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Return of Private Foundation

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Serviceor 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

For calendar year 2009, or tax year beginning APR 1, 2009, and ending MAR 31, 2010

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation D A O FOUNDATION		A Employer identification number 36-6101712	
	Number and street (or P.O. box number if mail is not delivered to street address) 611 BEACON STREET		Room/suite	B Telephone number (815) 964-7226
	City or town, state, and ZIP code ROCKFORD, IL 61111		C If exemption application is pending, check here <input type="checkbox"/>	
	H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,310,651. (Part I, column (d) must be on cash basis)		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" 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	56,659.	56,659.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<46,267.>			
	b Gross sales price for all assets on line 6a	948,779.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
Operating and Administrative Expenses	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total. Add lines 1 through 11	10,392.	56,659.		
	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
b Accounting fees					
c Other professional fees	STMT 2	11,245.	11,245.		0.
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 3	15.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		11,260.	11,245.		0.
25 Contributions, gifts, grants paid		111,410.			111,410.
26 Total expenses and disbursements. Add lines 24 and 25		122,670.	11,245.		111,410.
27 Subtract line 26 from line 12		<112,278.>			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			45,414.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	118,438.	75,581.	75,581.
	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 STMT 4	162,478.	0.	0.
	b Investments - corporate stock STMT 5	1,486,987.	1,788,681.	1,864,444.
	c Investments - corporate bonds STMT 6	555,430.	346,793.	370,626.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	2,323,333.	2,211,055.	2,310,651.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	2,323,333.	2,211,055.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
30 Total net assets or fund balances	2,323,333.	2,211,055.		
31 Total liabilities and net assets/fund balances	2,323,333.	2,211,055.		

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	2,323,333.
2 Enter amount from Part I, line 27a	2	<112,278.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,211,055.
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	2,211,055.

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 948,779.		995,046.	<46,267.>	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
a				
b				
c				
d				
e			<46,267.>	
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 <46,267.>
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 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))
2008	138,496.	2,291,711.	.060433
2007	128,289.	2,777,511.	.046188
2006	129,245.	2,660,323.	.048582
2005	129,699.	2,627,636.	.049360
2004	132,124.	2,664,992.	.049578
2 Total of line 1, column (d)			2 .254141
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 .050828
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 2,137,785.
5 Multiply line 4 by line 3			5 108,659.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 454.
7 Add lines 5 and 6			7 109,113.
8 Enter qualifying distributions from Part XII, line 4			8 111,410.

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 <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	454.
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		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		3	454.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	454.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	2,011.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments		6c	
a 2009 estimated tax payments and 2008 overpayment credited to 2009		6d	
b Exempt foreign organizations - tax withheld at source		7	2,011.
c Tax paid with application for extension of time to file (Form 8868)		8	
d Backup withholding erroneously withheld		9	
7 Total credits and payments. Add lines 6a through 6d		10	1,557.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		11	0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be credited to 2010 estimated tax <input checked="" type="checkbox"/> 1,557. Refunded <input checked="" type="checkbox"/>			

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
1b 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
1c 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"/> \$ 0. (2) On foundation managers <input checked="" type="checkbox"/> \$ 0.		
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"/> \$ 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) <input checked="" type="checkbox"/> IL		
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 2009 or the taxable year beginning in 2009 (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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► PATRICIA OLSON Telephone no ► (815) 964-7226 Located at ► 611 BEACON STREET, ROCKFORD, IL ZIP+4 ► 61111			
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

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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 2009?		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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	N/A	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 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 2009.)	N/A	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 2009?		4b X

Form 990-PF (2009)

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
PATRICIA OLSON 611 BEACON STREET ROCKFORD, IL 61111	TRUSTEE 1.00	0.	0.	0.
AMY OLSON 611 BEACON STREET ROCKFORD, IL 61111	TRUSTEE 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 (2009)

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	2,057,043.
b	Average of monthly cash balances	1b	113,297.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,170,340.
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	2,170,340.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	32,555.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,137,785.
6	Minimum investment return. Enter 5% of line 5	6	106,889.

