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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

, 2012, and ending

, 20

Name of foundation APS Foundation, Inc.		A Employer identification number 95-3735903
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) 602-250-2574
P.O. Box 53999, MS 8657 City or town, state, and ZIP code Phoenix, AZ 85072		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply:		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	
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		
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 27,903,295.00		
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		
(Part I, column (d) must be on cash basis)		

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)
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				
4	Dividends and interest from securities	549,308.00	549,308.00		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-1,047,801.00			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)				
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	-498,493.00	549,308.00		
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)	111,562.00	111,562.00		
17	Interest Schedule I				
18	Taxes (attach schedule) (see instructions) Schedule II	7,298.00			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	Total operating and administrative expenses. Add lines 13 through 23	118,860.00	111,562.00		
25	Contributions, gifts, grants paid	1,931,281.00			1,982,843.00
26	Total expenses and disbursements. Add lines 24 and 25	2,050,141.00	111,562.00		1,982,843.00
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-2,548,634.00			
b	Net investment income (if negative, enter -0-)		437,746.00		
c	Adjusted net income (if negative, enter -0-)				

SCANNED MAY 29 2013

Operating and Administrative Expenses

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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		9,605.00	437,670.00	437,670.00
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶ 4,910.00				
		Less allowance for doubtful accounts ▶		5,480.00	4,910.00	4,910.00
	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)				
	c	Investments - corporate bonds (attach schedule)		7,225,561.00	6,869,273.00	6,869,273.00
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)				
	12	Investments - mortgage loans				
	13	Investments - other (attach schedule) Schedule III		18,551,655.00	20,591,442.00	20,591,442.00
	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)		25,792,301.00	27,903,295.00	27,903,295.00
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable		121,100.00	601,164.00	
	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)		121,100.00	601,164.00	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted		25,671,201.00	27,302,131.00	
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds . .				
	30	Total net assets or fund balances (see instructions)		25,671,201.00	27,302,131.00	
	31	Total liabilities and net assets/fund balances (see instructions)		25,792,301.00	27,903,295.00	

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	25,671,201.00
2	Enter amount from Part I, line 27a	2	-2,548,634.00
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	23,122,567.00
5	Decreases not included in line 2 (itemize) ▶ <u>Unrealized Net Gain</u>	5	-4,179,564.00
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	27,302,131.00

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 State Street Corporation			P	Various	Various
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		1,047,801.00	-1,047,801.00		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(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			
a			-1,047,801.00		
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	-1,047,801.00	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			3		

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	1,704,785.00	27,482,020.00	0.0620
2010	1,550,875.00	25,392,061.00	0.0611
2009	1,710,223.00	22,731,983.00	0.0752
2008	1,753,836.00	27,731,161.00	0.0632
2007	2,123,375.00	26,481,662.00	0.0802
2 Total of line 1, column (d)			2 0.3417
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 0.0683
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 27,337,860.40
5 Multiply line 4 by line 3			5 1,867,175.87
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 4,377.46
7 Add lines 5 and 6			7 1,871,553.33
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 1,982,843.00

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		1	4,377.00
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" 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	
3 Add lines 1 and 2		3	4,377.00
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	4,377.00
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	9,992.00	
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	9,992.00	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,615.00	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax <input checked="" type="checkbox"/> 5,615.00 Refunded <input type="checkbox"/> 11	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		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. See Attachment A	X	
4a 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?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> Arizona		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		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 <u>N/A</u>	13	X	
14	The books are in care of <u>APS FOUNDATION, INC.</u> Telephone no <u>602-250-2574</u> Located at <u>P.O. BOX 53999, MS 8657 PHOENIX, AZ</u> ZIP+4 <u>85072-3999</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
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 <u></u>	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 checked="" type="checkbox"/> Yes <input 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <u></u>	1b	X
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? <input type="checkbox"/>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <u></u>		
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.) <input type="checkbox"/>	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u></u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input 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) <input type="checkbox"/>	3b	X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/>	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? <input type="checkbox"/>	4b	X

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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** N/AOrganizations 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** X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

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

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 ☐

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

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

Total number of others receiving over \$50,000 for professional services ▶

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

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

Form **990-PF** (2012)

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	27,728,446.00
b	Average of monthly cash balances	1b	25,727.00
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	27,754,173.00
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	27,754,173.00
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	416,312.60
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	27,337,860.40
6	Minimum investment return. Enter 5% of line 5	6	1,366,893.02

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	1,366,893.02
2a	Tax on investment income for 2012 from Part VI, line 5	2a	4,377.00
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,377.00
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,362,516.02
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,362,516.02
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	1,362,516.02

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	1,982,843.00
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	1,982,843.00
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	1,982,843.00

