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

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, 2010, and ending

, 20

G Check all that apply

Initial return

Initial return of a former public charity

Final return

Amended return

Address change

Name change

Name of foundation

DAKOTA FOUNDATION DTD 122797

A Employer identification number

36-7213554

Number and street (or P O box number if mail is not delivered to street address)

C/O JANET L HOLADAY - BOX 1535

Room/suite

B Telephone number (see page 10 of the instructions)

(701) 252-3420

City or town, state, and ZIP code

JAMESTOWN, ND 58402-1535

C If exemption application is pending, check here

D 1. Foreign organizations, check here

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

H Check type of organization

X Section 501(c)(3) exempt private foundation

Section 4947(a)(1) nonexempt charitable trust

Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col (c),

line 16) \$ 5,330,801

J Accounting method

X Cash

Accrual

Other (specify)

(Part I, column (d) must be on cash basis)

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

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

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

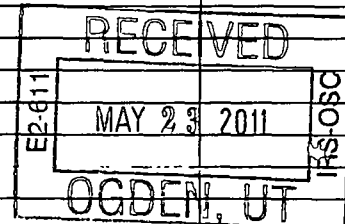
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	117,785	117,785		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	19,795			
b	Gross sales price for all assets on line 6a	762,131			
7	Capital gain net income (from Part IV, line 2)		19,795		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	51,242	13,768		
12	Total. Add lines 1 through 11	188,822	151,348		
13	Compensation of officers, directors, trustees, etc.	3,281	750		2,531
14	Other employee salaries and wages	479			479
15	Pension plans, employee benefits	293			293
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see page 14)	1,475			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	1,834			1,834
22	Printing and publications				
23	Other expenses (attach schedule)	20,716	8,846		1,367
24	Total operating and administrative expenses. Add lines 13 through 23	28,078	9,596		6,504
25	Contributions, gifts, grants paid	900,000			900,000
26	Total expenses and disbursements. Add lines 24 and 25	928,078	9,596		906,504
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	(739,256)			
b	Net investment income (if negative, enter -0-)		141,752		
c	Adjusted net income (if negative, enter -0-)				



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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash - non-interest-bearing	3,488	6,777	6,777
	2 Savings and temporary cash investments	64,542	53,509	53,509
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,900	2,102	2,102
	10a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)	4,787,632	4,083,536	4,759,560
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis			
L I A B I L I T I E S	Less accumulated depreciation (attach schedule)			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)	230,184	214,931	214,931
	14 Land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	15 Other assets (describe)	306,087	293,921	293,921
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	5,393,832	4,654,777	5,330,801
	17 Accounts payable and accrued expenses	1,906	2,107	
	18 Grants payable			
	19 Deferred revenue			
N E T A S S E T S O R F U N D S	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	1,906	2,107	
	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.			
A S B A L A N C E S	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	5,391,926	4,652,670	
	30 Total net assets or fund balances (see page 17 of the instructions)	5,391,926	4,652,670	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	5,393,832	4,654,777	

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	5,391,926
2 Enter amount from Part I, line 27a	2	(739,256)
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	4,652,670
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,652,670

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 (yr., mo., day)	(d) Date sold (yr., mo., day)
1a	LTCL FROM PTR K-1 - COMMONS CAPITAL	P	2010-12-31	2010-12-31
b	LTCG FROM PRI K-1 - SUST JOBS FUND	P	2010-12-31	2010-12-31
c	LTCGD VANGUARD TOT BOND MKT IND FND	P	2010-12-31	2010-12-31
d	VANGUARD TOTAL BOND MKT INDEX FUND	P	2009-03-17	2010-12-13
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		38,240	(38,240)
b	10,278		10,278
c	1,853		1,853
d	750,000	704,096	45,904
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any	
a			(38,240)
b			10,278
c			1,853
d			45,904
e			

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	19,795
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) . . . } If (loss), enter -0- in Part I, line 8 }	3	

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

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

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

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

Yes ☐ No ☒

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	346,441	4,792,054	0.072295
2008	453,989	7,030,757	0.064572
2007	337,516	8,484,183	0.039782
2006	315,187	7,250,229	0.043473
2005	310,278	6,327,074	0.04904

2	Total on line 1, column (d)	2	0.269161
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.053832
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	5,322,487
5	Multiply line 4 by line 3	5	286,520
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,418
7	Add lines 5 and 6	7	287,938
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18	8	906,504

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,418
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	1,418
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	1,418
6 Credits/Payments.			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,102	
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	2,102	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	684	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☒ 684 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 page 19 of the instructions for definition)?		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☒ \$ _____ (2) On foundation managers ☒ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		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?		X
If "Yes," attach the statement required by General Instruction T		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	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	7	X
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☒ IL ☒ NM ☒ ND		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the 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?	13	X	
Website address ▶ <u>WWW.DAKOTAFUNDATION.ORG</u>				
14	The books are in care of ▶ <u>JANET L HOLADAY</u> Telephone no. ▶ <u>701-252-3420</u>			
Located at ▶ <u>BOX 1535 JAMESTOWN, ND</u> ZIP+4 ▶ <u>58402-1535</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		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶				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? X Yes ☐ No ☐		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes ☐ No ☒		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) Yes ☐ No ☒		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the 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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? 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 page 22 of the instructions)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶		
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 2010 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 2010)	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 2010?	4b	X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? . . . **5b**

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
SEE ATTACHED SCHEDULE	0	3,281	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions).