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	106,889.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	454.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	454.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	106,435.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	106,435.
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	106,435.

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	111,410.
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	111,410.
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	454.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	110,956.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				106,435.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			111,145.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 111,410.				
a Applied to 2008, but not more than line 2a			111,145.	
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 2009 distributable amount				265.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (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 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				106,170.
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 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

N/A

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

☐ 4942(1)(3) or ☐ 4942(1)(5)

- | Tax year | Prior 3 years | | | (e) Total |
|----------|---------------|----------|----------|-----------|
| (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | |
| | | | | |

- (4) Gross investment income**

Form **990-PF** (2009)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>				
SEE STATEMENT 7				
Total			▶ 3a	111,410.
b <i>Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

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

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

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

(1) Cash

(2) Other assets

b Other transactions

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

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.

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

[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		

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

Signature of officer or trustee

Date _____

Title

Preparer's
signature

Firm's name (or yours
if self-employed).
address and ZIP code

LOESCHER & ASSOCIATES, LTD.
6845 WEAVER ROAD, SUITE 200
ROCKFORD, IL 61114

Date _____

Check if self- employed	
-------------------------------	--

Preparer's identifying number	
-------------------------------	--

FIN

Phone no

815-637-9584

Form **990-PF** (2009)

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	33000 BARCLAYS BK RETURN ENHANCED DUE 4/27/2009	P	10/22/08	04/27/09
b	109 SHS ISHARES RUSSELL 2000 INDEX FD	P	VARIOUS	04/29/09
c	250 SHS ISHARES MSCI EAFE INDEX FD	P	VARIOUS	05/19/09
d	650 SHS ISHARES RUSSELL MIDCAP INDEX FD	P	VARIOUS	05/06/09
e	510 SHS ISHARES RUSSELL 1000 GROWTH INDEX FD	P	VARIOUS	05/06/09
f	570 SHS ISHARES RUSSELL 1000 VALUE INDEX FD	P	VARIOUS	05/19/09
g	50000 JPMORGAN CHASE NOTE DUE 4/20/2011	P	04/04/08	05/06/09
h	155 SHS ISHARES S&P 500 INDEX FD	P	VARIOUS	06/15/09
i	1204 SHS MANNING & NAPIER WORLD OPPTYS FD	P	VARIOUS	06/04/09
j	25000 GE CAP CORP TERM NOTE DUE 2/22/2011	P	VARIOUS	07/13/09
k	25000 WISCONSIN PWR & LIGHT DUE 3/1/2010	P	VARIOUS	07/30/09
l	29000 JPMORGAN CHASE SEMIANNUAL NOTES DUE 2/16/20	P	01/30/09	08/07/09
m	70000 US TREASURY NOTE DUE 8/15/09	P	11/29/99	08/15/09
n	ACCRUED MARKET DISCOUNT	P	VARIOUS	08/15/09
o	20000 CREDIT SUISSE SEMIANNUAL NOTE DUE 4/8/2011	P	03/19/09	09/24/09

(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 31,359.		33,000.	<1,641.>
b 8,919.		15,002.	<6,083.>
c 11,083.		19,604.	<8,521.>
d 40,847.		62,360.	<21,513.>
e 19,840.		28,495.	<8,655.>
f 26,736.		37,500.	<10,764.>
g 32,850.		50,000.	<17,150.>
h 14,540.		15,419.	<879.>
i 7,995.		6,839.	1,156.
j 26,295.		26,001.	294.
k 25,510.		25,459.	51.
l 31,523.		29,000.	2,523.
m 70,000.		69,114.	886.
n		886.	<886.>
o 21,160.		20,000.	1,160.

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			<1,641.>
b			<6,083.>
c			<8,521.>
d			<21,513.>
e			<8,655.>
f			<10,764.>
g			<17,150.>
h			<879.>
i			1,156.
j			294.
k			51.
l			2,523.
m			886.
n			<886.>
o			1,160.

