core Eq	06-16-2011	09 25 2012	26.774 54	30.029 99		-3.255 45
169 752	DFA Emerg Core Eq	03-18-2010	09 25 2012	3.225 46	3.178 15		47 31
1.646 426	DFA Int'l Lg Cap Val	06-16-2011	09 25 2012	26.000 00	29.547 24		-3.547 24
8.078 897	DFA Intl REIT	03-18-2010	09 25 2012	44.000 00	39.024 06		4.975 94
1.311 368	DFA Real Estate	03-18-2010	09 25 2012	34.000 00	25.022 18		8.977 82
1.636 194	DFA US Sm Cap Value	06-16-2011	09 25 2012	44.000 00	41.243 20		2.756 80
1.700	Encana Corp	06-16-2011	09 25 2012	37.306 91	51.753 89		-14.446 98
810	Express Scripts Inc	04-26-2011	09 25 2012	51.224 68	57.816 95		-6.592 27
100	Express Scripts Inc	03-18-2010	09 25 2012	6.324 04	4.969 79		1.354 24
500	Gilead Sciences	04-26-2011	09 25 2012	33.816 29	19.781 35		14.034 94
800	Royal Dutch Shell	03-18-2010	09 25 2012	57.030 57	47.744 15		9.286 42
1.600	Suncor Energy Inc	03-18-2010	09 25 2012	52.855 95	50.663 35		2.192 60
200	Union Pacific	03-18-2010	09 25 2012	24.237 11	14.725 56		9.511 55
1.320 944	Vand Total Int'l Sig	03-18-2010	09 25 2012	38.000 00	38.665 90		-665 90
21.028 731	DFA Five-Year Global	03-18-2010	09 26 2012	236.753 52	235.355 19		1.398 33
17.455 456	DFA Selctvly Hedg Gl	03-18-2010	09 26 2012	181.681 31	176.000 00		5.681 31

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LONG TERM GAINS LOSSES

Quantity	Security	Date Acquired	Date Sold	Proceeds	Cost Basis	Amort or Accretion	Gain or Loss Long Term
4.462 659	PIMCo Foreign Unhedg	04-26-2011	09 26 2012	51.915 36	49.029 99		2.885 37
3.435 469	Vangd ST Inv Grd Adm	04-26-2011	09 26 2012	37.301 48	37.029 99		271 49
9.919 042	Vangd ST Inv Grd Adm	03-18-2010	09 26 2012	107.698 52	106.141 63		1.556 89
914 545	Vanguard GNMA Adm	04-26-2011	09 26 2012	10.185 77	9.890 94		294 83
7.586 729	Vanguard GNMA Adm	03-18-2010	09 26 2012	84.497 39	82.023 96		2.473 43
1	Kraft Foods Grp	03-18-2010	10 01 2012	30 57	20 92		9 65
		TOTAL REALIZED GAIN LOSS					75.100 09
		TOTAL PROCEEDS		2.199.546 18			