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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.

2012

Open to public inspection

For calendar year 2012 or tax year beginning JUL 1, 2012, and ending JUN 30, 2013

Name of foundation FRED & CHRISTINE ARMSTRONG FOUNDATION		A Employer identification number 86-0779817
Number and street (or P O box number if mail is not delivered to street address) C/O 335 N WILMOT ROAD, SUITE 300	Room/suite	B Telephone number (520) 790-3500
City or town, state, and ZIP code TUCSON, AZ 85711		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 4,834,276.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	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).)		(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				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		24.	24.		STATEMENT 1
4 Dividends and interest from securities		74,447.	74,447.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		353,629.			
b Gross sales price for all assets on line 6a		870,647.			
7 Capital gain net income (from Part IV, line 2)			353,629.		
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)					
11 Other income		32,313.	32,313.		STATEMENT 3
12 Total. Add lines 1 through 11		460,413.	460,413.		
13 Compensation of officers, directors, trustees, etc		12,000.	6,000.		6,000.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 4		1,107.	553.		554.
b Accounting fees STMT 5		15,752.	7,876.		7,876.
c Other professional fees STMT 6		22,233.	22,233.		0.
17 Interest					
18 Taxes STMT 7		1,176.	1,176.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 8		9,417.	8,887.		530.
24 Total operating and administrative expenses. Add lines 13 through 23		61,685.	46,725.		14,960.
25 Contributions, gifts, grants paid		206,000.			206,000.
26 Total expenses and disbursements. Add lines 24 and 25		267,685.	46,725.		220,960.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		192,728.			
b Net investment income (if negative, enter -0-)			413,688.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	10,554.	6,284.	6,284.
	2 Savings and temporary cash investments	45,187.	47,395.	47,395.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 9	2,799,947.	2,999,584.	4,665,382.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	18,367.	13,520.	115,215.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	2,874,055.	3,066,783.	4,834,276.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2,874,055.	3,066,783.	
	30 Total net assets or fund balances	2,874,055.	3,066,783.	
	31 Total liabilities and net assets/fund balances	2,874,055.	3,066,783.	

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	2,874,055.
2 Enter amount from Part I, line 27a	2	192,728.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,066,783.
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	3,066,783.

FRED & CHRISTINE ARMSTRONG FOUNDATION

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	SEC V BANK OF AMERICA CORP	P		11/26/12
b	COMPUTERSHARE/GENERAL AMERICAN MUTUAL HOLDING	P		07/13/12
c	LKQ CORP	P	10/31/08	07/05/12
d	LKQ CORP	P	11/03/08	07/05/12
e	JP MORGAN & COMPANY INC	P	11/15/07	07/31/12
f	ROBERT HALF INTL INC	P	12/22/09	09/12/12
g	HARRIS CORPORATION	P	04/29/08	10/12/12
h	O REILLY AUTOMOTIVE INC	P	11/25/08	10/18/12
i	NATIONAL INSTRUMENTS CORP	P	08/17/10	10/26/12
j	AMAZON COM INC	P	11/07/11	01/29/13
k	ROCKWELL COLLINS INC	P	01/02/13	02/12/13
l	CABOT OIL & GAS CORP	P	06/15/06	04/01/13
m	CABOT OIL & GAS CORP	P	03/17/09	04/01/13
n	CELGENE CORP	P	08/27/10	04/03/13
o	CELGENE CORP	P	11/02/10	04/03/13

(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 3.			3.
b 178.			178.
c 55,546.		18,356.	37,190.
d 42,728.		14,577.	28,151.
e 16,208.		19,571.	-3,363.
f 57,913.		58,347.	-434.
g 54,441.		58,140.	-3,699.
h 35,561.		11,168.	24,393.
i 33,106.		27,848.	5,258.
j 53,528.		43,259.	10,269.
k 73,083.		72,539.	544.
l 103,466.		15,916.	87,550.
m 46,727.		8,411.	38,316.
n 60,512.		27,328.	33,184.
o 43,223.		23,615.	19,608.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			3.
b			178.
c			37,190.
d			28,151.
e			-3,363.
f			-434.
g			-3,699.
h			24,393.
i			5,258.
j			10,269.
k			544.
l			87,550.
m			38,316.
n			33,184.
o			19,608.