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				1,362,516.02
2 Undistributed income, if any, as of the end of 2012				
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	859,242.00			
b From 2008	378,957.00			
c From 2009	587,868.00			
d From 2010	293,956.00			
e From 2011	340,674.00			
f Total of lines 3a through e	2,460,697.00			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 1,982,843.00				
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				1,362,516.02
e Remaining amount distributed out of corpus . .	620,326.98			
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	3,081,023.98			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
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) . . .	859,242.00			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	2,221,781.98			
10 Analysis of line 9				
a Excess from 2008	378,957.00			
b Excess from 2009	587,868.00			
c Excess from 2010	293,956.00			
d Excess from 2011	340,674.00			
e Excess from 2012	620,326.98			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

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 **N/A**

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

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

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

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- 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 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 Paid during the year SEE SCHEDULE V				
Total			3a	1,871,281.00 1,871,281.00
b Approved for future payment SEE SCHEDULE VI				
Total			3b	1,087,700.00 1,087,700.00

Form **990-PF** (2012)

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

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

JSA Form **990-PF** (2012)

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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

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

Signature of officer or trustee

05/09/2013

Date _____

► **Treasurer**

Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date	
------	--

Check <input type="checkbox"/> if self-employed	PTIN
---	------

Firm's name ▶

Firm's EIN ▶

Firm's address ►

Phone no.

ATTACHMENT A

BYLAWS
OF
APS FOUNDATION, INC.

(Amended and Restated as of November 16, 2012)

I. REFERENCES; SENIORITY

1.01. References. Any reference herein made to Law will be deemed to refer to the applicable provision or provisions of Title 10, Arizona Revised Statutes (or its successor), as at any given time in effect. Any reference herein made to the Articles of Incorporation (the "Articles") of the APS Foundation, Inc. (the "Corporation") will be deemed to refer to the applicable provision or provisions of the Articles, and all amendments thereto, as at any given time on file with the Arizona Corporation Commission (or any successor having similar authority over the Corporation).

1.02. Seniority. The Law and the Articles (in that order of precedence) will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Law and the Articles (in that order of precedence).

II. BOARD OF DIRECTORS

2.01. Membership. The Board of Directors shall consist or not less than three (3) nor more than ten (10) directors. Within such limits, the Board of Directors will have the power to increase or decrease its size. Any director of the Corporation may resign at any time by giving written notice thereof to the secretary on behalf of the Corporation, the Chairman of the Board or to the Board of Directors of the Corporation. Such resignation shall take effect at the time specified therefor and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective.

2.02. Quorum, Voting. A majority of the number of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, if a quorum is present when a meeting is convened, the quorum will be deemed to exist until the meeting is adjourned notwithstanding the departure of one or more directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by Law or these Bylaws. Each member of the Board of Directors, including the director presiding at the meeting of the Board of Directors, shall be entitled to one vote. In the case of equality of votes, the director presiding at the meeting will have an additional or deciding vote.

2.03. Nomination and Election. The nomination and election of directors shall take place at the annual meeting of the directors and shall be by voice vote (or by

ballot vote if demanded) cast by the directors holding office at the time of the annual meeting. A nominee receiving the votes of a majority of the Board of Directors shall be elected to the board. The term of the directors shall end on the date of the next annual meeting or on such later date as the director's successors are elected and qualify.

2.04. Removal. A director may be removed, with or without cause, by the vote of a majority of the directors present at a meeting of the Board of Directors at which a quorum is present.

2.05. Vacancy. Any vacancy occurring in the Board of Directors shall be filled by the vote of a majority of the remaining directors though less than a quorum or by a sole remaining director. A director appointed to fill a vacancy occurring in the Board of Directors shall be appointed for the unexpired term of his or her predecessor in office.

2.06. Regular Meetings. A regular annual meeting of the Board of Directors shall be held on a date designated by the Board of Directors for the purpose of electing directors and officers and for the transaction of such other business as may come before the meeting. The annual meeting shall be in the place and at the time specified in the notice of said meeting. Regular meetings, other than the annual ones, may be held at regular intervals at such times and places as the Board of Directors may provide.

2.07. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or at the request of any number of directors which would be required to constitute a quorum, and shall be held at such place and time as the person or persons calling such meeting shall specify.