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

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

D A O 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	115 SHS ISHARES MSCI ALL COUNTRY ASIA INDEX FD	P	VARIOUS	09/23/09
b	215 SHS ISHARES S&P 500 INDEX FD	P	VARIOUS	09/22/09
c	799 SHS JPMORGAN US LARGE CAP CORE PLUS FD	P	VARIOUS	09/18/09
d	32000 JPMORGAN CHASE NOTE DUE 11/5/2009	P	05/01/09	11/05/09
e	20000 JPMORGAN CHASE NOTE DUE 11/12/2009	P	05/08/09	11/12/09
f	185 SHS ISHARES MSCI EAFE INDEX FUND	P	VARIOUS	11/18/09
g	34000 BARCLAYS NOTE EAFE DUE 12/30/09	P	12/12/08	12/30/09
h	25000 US TREASURY NOTE 5% DUE 2/15/2011	P	VARIOUS	02/10/10
i	ACCRUED MARKET DISCOUNT	P	VARIOUS	02/10/10
j	25000 FREDDIE MAC NOTE DUE 7/15/2012	P	VARIOUS	02/10/10
k	25000 FREDDIE MAC NOTE DUE 7/15/2012	P	VARIOUS	02/10/10
l	745 SHS JPMORGAN ASIA EQUITY FUND	P	VARIOUS	02/10/10
m	381 SHS ASTON FDS TAMRO S CAP I	P	VARIOUS	02/10/10
n	270 SHS ISHARES RUSSELL 2000 INDEX FD	P	VARIOUS	02/10/10
o	20000 MS TACTICAL TRADE NOTE DUE 03/16/2010	P	VARIOUS	03/16/10

(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 6,054.		5,310.	744.
b 23,137.		21,388.	1,749.
c 13,767.		17,242.	<3,475.>
d 35,776.		32,000.	3,776.
e 22,130.		20,000.	2,130.
f 10,445.		10,460.	<15.>
g 42,907.		34,000.	8,907.
h 26,162.		24,250.	1,912.
i		665.	<665.>
j 27,259.		24,469.	2,790.
k 27,284.		25,313.	1,971.
l 21,091.		13,422.	7,669.
m 6,104.		4,972.	1,132.
n 16,076.		14,834.	1,242.
o 21,400.		20,000.	1,400.

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			744.
b			1,749.
c			<3,475.>
d			3,776.
e			2,130.
f			<15.>
g			8,907.
h			1,912.
i			<665.>
j			2,790.
k			1,971.
l			7,669.
m			1,132.
n			1,242.
o			1,400.

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

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

D A O 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	579 SHS JPMORGAN MARKET EXPANSION INDEX FD	P	VARIOUS	03/24/10
b	285 SHS ISHARES TRUST S&P INDEX FD	P	VARIOUS	03/24/10
c	40 SHS ISHARES S&P MIDCAP 400 INDEX FD	P	VARIOUS	03/24/10
d	1061.007 SHS FIRST EAGLE FUND OF AMERICA	P	08/06/08	07/27/09
e	70000 US TREASURY NOTE DUE 8/15/09	P	11/29/99	08/15/09
f	ACCRUED MARKET DISCOUNT	P	11/29/99	08/15/09
g	1980.199 SHS RIDGEWORTH INST US GOV ULTRA SHORT	P	08/19/09	09/18/09
h	500 SHS ISHARES S&P 500 INDEX FD	P	04/06/06	10/07/09
i	25000 FEDERAL HOME LOAN BANK DUE 12/11/09	P	12/21/05	12/11/09
j	ACCRUED MARKET DISCOUNT	P	12/21/05	12/11/09
k	2477.701 SHS RIDGEWORTH INST US GOV ULTRA SHORT	P	08/19/09	02/11/10
l	25000 WISCONSIN PWR & LIGHT DUE 3/1/2010	P	VARIOUS	03/01/10
m	COST BASIS ADJUSTMENT	P	VARIOUS	VARIOUS
n	CAPITAL GAINS DIVIDENDS			
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 5,529.		3,856.	1,673.
b 33,615.		25,497.	8,118.
c 3,185.		2,820.	365.
d 20,000.		24,525.	<4,525.>
e 70,000.		69,114.	886.
f		886.	<886.>
g 20,000.		20,020.	<20.>
h 52,874.		65,555.	<12,681.>
i 25,000.		24,978.	22.
j		22.	<22.>
k 25,000.		25,050.	<50.>
l 25,000.		25,459.	<459.>
m		260.	<260.>
n 327.			327.
o			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			1,673.
b			8,118.
c			365.
d			<4,525.>
e			886.
f			<886.>
g			<20.>
h			<12,681.>
i			22.
j			<22.>
k			<50.>
l			<459.>
m			<260.>
n			327.
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	<46,267.>
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