If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
NONE				

Total number of other employees paid over \$50,000 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	0
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	0
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	5,395,702
b	Average of monthly cash balances	1b	7,837
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	5,403,540
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	5,403,540
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	81,053
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,322,487
6	Minimum investment return. Enter 5% of line 5	6	266,124

Part XI Distributable Amount (see page 25 of the 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	266,124
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,418
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,418
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	264,706
4	Recoveries of amounts treated as qualifying distributions	4	13,656
5	Add lines 3 and 4	5	278,362
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	278,362

Part XII Qualifying Distributions (see page 25 of the 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	906,504
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	906,504
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	1,418
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	905,086

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				278,362
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only			236,032	
b Total for prior years				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 906,504				
a Applied to 2009, but not more than line 2a . . .			236,032	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . .				
d Applied to 2010 distributable amount				278,362
e Remaining amount distributed out of corpus . . .	392,110			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 .	392,110			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	392,110			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	392,110			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling				
b	Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)				
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				
	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
b	85% of line 2a				
c	Qualifying distributions from Part XII, line 4 for each year listed				
d	Amounts included in line 2c not used directly for active conduct of exempt activities				
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3	Complete 3a, b, or c for the alternative test relied upon				
a	"Assets" alternative test - enter				
	(1) Value of all assets				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	"Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X line 6 for each year listed				
c	"Support" alternative test - enter				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
	(3) Largest amount of support from an exempt organization				
	(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

A. BART HOLADAY,

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

NONE .

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

Check here ☒ **X** if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

- c** Any submission deadlines

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

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

Recipient			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
Name and address (home or business)						
a Paid during the year						
USAFA ENDOWMENT FUND					EDUCATIONAL BLDG	
3116 ACADEMY DRIVE						
U S A F ACADEMY CO 80840			N/A	501C3		900,000
Total					3a	900,000
b Approved for future payment						
Total					3b	

Enter gross amounts unless otherwise indicated

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?

(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X

(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

[illegible]

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

Title

PTIN

Firm's EIN

Phone no

	(A) REVENUES AND EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(D) DISBURSEMENTS FOR CHARITABLE PURPOSES
PART I - LINE 11 - OTHER INCOME			
INTEREST INCOME FROM PRIS	\$9,780	\$9,780	
COMMISSION REFUND - BROKER	329	329	
INTEREST INCOME FROM PRI - K-1	108	108	
INTEREST INCOME FROM PARTNERSHIP - K-1	2,039	2,039	
DIVIDEND INCOME FROM PRI - K-1	776	776	
ORDINARY INCOME FROM PRI - K-1	736	736	
BOOK VS TAX INCOME DIFFERENCES - PRI K-1	610	0	
BOOK VS TAX INCOME DIFFERENCES - PARTNERSHIP K-1	36,864	0	
TOTAL OTHER INCOME	<u>\$51,242</u>	<u>\$13,768</u>	
PART I - LINE 18 - TAXES			
EXCISE TAX PAID	<u>\$1,475</u>	<u>\$0</u>	<u>\$0</u>
PART I - LINE 23 - OTHER EXPENSES			
INVESTMENT EXPENSES FROM PRI - K-1	\$515	\$515	
INVESTMENT EXPENSES FROM PARTNERSHIP K-1	8,331	8,331	
BOOK VS TAX EXPENSE DIFFERENCES - PRI K-1	10,503		
ANNUAL REGISTRATION FEE	115		\$115
PUBLICITY - WEBSITE	757		757
DUES	495		495
TOTAL OTHER EXPENSES	<u>\$20,716</u>	<u>\$8,846</u>	<u>\$1,367</u>
PART II - LINE 10B - INVESTMENTS - CORPORATE STOCK			
	NUMBER OF SHARES	BOOK VALUE (COST)	FAIR MARKET VALUE
VANGUARD TOTAL INTERNATIONAL STOCK FUND	110,375 276	\$1,000,000	\$1,739,514
VANGUARD TOTAL BOND MARKET INDEX FUND	59,769 705	595,904	633,559
UBS AG (USD) ORD NEW	4,200 000	0	69,174
VANGUARD 500 INDEX SIGNAL FUND	24,219 410	2,487,632	2,317,313
TOTAL CORPORATE STOCK		<u>\$4,083,536</u>	<u>\$4,759,560</u>
PART II - LINE 13 - OTHER INVESTMENTS			
COMMONS CAPITAL, LIMITED PARTNERSHIP		<u>\$214,931</u>	<u>\$214,931</u>
PART II - LINE 15 - OTHER ASSETS			
	BEGINNING OF YEAR	END OF YEAR BOOK VALUE	END OF YEAR FAIR MKT VALUE
PROGRAM RELATED INVESTMENTS	<u>\$306,087</u>	<u>\$293,921</u>	<u>\$293,921</u>

DAKOTA FOUNDATION DTD 122797
EMPLOYER IDENTIFICATION NUMBER 36-7213554
INFORMATION FOR FORM 990-PF - PART VIII - LINE 1

Schedule of Officers and Advisory Committee

<u>Name and Address</u>	<u>Title and Hours Per Week</u>	<u>Compensation Benefits and Expenses</u>
A. Bart Holaday 439 3rd St. SW Jamestown, ND 58401	Chairman 2.50	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Janet L. Holaday 443 3rd St. SW Jamestown, ND 58401	Treasurer .85	Compensation -\$3,281 Benefit Plan - 0 Expense Account - 0
Patrick B. Holaday 4818 Bobbitt Drive Dallas, TX 75229	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Brett C. Holaday 2217 Ivan St. Dallas, TX 75201	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Alberta B. Holaday 441 3rd St. SW Jamestown, ND 58401	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Paul S. Villella 9464 Elmhurst Lane, Unit A Littleton, CO 80129	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Jerome Villella 5108 Sea Pines Dallas, TX 75287	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0
Peter B. Villella 7108 W Friendly Ave, #309 Greensboro, NC 27410	Advisory Committee 0	Compensation - 0 Benefit Plan - 0 Expense Account - 0