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 }

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)
If (loss), enter "-0-" in Part I, line 8

FRED & CHRISTINE ARMSTRONG FOUNDATION

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	CELGENE CORP	P	11/03/10	04/03/13
b	AVON PRODUCTS INC	P	10/06/11	05/01/13
c	CARNIVAL CORP	P	09/09/09	05/29/13
d	CVS CAREMARK CORPORATION	P	12/23/04	05/29/13
e	CVS CAREMARK CORPORATION	P	09/29/05	05/29/13
f	ACCENTURE PLC	P	11/15/04	06/20/13
g	ACCENTURE PLC	P	11/09/05	06/20/13
h	CAPITAL GAINS DIVIDENDS			
i				
j				
k				
l				
m				
n				
o				

(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 5,763.		3,149.	2,614.
b 30,853.		27,325.	3,528.
c 52,442.		51,130.	1,312.
d 23,928.		9,005.	14,923.
e 10,469.		4,976.	5,493.
f 48,293.		15,100.	33,193.
g 22,134.		7,258.	14,876.
h 542.			542.
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			2,614.
b			3,528.
c			1,312.
d			14,923.
e			5,493.
f			33,193.
g			14,876.
h			542.
i			
j			
k			
l			
m			
n			
o			

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	353,629.
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

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				
b SEE ATTACHED STATEMENTS				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e 870,647.		517,018.	353,629.	
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				
b				
c				
d				
e			353,629.	
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		2 353,629.
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). If (loss), enter -0- in Part I, line 8		3 N/A

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	222,116.	4,165,029.	.053329
2010	219,966.	4,183,055.	.052585
2009	222,074.	3,788,802.	.058613
2008	222,731.	3,396,717.	.065572
2007	207,494.	4,463,517.	.046487
2 Total of line 1, column (d)			2 .276586
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 .055317
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 4,517,827.
5 Multiply line 4 by line 3			5 249,913.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 4,137.
7 Add lines 5 and 6			7 254,050.
8 Enter qualifying distributions from Part XII, line 4			8 220,960.

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

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

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	8,274.
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	8,274.
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	8,274.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	952.	
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	952.	
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	7,322.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax ☐ Refunded ☐	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 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. ☐ \$ 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? 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		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?		
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) ☐ <u>AZ</u>		
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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>FOUNDATION</u> Telephone no. ► <u>(520) 790-3500</u> Located at ► <u>C/O 335 N WILMOT, STE 300, TUCSON, AZ</u> ZIP+4 ► <u>85711</u>			
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	N/A	
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐	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?	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? ☐ Yes ☒ No If "Yes," list the years ► _____, _____, _____		
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) <u>N/A</u>	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. ► _____, _____, _____		
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) <u>N/A</u>	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	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)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

6b

X

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?

N/A

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.

(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
FRED E ARMSTRONG, JR C/O PO BOX 12867 TUCSON, AZ 85732	DIRECTOR/VICE-PRESIDENT 1.00	0.	0.	0.
WILLIAM W LYNCH, JR C/O PO BOX 12867 TUCSON, AZ 85732	DIRECTOR/SECRETARY 1.00	0.	0.	0.
KAREN K FREY C/O PO BOX 12867 TUCSON, AZ 85732	DIRECTOR/PRESIDENT/TREASURER 5.00	12,000.	0.	0.
SAMUEL T ARMSTRONG, JR C/O PO BOX 12867 TUCSON, AZ 85732	DIRECTOR 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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	4,266,177.
b	Average of monthly cash balances	1b	205,234.
c	Fair market value of all other assets	1c	115,215.
d	Total (add lines 1a, b, and c)	1d	4,586,626.
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	4,586,626.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	68,799.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,517,827.
6	Minimum investment return. Enter 5% of line 5	6	225,891.