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ACCRUED MARKET DISCOUNT	2,459.	0.	2,459.
ALPINE BANK INVESTMENT GROUP	31,143.	318.	30,825.
JPMORGAN CHASE BANK	23,384.	9.	23,375.
TOTAL TO FM 990-PF, PART I, LN 4	56,986.	327.	56,659.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	11,245.	11,245.		0.
TO FORM 990-PF, PG 1, LN 16C	11,245.	11,245.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE FILING FEE	15.	0.		0.
TO FORM 990-PF, PG 1, LN 23	15.	0.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS		STATEMENT	4
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF	CORPORATE STOCK		STATEMENT	5
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE			1,788,681.	1,864,444.
TOTAL TO FORM 990-PF, PART II, LINE 10B			1,788,681.	1,864,444.

FORM 990-PF	CORPORATE BONDS		STATEMENT	6
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE			346,793.	370,626.
TOTAL TO FORM 990-PF, PART II, LINE 10C			346,793.	370,626.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 7

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BOWL FOR KIDS ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	50.
BOYLAN HIGH SCHOOL ROCKFORD, IL	NONE EDUCATIONAL	PUBLIC	330.
BOYS AND GIRLS CLUB ROCKFORD, IL	NONE RECREATIONAL & SOCIAL WELFARE	PUBLIC	10,000.
CARPENTER'S PLACE ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	50.
CRUSADER CLINIC ROCKFORD, IL	NONE MEDICAL & SOCIAL SERVICES	PUBLIC	20,400.
HAVEN NETWORK ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	1,650.
HOLY FAMILY CHURCH ROCKFORD, IL	NONE RELIGIOUS	PUBLIC	50.
JANET WATTLES CENTER ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	280.

<u>D 'A O FOUNDATION</u>			<u>36-6101712</u>
KLEHM ARBORETUM ROCKFORD, IL	NONE CONSERVATION	PUBLIC	7,280.
MONTESSORI PRIVATE ACADEMY ROCKFORD, IL	NONE EDUCATIONAL	PUBLIC	800.
PUBLIC MEDIA INSTITUTE ROCKFORD, IL	NONE ARTS & EDUCATION	PUBLIC	17,000.
ROCK VALLEY COLLEGE ROCKFORD, IL	NONE EDUCATIONAL	PUBLIC	6,800.
ROCKFORD ART MUSEUM ROCKFORD, IL	NONE ARTS	PUBLIC	12,870.
ROCKFORD DAY NURSERY ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	300.
ROCKFORD HEALTH COUNCIL ROCKFORD, IL	NONE MEDICAL & SOCIAL SERVICES	PUBLIC	1,000.
ROCKFORD INSTITUTE ROCKFORD, IL	NONE SUPPORT SERVICE	PUBLIC	10,000.
ROCKFORD SYMPHONY ROCKFORD, IL	NONE ARTS	PUBLIC	1,000.
ST. ANTHONY'S CHURCH ROCKFORD, IL	NONE RELIGIOUS	PUBLIC	1,000.

