Form 990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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: VCJ Family Foundation (Verne C. Johnson)

A Employer identification number: 41 1876872

Number and street (or P.O. box number if mail is not delivered to street address): 8301 Creekside Circle

Room/suite: 920

B Telephone number (see page 10 of the instructions): 952-835-4549

City or town, state, and ZIP code: Bloomington, MN 55437-3856

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 ▶ ☐

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 ▶ ☐

H Check type of organization: ☒ 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) ▶ $ 1,350,266

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	321,711			
	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 Stmt 1	17,288	17,288		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	–			
	b	Gross sales price for all assets on line 6a 0				
	7	Capital gain net income (from Part IV, line 2)		–		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	338,999	17,288		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) Stmt 2	2,000	NONE	NONE	2,000
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 3	173			
	19	Depreciation (attach schedule) and depletion	0			
	20	Occupancy				
	21	Travel, conferences, and meetings	–			
	22	Printing and publications				
	23	Other expenses (attach schedule) Stmt 4	25			25
	24	**Total operating and administrative expenses.** Add lines 13 through 23	2,198	NONE	NONE	2,025
	25	Contributions, gifts, grants paid	43,000			43,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	45,198	NONE	NONE	45,025
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	293,801			
	b	**Net investment income** (if negative, enter -0-)		17,288		
	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
Assets	1	Cash—non-interest-bearing	74,792	57,019	57,019
	2	Savings and temporary cash investments			
	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			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) Stmt. 5	880,133	880,133	1,293,247
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶ Stmt 6	0	0	
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	954,925	937,152	1,350,266
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	954,925	937,152	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	954,925	937,152	

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	954,925
2	Enter amount from Part I, line 27a	2	293,801
3	Other increases not included in line 2 (itemize) ▶	3	—
4	Add lines 1, 2, and 3	4	1,248,726
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	1,248,726

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	See Part IV schedule			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	
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	54,333	808,269	0.0672214
2008	50,280	875,546	0.057427
2007	43,879	878,353	0.0499559
2006	31,066	621,322	0.0499998
2005	28,586	571,716	0.0500003

2	**Total** of line 1, column (d)	2	0.2746044
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	0.0549208
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,135,306
5	Multiply line 4 by line 3	5	62,352
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	173
7	Add lines 5 and 6	7	62,525
8	Enter qualifying distributions from Part XII, line 4	8	45,198

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.

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	173	
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	173	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	NONE	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	173	
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: —			
b	Exempt foreign organizations—tax withheld at source — 6b: NONE			
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE			
d	Backup withholding erroneously withheld — 6d:			
7	Total credits and payments. Add lines 6a through 6d	7	173	
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	173	
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 2011 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?	1a		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)?	1b		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?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation ▶ $ NONE **(2)** On foundation managers ▶ $ NONE			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ NONE			
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.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		N/A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	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) ▶ MINNESOTA			
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)*

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ▶ none				
14	The books are in care of ▶ Verne C. Johnson Telephone no. ▶ 952-835-4549				
	Located at ▶ 8301 Creekside Circle #920 Bloomington, MN ZIP+4 ▶ 55437-3856				
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		X
	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 ▶				

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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? N/A	☐ Yes ☐ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions.)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20____ , 20____ , 20____ , 20____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 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	N/A	
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** 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? **6b** No: X

If "Yes" to 6b, file Form 8870

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

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

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 Statement VIII		NONE	NONE	NONE

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 ▶ NONE

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 ▶		NONE

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	
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	
2 NONE	
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	1,086,690
b	Average of monthly cash balances	1b	65,905
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	1,152,595
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	NONE
3	Subtract line 2 from line 1d	3	1,152,595
4	Cash deemed held for charitable activities Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	17,289
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,135,306
6	**Minimum investment return.** Enter 5% of line 5	6	56,765

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	56,765
2a	Tax on investment income for 2010 from Part VI, line 5	2a	173		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	173
3	Distributable amount before adjustments Subtract line 2c from line 1			3	56,592
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	56,592
6	Deduction from distributable amount (see page 25 of the instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	56,592

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	45,198
b	Program-related investments—total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	45,198
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	45,198

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 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	1,086,690
b	Average of monthly cash balances	1b	65,905
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	1,152,595
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	NONE
3	Subtract line 2 from line 1d	3	1,152,595
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	17,289
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,135,306
6	**Minimum investment return.** Enter 5% of line 5	6	56,765

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	56,765
2a	Tax on investment income for 2010 from Part VI, line 5	2a	173		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	173
3	Distributable amount before adjustments Subtract line 2c from line 1			3	56,592
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	56,592
6	Deduction from distributable amount (see page 25 of the instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	56,592

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	45,198
b	Program-related investments—total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	45,198
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	45,198

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					56,592
2	Undistributed income, if any, as of the end of 2010.					
a	Enter amount for 2009 only				NONE	
b	Total for prior years: 20___,20___,20___			NONE		
3	Excess distributions carryover, if any, to 2010.					
a	From 2005	1,747				
b	From 2006	(2,268)				
c	From 2007	(221)				
d	From 2008	6,295				
e	From 2009	14,012				
f	**Total** of lines 3a through e		19,565			
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 45,198					
a	Applied to 2009, but not more than line 2a				NONE	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			NONE		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)		NONE			
d	Applied to 2010 distributable amount					
e	Remaining amount distributed out of corpus		(11,394)			
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		NONE			NONE
6	**Enter the net total of each column as indicated below:**					
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		8,171			
b	Prior years' undistributed income Subtract line 4b from line 2b			NONE		
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			NONE		
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions			NONE		
e	Undistributed income for 2009. Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				NONE	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011					NONE
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)		NONE			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		NONE			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		8,171			
10	Analysis of line 9:					
a	Excess from 2006	(2,268)				
b	Excess from 2007	(221)				
c	Excess from 2008	6,295				
d	Excess from 2009	14,012				
e	Excess from 2010	(11,394)				

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 . . ▶ NOT APPLICABLE

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

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

Part XV Supplementary Information (Complete this part only if the 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).)