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	225,891.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	8,274.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	8,274.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	217,617.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	217,617.
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	217,617.

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	220,960.
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	220,960.
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	5	0.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	220,960.

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				217,617.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			85,466.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 220,960.				
a Applied to 2011, but not more than line 2a			85,466.	
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				135,494.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				82,123.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 ATTACHED SCHEDULE	NONE	PUBLIC 501(C)(3)	SEE ATTACHED SCHEDULE	206,000.
Total			3a	206,000.
b Approved for future payment				
NONE				
Total			3b	0.

Part XVII	Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations
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- | | | 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) | 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.			May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No
	 Signature of officer or trustee	<u>11-13-13</u> Date	 Title	

Paid Preparer Use Only	Print/Type preparer's name JON W. MITCHELL, CPA	Preparer's signature  JON W. MITCHELL,	Date 11/11/13	Check ☐ if self-employed	PTIN P00022644
	Firm's name ▶ CLIFTONLARSONALLEN LLP			Firm's EIN ▶ 41-0746749	
	Firm's address ▶ 335 N WILMOT ROAD, SUITE 300 TUCSON, AZ 85711			Phone no. (520) 790-3500	

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST NBAZ	24.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	24.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SCHWAB INSTITUTIONAL	74,989.	542.	74,447.
TOTAL TO FM 990-PF, PART I, LN 4	74,989.	542.	74,447.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OIL ROYALTIES	32,313.	32,313.	
TOTAL TO FORM 990-PF, PART I, LINE 11	32,313.	32,313.	

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	1,107.	553.		554.
TO FM 990-PF, PG 1, LN 16A	1,107.	553.		554.

FORM 990-PF	ACCOUNTING FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	15,752.	7,876.		7,876.	
TO FORM 990-PF, PG 1, LN 16B	15,752.	7,876.		7,876.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT FEES	22,233.	22,233.		0.	
TO FORM 990-PF, PG 1, LN 16C	22,233.	22,233.		0.	

FORM 990-PF	TAXES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PROPERTY TAXES	1,176.	1,176.		0.	
TO FORM 990-PF, PG 1, LN 18	1,176.	1,176.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OIL ROYALTY EXPENSES	3,510.	3,510.		0.	
OFFICE EXPENSES	1,060.	530.		530.	
DEPLETION	4,847.	4,847.		0.	
TO FORM 990-PF, PG 1, LN 23	9,417.	8,887.		530.	

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
INVESTMENTS PER ATTACHED, PRINCIPALLY STOCK	2,999,584.	4,665,382.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,999,584.	4,665,382.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OIL ROYALTY INTERESTS	COST	13,520.	115,215.
TOTAL TO FORM 990-PF, PART II, LINE 13		13,520.	115,215.

FORM 990-PF	GRANT APPLICATION SUBMISSION INFORMATION	STATEMENT 11
	PART XV, LINES 2A THROUGH 2D	

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

KAREN K FREY
PO BOX 12867
TUCSON, AZ 85732

TELEPHONE NUMBER	NAME OF GRANT PROGRAM
520-760-2981	NONE

FORM AND CONTENT OF APPLICATIONS

SPECIFIC AMOUNT REQUESTED, INTENDED USE OF THE GRANT, CURRENT FINANCIAL STATEMENTS, CURRENT BUDGET, EXEMPTION LETTER, AND ANY OTHER PERTINENT DATA.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE, EXCEPT THAT CONSIDERATION WILL BE GIVEN THOSE CHARITIES FUNDED BY THE ARMSTRONG FAMILY IN THE PAST.