<u>D'A O FOUNDATION</u>			<u>36-6101712</u>
ST. MARKS LUTHERAN ROCKFORD, IL	NONE RELIGIOUS	PUBLIC	<u>100.</u>
UNITED WAY ROCK RIVER VALLEY ROCKFORD, IL	NONE SOCIAL SERVICES	PUBLIC	3,000.
UNIVERSITY OF ILLINOIS ROCKFORD, IL	NONE EDUCATIONAL	PUBLIC	15,300.
WOMEN FOR WOMEN INTL WASHINGTON, DC	NONE SOCIAL SERVICES	PUBLIC	150.
YMCA ROCKFORD, IL	NONE RECREATION & SOCIAL SERVICES	PUBLIC	2,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			<u><u>111,410.</u></u>

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/10**

FEIN:36-6101712

<u>MUTUAL FUNDS</u>	<u>BEGINNING BOOK VALUE</u>	<u>END OF YEAR BOOK VALUE</u>	<u>FMV</u>
AIM INTERNATIONAL SMALL CO FUND	-	50,000	50,864
AMERICAN FUNDS FUNDATMENTAL INV	40,000	40,000	33,990
AMERICAN FUNDS CAP WORLD BOND	20,000	20,000	20,090
ARTIO INT'L EQUITY II	-	5,487	6,766
ARTISIAN MID CAP VALUE FUND	-	20,000	25,908
ASTON FDS TAMRO S CAP I	-	4,189	5,775
CREDIT SUISSE COMMODITY RETURN STRGY	-	37,000	36,848
EATON VANCE MUT FDS TR	-	15,936	16,230
EATON VANCE SPL INVT TR	-	26,199	34,465
FIRST EAGLE FUND OF AMERICA	40,000	15,475	21,395
FMI LARGE CAP FUND	10,011	10,011	12,893
HARBOR BOND FUND INSTL	60,000	60,000	63,039
HARBOR INTERNATIONAL FUND	57,751	57,751	55,902
HARTFORD CAPITAL APPRECIATION FUND	-	31,183	33,464
ISHARES BARCLAYS TIPS BD FD	17,744	51,617	52,158
ISHARES MSCI ALL COUNTRY ASIA	-	4,479	5,502
ISHARES MSCI EAFE INDEX FUND	19,605	-	-
ISHARES RUSSELL MIDCAP INDEX	62,360	-	-
ISHARES S&P MIDCAP 400 IND FD-ALPINE	73,113	73,113	85,389
ISHARES S&P MIDCAP 400 IND FD-JPMORGAN	-	18,538	20,698
ISHARES S&P SMALLCAP 600 INDEX FUND	19,340	19,340	31,211
ISHARES 1000 VALUE INDEX FUND	37,500	-	-
ISHARES 1000 GROWTH INDEX FUND	28,495	-	-
ISHARES S&P 500 INDEX FUND - ALPINE	297,887	232,332	222,946
ISHARES S&P 500 INDEX FUND - JPMORGAN	62,304	-	-
ISHARES S&P 500 BARRA GROWTH FUND	40,392	40,392	38,948
ISHARES 2000 INDEX FUND	15,002	4,615	5,695
IVY GLOBAL NATURAL RESOURCE I	-	9,500	11,271
JANUS ADVISOR FORTY FUND	35,000	35,000	29,457
JANUS ORION FUND	70,000	70,000	67,006
JPMORGAN ASIA EQUITY FUND	16,134	24,770	34,859
JPMORGAN HIGHBRIDGE STAT MKT NEUTRAL	29,087	29,087	29,138
JPMORGAN HIGH YIELD BOND FUND	37,537	37,537	49,364
JPMORGAN INTREPID AMERICA FUND	-	20,348	22,190
JPMORGAN INTREPID INTERNATIONAL FUND	15,093	15,093	11,708
JPMORGAN MARKET EXP INDEX FUND	-	14,432	20,500
JPMORGAN SHORT DURATION BOND FD	100,339	241,636	245,498
JPMORGAN STRATEGIC INCOME OPPTY	17,519	17,519	20,732
JPMORGAN US LARGE CAP CORE PLUS	30,000	12,758	11,333
KEELEY SMALL CAP VALUE FUND	50,000	60,000	51,921
MANNING & NAPIER WORLD OPPTY	9,800	8,452	11,717
MANNING & NAPIER EQUITY	9,921	28,578	33,876
PAYDEN HIGH INCOME FUND	-	17,409	20,584
PAYDEN & RYSEL INVT GROUP	17,509	-	-
RIDGEWORTH INST US GOV ULTRA SHORT	-	29,931	29,827
RIVERSOURCE DIVIDEND OPPORTUNITY FD	-	25,000	25,070
ROYCE VALUE PLUS FUND	45,000	45,000	45,560
SPDR GOLD SHS	10,395	10,395	15,253
THORNBURG INVT TR VALUE	22,524	22,524	17,057
T ROWE PRICE GROWTH STOCK FUND	20,000	20,000	17,159
T ROWE PRICE EMERGING MARKETS	-	30,000	34,565
VANGUARD FIXED INC INTER-TERM FD	19,625	28,196	30,827
VANGUARD INFLATION PROTECTED #119	-	42,859	41,886
VANGUARD SHORT TERM INV GRADE	-	25,000	25,164
VANGUARD FIXED INC SEC GNMA	30,000	30,000	30,746
TOTALS	1,486,987	1,788,681	1,864,444