2.08. Notice. Notice of the time and place (but not necessarily the purpose or all of the purposes) of the annual meetings and any special meeting will be given to each director in person or by telephone, or via mail, facsimile, electronic mail or other electronic transmission addressed in the manner appearing on the Corporation's records. Notice will be deemed given sufficiently in advance when: (i) if given by mail, the same is deposited in the United States mail at least four days before the meeting date, with postage thereon prepaid; (ii) if given by facsimile, electronic mail or other electronic transmission, the same is transmitted to the director at least 24 hours prior to the convening of the meeting; or (iii) if personally delivered, the same is handed, or the substance thereof is communicated over the telephone to the director at least 24 hours prior to the convening of the meeting. Any such notice may be waived as provided by Law. No call or notice of a meeting of directors will be necessary if each of them waives the same in writing or by attendance as aforesaid. Any meeting, once properly called and noticed (or as to which call and notice have been waived as aforesaid) and at which a quorum is formed, may be adjourned to another time and place by a majority of those in attendance.

2.09. Compensation. Directors shall serve as such without salary. Notwithstanding the foregoing, a director may be reimbursed for reasonable expenses, if any, incurred in performing the director's official duties.

2.10. Action by Telephone or Consent. Any regular or special meeting of the Board of Directors or any committee thereof may be held by conference telephone or similar communications equipment that allows all directors participating to simultaneously hear each other during the meeting, in which case any required notice of such meeting may generally describe the arrangements (rather than the place) for the holding thereof, and all other provisions herein contained or referred to will apply to such meeting as though it were physically held at a single place. Action may also be taken by the Board of Directors or any committee thereof without a meeting if the members thereof consent in writing thereto as contemplated by Law.

2.11. Chairman of the Board. The Board of Directors shall elect a Chairman of the Board, who will preside at all meetings of the directors at which he or she is present and be vested with such other powers and duties as the Board of Directors may from time to time delegate to him.

III. COMMITTEES

3.01. Establishment. The Board of Directors may establish by resolution such committees as it deems necessary or appropriate to carry out the purposes of the Corporation, subject to any restrictions or limitations set by Law. The Chairman of the Board shall appoint the members of all committees.

3.02. Quorum, Voting. A majority of the members of a committee shall constitute a quorum and any transaction of a committee shall require a majority vote of the quorum present at any meeting. Each member of a committee, including the person presiding at the meeting, shall be entitled to one vote.

3.03. Removal/Vacancy. The Chairman of the Board may remove at any time with or without cause, a member or members of any committee and may fill any vacancy for the remainder of the vacant term.

3.04. Notice, Reports. Members of committees shall meet at the call of the chairman of such committee at such place as he or she shall designate after reasonable notice to each member of the committee. Each committee shall keep minutes of its proceedings and make a report to the Board of Directors of its action within a reasonable time subsequent to the meeting.

IV. OFFICERS

4.01. Elections. The Board of Directors shall elect a secretary and a treasurer, and may, at their discretion, elect one or more additional officers of the Corporation, including but not limited to a president or vice-presidents. The officers of the Corporation shall exercise such powers and duties as the Board of Directors may from time to time delegate to such officers. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors, but elections of officers may also be held at any other meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly

elected and accepted office, or until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any two or more offices may be held by the same person.

4.02. Resignation/Removal. Any officer elected by the Board of Directors may be removed with or without cause by the vote of a majority of the directors present at a meeting of the Board of Directors at which a quorum is present. Any officer may resign at any time by delivering written notice to the secretary of the Corporation.

4.03. Vacancy. A vacancy in any office due to death, resignation, removal, disqualification or other cause may be filled by the vote of a majority of the directors present at a meeting of the Board of Directors at which a quorum is present for the unexpired portion of the term.

4.04. Salaries. Officers shall serve without salary except as otherwise approved by the Board of Directors. Notwithstanding the foregoing, an officer may be reimbursed for reasonable expenses, if any, incurred in performing the officer's official duties.

4.05 Appointments. Any duly appointed officer under this Section may appoint one or more assistant officers with the approval of the Chairman of the Board.

V. EMPLOYEES

5.01. Employment. The Board of Directors may establish such positions of employment as it deems desirable from time to time and shall fix the salaries, if any, for such positions.

VI. GIFTS

6.01. Receipt and Acceptance. The only gifts which shall be accepted by the Corporation shall be those made by APS. Such gifts shall vest in the Corporation upon receipt and acceptance by it, as signified by an officer of the Corporation. Receipt and acceptance of a negotiable instrument shall be evidenced by the Corporation's endorsement thereon.

VII. AFFILIATIONS

7.01. Disclosure. The members of the Board of Directors shall disclose the fact that they are associated or related to organizations or persons to whom the Corporation makes distributions and disbursements. Such disclosures shall be made at least once a year upon the request of the secretary. If such a disclosure is made at a meeting of the Board of Directors or a committee established by the Board of Directors, it shall be entered in the minutes of such meeting in which such disclosure is made. If such disclosure is not made at a meeting, it shall be made in writing and filed with the records of the Corporation.