FRED & CHRISTINE ARMSTRONG FOUNDATION
SCHEDULE OF CONTRIBUTIONS FORM 990-PF 6/30/13

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<u>RECIPIENT</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
AMERICAN NATIONAL RED CROSS, SOUTHERN ARIZONA CHAPTER 2916 E BROADWAY BLVD, TUCSON, AZ 85716	LOCAL DISASTER SERVICES FOR CHILDREN AND FAMILIES	4,000
ARIZONA'S CHILDREN ASSOCIATION 2700 S 8TH AVE, TUCSON, AZ 85713	ASSIST NEEDY CHILDREN AND FAMILIES	7,500
ARIZONA OPERA COMPANY 4600 N 12TH ST, PHOENIX, AZ 85014	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	5,000
ARIZONA-SONORA DESERT MUSEUM 2021 N KINNEY RD, TUCSON, AZ 85743	CONSERVE FLORA AND FAUNA OF THE SONORAN DESERT	5,000
BALLET ARTS FOUNDATION 200 S TUCSON BLVD, TUCSON, AZ 85716	EDUCATE, SUPPORT, AND ADVANCE THE ART OF DANCE	5,000
CANDLELIGHTERS CHILDHOOD CANCER FOUNDATION OF SOUTHERN AZ P O BOX 4236, TUCSON, AZ 85733-2436	PROVIDE MULTIPLE NEEDS TO LOW INCOME FAMILIES AND THEIR CHILDREN AFFECTED BY CANCER	3,000
CATALINA HIGH SCHOOL FOUNDATION 3930 N LARREA LANE, TUCSON, AZ 85750	PROVIDE MINI-GRANTS IN SUPPORT OF MATH & SCIENCE STUDY PROGRAMS	3,000
CASA DE LOS NINOS 1101 N 4TH AVE, TUCSON, AZ 85705-7467	CHILD ABUSE/NEGLECT PREVENTION PROMOTE CHILD SAFETY/FAMILY STABILITY	7,500
CITY OF TUCSON, TUCSON FIRE DEPARTMENT 300 S FIRE CENTRAL PLACE, TUCSON, AZ 85711	SUPPORT DROWNING PREVENTION EFFORTS IN THE COMMUNITY	3,000
COMMUNITY FOOD BANK P O BOX 26727, TUCSON, AZ 85726-6727	FOOD ASSISTANCE FOR THE HUNGRY IN PIMA COUNTY	15,000
COMMUNITY HOME REPAIR PROJECTS OF ARIZONA P O BOX 26215, TUCSON, AZ 85726	ASSIST DISADVANTAGED OF PIMA COUNTY BY PROVIDING FREE HOME REPAIR SERVICE	3,000
DIAPER BANK OF SOUTHERN ARIZONA 4500 E SPEEDWAY BLVD, SUITE 75, TUCSON, AZ 85712	PROVIDE DIAPERS FOR CHILDREN AND ADULTS THROUGH COMMUNITY PARTNERS	4,000
EDUCATIONAL ENRICHMENT FOUNDATION 3809 E 3RD ST, TUCSON, AZ 85716	PROVIDE STUDENTS IN NEED OF VISION EXAMS AND EYEGLASSES	6,000
GAP MINISTRIES/SPLASH HOUSE PROJECT 2861 N FLOWING WELLS, SUITE 161, TUCSON, AZ 85705	SHELTER, MEALS, AND COUNSELING TO DISPLACED YOUTH AGES 0-12	5,000
GOOD SHEPHERD UNITED CHURCH OF CHRIST/ SAHUARITA FOOD BANK 17750 LA CANADA DR, SAHUARITA, AZ 85629	PROVIDE SNACK PACKS FOR CHILDREN IN NEED	4,000
HANDI-DOGS, INC 75 SOUTH MONTEGO DR, TUCSON, AZ 85710	TEACH PEOPLE WITH DISABILITIES AND SENIORS TO TRAIN THEIR OWN DOGS AS ASSISTANCE DOGS	4,000
HARRISON COUNTY HISTORICAL SOCIETY INC PO BOX 1987, MARSHALL, TX 75671	PRESERVE HISTORIC HARRISON COUNTY TEXAS HISTORY	4,000
HUMANE SOCIETY OF SOUTHERN ARIZONA 3450 N KELVIN BLVD, TUCSON, AZ 85716	PET VIP PROGRAM PROVIDES ANIMALS AT CONVALESCENT HOMES, HOSPICES, ETC	2,000
ARIZONA'S CHILDREN ASSOCIATION/ IN MY SHOES 2700 S 8TH AVE, TUCSON, AZ 85713	HELP YOUNG PEOPLE TO DEVELOP COMPETENCIES FOR ADULthood	5,000
ARIZONA'S CHILDREN ASSOCIATION/ LAS FAMILIAS 2700 S 8TH AVE, TUCSON, AZ 85713	FACILITATE THE HEALING PROCESS OF CHILDREN & ADULTS WHO EXPERIENCED CHILDHOOD SEXUAL ABUSE	7,500
MARSHALL DEPOT MUSEUM INC 800 N WASHINGTON, STE 1, MARSHALL, TX 75670	PRESERVE HISTORIC TEXAS AND PACIFIC RAILWAY DEPOT MUSEUM	3,000
MARSHALL CULTURAL AFFAIRS COUNCIL PO BOX C, MARSHALL, TX 75671-3003	PROVIDE ARTS APPRECIATION TO THE COMMUNITY	4,000