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/10**

FEIN:36-6101712

CORPORATE BONDS	BEGINNING BOOK VALUE	END OF YEAR BOOK VALUE	FMV
BARCLAYS BK PLC RETURN ENHANCED NTS LKD S&P 500 4/27/2009	33,000	-	-
BARCLAYS BK PLC RETURN ENHANCED NTS LKD TO WTD BASKET	34,000	-	-
CREDIT SUISSE REVIEW NTS LKD TO S&P 500 INDEX DUE 4/8/2011	20,000	-	-
DB 12M ASIA BREN DUE 3/3/2011	-	20,000	20,578
FHLMC DATED 7/16/02 5.125% DUE 7/15/2012	25,313	-	-
FFCB DATED 8/27/03 4.45% DUE 8/27/2010	25,208	25,208	25,426
FHLB DATED 8% DUE 11/24/09	25,000	-	-
FHLB DATED 4.75% DUE 12/11/09	24,978	-	-
FHLMC DATED 1/14/02 5.75% DUE 1/15/2012	48,938	24,469	27,055
FNMA DATED 5.00% DUE 8/2/2012	24,882	24,882	27,031
GENERAL ELECTRIC CAP CORP DTD 2/21/01 6.125% DUE 2/22/2011	52,002	26,001	26,146
GS 9M EAFE NOTE DUE 8/27/10	-	10,000	10,790
GS 12M SPX BREN DUE 12/01/10	-	20,000	21,371
GS 9M SPX BREN DUE 8/19/10	-	20,000	21,580
JPMORGAN CHASE & CO BUFFERED RET ENHANCED NOTES 8/17/2010	25,000	25,000	35,845
JPMORGAN CHASE & CO FLTG RT NT LKD TO CPI DUE 4/18/2013	20,000	20,000	19,386
JPMORGAN CHASE & CO REVIEW NTS LKD TO S&P 500 DUE 2/16/2011	29,000	-	-
JPMORGAN CHASE & CO REVIEW NTS LKD TO S&P 500 DUE 4/20/2011	50,000	-	-
HSBC EAFE BREN DUE 1/27/11	-	35,000	34,916
HSBC EAFE BREN DUE 9/23/10	-	20,000	21,090
HSBC 12M SPX BREN DUE 11/24/10	-	30,000	32,022
MORGAN STANLEY 5.625% DUE 1/9/2012	25,233	25,233	26,479
MS 15M MID CALLABLE CONTINGENT DUE 6/21/11	-	21,000	20,911
VANGUARD INFLATION PROTECTED BD #119	41,959	-	-
WISC PWR & LIGHT DTD 3/6/00 7.625% DUE 3/1/2010	50,917	-	-
TOTALS	555,430	346,793	370,628

U S GOVERNMENT SECURITIES

US TREASURY BOND DTD 2/15/2001 5% DUE 2/15/2011	24,250	-	-
US TREASURY NOTE DTD 8/16/99 6.000% DUE 8/15/2009	138,228	-	-
TOTALS	162,478	-	-