VIII. SEAL

8.01. Form Thereof. The Board of Directors may, at its option, establish a seal of the Corporation from time to time.

IX. INDEMNIFICATION

9.01. Implementation of Authority to Indemnify. In order to induce qualified persons to serve the Corporation (and any other corporation, joint venture, partnership, trust or other enterprise at the request of the Corporation) as directors and officers, the Corporation will indemnify such persons to the fullest extent permitted by Law as it presently exists or may hereafter be amended.

X. AMENDMENTS

10.01. Procedure. These Bylaws of the Corporation may be amended, supplemented, repealed or temporarily or permanently suspended, in whole or in part, or new bylaws may be adopted by the vote of a majority of the directors in office at any meeting of the Board of Directors.

APS Foundation, Inc.
EIN: 95-3735903
Form 990-PF
Year Ended December 31, 2012

Schedule I

Part I, Line 16c
Other Professional Fees

<u>Payee</u>	<u>Amount</u>
Trustee Fees	54,775
Fund Advisory Fee	15,559
Consultant Fees	3,617
Other Expense	<u>37,610</u>
Total	<u><u>111,562</u></u>

APS Foundation, Inc.

EIN: 95-3735903

Form 990-PF

Year Ended December 31, 2012

Schedule II

Part I, Line 1 Contributions, Gifts, Grants, Etc, Received

Contributions: Arizona Public Service Company

-

Part I, Line 18, Taxes

Excise Tax

7,298

Property Tax

-

Other

-

Total

7,298

APS Foundation, Inc.
EIN: 95-3735903
Form 990-PF
Year Ended December 31, 2012

Schedule III

Part II, Line 10a
Summary of Current Investments - Government

<u>Investment</u>	<u>Market Value</u>
<i>Debt</i>	
Total	<u><u>-</u></u>

Part II, Line 10c
Summary of Current Investments - Corporate

<u>Investment</u>	<u>Market Value</u>
<i>Debt</i>	
Fixed Income Fund Net Assets at Market	<u>6,869,273</u>
Total	<u><u>6,869,273</u></u>

Part II, Line 13
Summary of Current Investments - Other

<u>Investment</u>	<u>Market Value</u>
<i>Equity</i>	
US Equity Fund Net Assets at Market	9,332,018
Int'l Equity Fund Net Assets at Market	6,019,661
Large Cap Growth BC Assets at Market	<u>5,239,763</u>
Total	<u><u>20,591,443</u></u>

APS Foundation, Inc.

EIN: 95-3735903

Form 990-PF

Year Ended December 31, 2012

Schedule IV

DIRECTORS

Donald E. Brandt

David P. Falck

Lindy R. Fisker

John S. Hatfield

Tammy D. McLeod

Donald G. Robinson

Mark A. Schiavoni

OFFICERS

Donald E. Brandt, Chairman and President

David P. Falck, Secretary

Tammy D. McLeod, Treasurer

EXECUTIVE DIRECTOR

Julie A. Coleman, Executive Director

APS Foundation, Inc.

EIN: 95-3735903

Form 990-PF

Year Ended December 31, 2012

Schedule V**Part XV, Line 3, Contributions Paid During the Year**

Donee	Amount
American Indian College Fund	100,000
American Indian Science and Engineering Society	50,000
ASU Foundation - APS Bill and Mary Kay Post Scholarship	121,100
Arizona Science Center	246,500
Arizona Science Teachers Association	114,000
Arizona Zoological Society	5,000
Association of Universities for Research in Astronomy	62,671
ASU Foundation for A New American University	60,000
Central Arizona College	71,544
Challenger Learning Center of Arizona	94,013
Foundation for Blind Children	25,000
Girl Scouts of Southern Arizona	100,000
Institute of Electrical And Electronics Engineers Inc.	20,000
Lowell Observatory	59,246
Maricopa County Community College District Foundation	30,000
New Teacher Project, Inc.	50,000
Nina Mason Pulliam Rio Salado Audubon Center	22,225
Northern Arizona University Foundation	249,982
Teach For America Inc.	40,000
The Arizona Charter Schools Association	50,000
University of Arizona Foundation	250,000
Valley of the Sun Young Mens Christian Association	50,000
Total	1,871,281

APS Foundation, Inc.
EIN: 95-3735903
Form 990-PF
Year Ended December 31, 2012

Schedule VI

Donee	Date Approved	Total Pledge	2013 Payment	Remaining Contributions
ASU Foundation - APS Bill and Mary Kay Post Scholarship	07/01/10	1,211,000	121,100	726,600
ASU Foundation for A New American University	11/28/12	300,000	60,000	180,000
Pledge Payments			<u>181,100</u>	<u>906,600</u>
Total Pledge Payments				<u><u>1,087,700</u></u>