FRED & CHRISTINE ARMSTRONG FOUNDATION
SCHEDULE OF CONTRIBUTIONS FORM 990-PF 6/30/13

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<u>RECIPIENT</u>	<u>PURPOSE OF CONTRIBUTION</u>	<u>AMOUNT</u>
MARSHALL SYMPHONY SOCIETY P O BOX 421, MARSHALL, TX 75671	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	5,000
MOBILE MEALS OF TUCSON INC 4803 E 5TH ST, SUITE 209, TUCSON, AZ 85711	DELIVER SPECIAL DIET MEALS TO THE HOMEBOUND	12,000
OUR FAMILY SERVICES/NEW BEGINNINGS PROGRAM 3830 E BELLEVUE ST, TUCSON, AZ 85716	VARIOUS SERVICES FOR HOMELESS FAMILIES	7,500
PRIMAVERA FOUNDATION 151 WEST 40TH ST, TUCSON, AZ 85713	PROGRAMS AND SERVICES FOR HOMELESS AND IMPOVERISHED	7,500
SQUARE & COMPASS CHILDREN'S CLINIC 2600 N WYATT DR, TUCSON, AZ 85712-6106	ASSIST CHILDREN'S MEDICAL NEEDS	5,000
ST LUKE'S IN THE DESERT 615 E ADAMS ST, TUCSON, AZ 85705	PROVIDE SHELTER FOR THE ELDERLY	8,000
SAINT PHILIP'S PRESERVATION & ENDOWMENT FOUNDATION INC 4440 N CAMPBELL AVE, TUCSON, AZ 85728	ST PHILIP'S OUTREACH PROGRAM COMMUNITY SERVICES	3,000
UNIVERSITY OF AZ FOUNDATION/ARTHRITIS RESEARCH PROGRAM PO BOX 210109, TUCSON, AZ 85721-0109	ARTHRITIS RESEARCH AND TREATMENT	20,000
TUCSON CHILDREN'S MUSEUM 200 S SIXTH ST, TUCSON, AZ 85701	EDUCATION AND ACTIVITIES FOR CHILDREN	5,000
TUCSON SYMPHONY ORCHESTRA 2175 N 6TH AVE, TUCSON, AZ 85705-5606	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	8,000
TU NIDITO CHILDREN & FAMILY SERVICES 3922 N MOUNTAIN AVE, TUCSON, AZ 85719	SUPPORT FOR SERIOUSLY ILL AND GRIEVING CHILDREN	7,500
YOUTH ON THEIR OWN (YOTO) 1443 W PRINCE RD, TUCSON, AZ 85705	SCHOOL DROPOUT PREVENTION FOR YOUTH AGES 8-22 HOMELESS AND NEAR HOMELESS	8,000
TOTAL CONTRIBUTIONS		\$ 206,000

Fred/Christine Armstrong FDN

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Cash Equivalents								
SCHWAB US TREASURY				25,734.99	25,734.99	0.6	3	0.0
Total Cash Equivalents				25,734.99	25,734.99	0.6	3	0.0
Equities								
CONSUMER DISCRETIONARY								
LKQ CORP	1,150	5.65	25.75	6,495.35	29,612.50	0.6	0	0.0
O'REILLY AUTOMOTIVE INC	250	24.82	112.62	6,204.50	28,155.00	0.6	0	0.0
TIME WARNER INC	2,866	20.61	57.82	59,077.42	165,712.12	3.5	3,296	2.0
YUM BRANDS INC	1,400	67.45	69.34	94,425.92	97,076.00	2.1	1,876	1.9
TOTAL CONSUMER DISCRETIONARY				166,203.19	320,555.62	6.9	5,172	1.6
CONSUMER STAPLES								
AVON PRODUCTS INC	3,925	18.91	21.03	74,239.89	82,542.75	1.8	942	1.1
COCA-COLA COMPANY	3,200	22.58	40.11	72,266.70	128,352.00	2.7	3,584	2.8
COLGATE-PALMOLIVE CO	2,800	25.06	57.29	70,162.85	160,412.00	3.4	3,808	2.4
CVS CAREMARK CORPORATION	3,000	20.55	57.18	61,643.28	171,540.00	3.7	2,700	1.6
WALGREEN COMPANY	1,500	36.29	44.20	54,434.80	66,300.00	1.4	1,650	2.5
TOTAL CONSUMER STAPLES				332,747.52	609,146.75	13.0	12,684	2.1
ENERGY								
LABOT OIL & GAS CORP	1,050	10.27	71.02	10,781.71	74,571.00	1.6	84	0.1
EXXON MOBIL CORPORATION	1,700	52.84	90.35	89,819.81	153,593.00	3.3	4,284	2.8
HALLIBURTON COMPANY	1,750	17.27	41.72	30,217.97	73,010.00	1.6	875	1.2
NATIONAL OILWELL VARCO	925	55.53	68.90	51,365.93	63,732.50	1.4	962	1.5
RANGE RESOURCES CORP	1,200	26.95	77.32	32,345.89	92,784.00	2.0	192	0.2
TOTAL ENERGY				214,531.31	457,692.50	9.8	6,397	1.4
FINANCIALS								
BERKSHIRE HATHAWAY INC	700	83.26	111.92	58,280.21	78,344.00	1.7	0	0.0
COMERICA INC	2,300	25.24	39.83	58,056.39	91,609.00	2.0	1,564	1.7
COMMUNITY BANK SYSTEM	2,300	29.06	30.85	66,837.82	70,953.00	1.5	2,484	3.5
CULLEN FROST BANKERS INC	725	53.72	66.77	38,949.14	48,408.25	1.0	1,450	3.0
JP MORGAN & COMPANY INC	1,900	39.05	52.79	74,189.85	100,301.00	2.1	2,888	2.9
METLIFE INC	1,800	36.54	45.76	65,763.13	82,368.00	1.8	1,980	2.4

Fred/Christine Armstrong FDN

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Equities								
FINANCIALS								
PRUDENTIAL FINANCIAL INC	2,100	46.17	73.03	96,948.85	153,363.00	3.3	3,360	2.2
SUNTRUST BANKS INC	2,400	29.13	31.57	69,900.31	75,768.00	1.6	960	1.3
WELLS FARGO & COMPANY	2,675	30.78	41.27	82,330.07	110,397.25	2.4	3,210	2.9
ZIONS BANCORPORATION	3,500	22.59	28.92	79,078.70	101,220.00	2.2	560	0.6
TOTAL FINANCIALS				690,334.47	912,733.50	19.6	18,456	2.0
HEALTH CARE								
ABBOTT LABORATORIES	2,625	23.58	34.88	61,899.90	91,560.00	2.0	1,470	1.6
ABBVIE INC	1,975	22.37	41.34	44,190.15	81,646.50	1.7	3,160	3.9
AL LERGAN INC	700	88.12	84.24	61,884.48	58,968.00	1.3	140	0.2
CELGENE CORP	825	52.05	116.98	42,944.66	96,508.50	2.1	0	0.0
COVIDIEN PLC	1,775	36.91	62.84	65,513.84	111,541.00	2.4	1,846	1.7
EXPRESS SCRIPTS HOLDING CO	2,100	29.64	61.74	62,242.57	129,654.00	2.8	0	0.0
PFIZER INC	3,550	29.37	28.01	104,368.90	99,435.50	2.1	3,408	3.4
THERMO FISHER SCIENTIFIC	1,125	47.55	84.63	53,498.32	95,208.75	2.0	675	0.7
TOTAL HEALTH CARE				496,242.82	764,522.25	16.4	10,699	1.4
INDUSTRIALS								
C H ROBINSON WORLDWIDE	1,750	53.63	56.31	93,554.16	98,542.50	2.1	2,450	2.5
DANAHIER CORPORATION	2,200	29.19	63.30	64,222.06	139,260.00	3.0	220	0.2
UNITED TECHNOLOGIES CORP	1,750	49.14	92.94	85,998.79	162,645.00	3.5	3,745	2.3
TOTAL INDUSTRIALS				244,075.01	400,447.50	8.6	6,415	1.6
INFORMATION TECHNOLOGY								
ACCENTURE PLC	1,500	25.17	71.96	37,748.91	107,940.00	2.3	2,430	2.3
ADOBE SYSTEMS INC	1,200	33.64	45.36	40,362.37	54,672.00	1.2	0	0.0
APPLE INC	175	457.27	396.53	80,021.40	69,392.75	1.5	2,135	3.1
CISCO SYSTEMS INC	2,375	20.35	24.34	48,327.86	57,795.63	1.2	1,615	2.8
EMC CORPORATION	3,950	15.12	23.62	59,740.13	93,299.00	2.0	1,580	1.7
GOOGLE INC	150	573.48	880.37	86,022.11	132,055.50	2.8	0	0.0
MICROSOFT CORPORATION	2,950	26.27	34.55	77,495.95	101,907.75	2.2	2,714	2.7
NUANCE COMMUNICATIONS INC	3,450	18.45	18.40	63,669.05	63,480.00	1.4	0	0.0

Fred/Christine Armstrong FDN

Portfolio Appraisal

	Average		Quantity	Current		Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
	Cost	Price		Cost	Price					
Equities										
INFORMATION TECHNOLOGY										
ORACLE CORPORATION	1,950	11.79	30.71	22,988.53	59,884.50	1.3	936	1.6		
QUALCOMM INC	825	54.12	61.09	44,648.45	50,399.25	1.1	1,155	2.3		
IRIMBLE NAVIGATION LTD	2,875	26.40	25.99	75,886.53	74,721.25	1.6	0	0.0		
TOTAL INFORMATION TECHNOLOGY				636,911.29	865,547.63	18.5	12,565	1.5		
MATERIALS										
COMMERCIAL METALS CO	2,325	14.33	14.77	33,312.28	34,340.25	0.7	1,116	3.2		
FMC CORPORATION	1,850	28.63	61.06	52,965.08	112,961.00	2.4	999	0.9		
TOTAL MATERIALS				86,277.36	147,301.25	3.2	2,115	1.4		
MUTUAL FUNDS - EQUITY										
LKCM SMALL CAP EQUITY FUND	332	19.96	25.41	6,616.93	8,425.52	0.2	0	0.0		
TOTAL MUTUAL FUNDS - EQUITY				6,616.93	8,425.52	0.2	0	0.0		
TELECOM SERVICES										
AMERICAN TOWER CORP REIT	650	59.74	73.17	38,832.01	47,560.50	1.0	702	1.5		
VERIZON COMMUNICATIONS	2,100	29.08	50.34	61,076.89	105,714.00	2.3	4,326	4.1		
TOTAL TELECOM SERVICES				99,908.90	153,274.50	3.3	5,028	3.3		
Total Equities				2,973,848.80	4,639,647.02	99.4	79,531	1.7		
TOTAL INVESTMENTS										
				\$2,999,583.79	\$4,665,382.01	99.9%				