N/A

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.

N/A

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc. (see 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:

SEE STATEMENT IX

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

SEND REQUEST BY MAIL

c Any submission deadlines: SEPTEMBER 30

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

SEE STATEMENT X

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 STATEMENT X1				
Total ▶ 3a				43,000
b *Approved for future payment*				
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	17,288	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	0	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				17,288	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 17,288

(See worksheet in line 13 instructions on page 29 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions.)
	NOT APPLICABLE

Part XVII 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?

			Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Eleanor Johnson | 5-12-11 | President
Signature of officer or trustee | Date 5/12/11 | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
Dwight L. Johnson	Dwight L Johnson	5-10-11		476-64-8875

Firm's name ▶ Dwight L. Johnson — Firm's EIN ▶

Firm's address ▶ 14212 La Paloma Place Fountain Hills, AZ 85268 — Phone no 480-836-1440

Printed on recycled paper

Dwight L Johnson
14212 La Paloma Place
Fountain Hills, Arizona 85268
Phone. 480-836-1440
E-Mail. Dwightstealth@cox net

2010 Income Tax Detail

VCJ Family Foundation

Capital Gains and Losses For Tax on Investment Income

Gross sale price less expenses of sale	Description	Date Acquired Gain or (loss)	Date Sold
$ 234,109	780 shrs Apple Property Type Securities $ 0	TBD $ 0	none
$ 59,940	260 shrs Coca Cola Property Type Securities $0	TBD $ 0	none
$ 5,456	176 shrs Home Depot Property Type Securites $ 0	TBD $ 0	none
$ 13,092	400 shrs MTS Systems Property Type Securities $ 0	TBD $ 0	none
$ 7,975	150 shrs Medco Property Type Securities $ 0	TBD $ 0	none
$ 23,039	620 shrs Merck Property Type Securities $ 0	TBD $ 0	none
$ 9394	280 shrs Medtronic Property Type Securities $ 0	TBD $ 0	
$ 13,061	240 shrs Target Property Type Securities $ 0	TBD $ 0	
$ 321,711	Total transferred in		
Total Gain (Loss)		$ 0	

Statement 1

Form 990PF, Part I – Dividends and Interest from Securities

Description	Revenue and Expenses Per Books	Net Investment Income
Dain Rauscher Incorporated	$ 17,288	$ 17,288

Statement 2

Form 990PF, Part I – Accounting Fees

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income	Charitable Purposes
Accounting/ Tax Preparation	$ 2,000	None	None	$ 2,000

Statement 3

Form 990PF, Part I – Taxes

Description	Revenue And Expenses Per Books
Federal Taxes Paid in 2009	$ 92
Federal Tax Owed (5/15/11)	$ 173

Statement 4

Form 990PF, Part I – Other Expenses

Description	Revenue and Expenses Per Books	Charitable Purposes
Supplies	$ 0	$ 0
State of Minn.- Filing Fee	25	25
Total	$ 25	$ 25

Statement 5

Form 990PF, Part II – Corporate Stock

Description	Beginning Book Value	Ending Book Value	Ending FMV
780 shrs Apple Computer	$ 0	0	251,597
2426 shrs Home Depot	65,093	65,093	85,055
5480 shrs Medtronic	228,696	228,696	203,253
2782 shrs Pfizer Inc.	50,605	50,605	48,713
3000 shrs Xcel engy, Inc.	63,660	63,660	70,650
8330 shrs US Bancorp	186,942	186,942	224,660
2140 shrs Target	91,903	91,903	128,678
5500 shrs Wells Fargo	148,445	148,445	170,445
260 shrs Coca Cola	0	0	17,100
150 shrs Medco	0	0	9,191
620 shrs Merck	0	0	22,345
400 shrs MTS systems	0	0	14,984
Totals	$835,909	$835,909	$1,246,671
800 shrs Ishares MSCI	44,224	44,224	46,576
Grand Total	$880,133	$880,133	$1,293,247

Statement 6

Land, Buildings, Equipment not held for Investment

Fixed Asset Detail

Asset Description	Method/ Class	Beginning Balance	Additions	Disposals	Ending Balance
Computer Equip.	SL		$ 3,438		$ 3,438

Memo: after 9 yrs dep. $ 0

Accumulated Depreciation Detail

Beginning Balance	Additions	Disposals	Ending Balance
$3,208	$ 230		$ 3,438

Statement 7

Form 990PF, Part III – Other Increases in Net Worth or Fund Balances

Description	Amount
Corporate Stock Basis Adjustment	$ NONE
Total	$ NONE

Statement 8

Form 990PF, Part VIII – List of Officers, Directors, and Trustees

Name and Address	Title and Time Devoted to Position	Compensation	Contributions to Employee Benefit Plans	Expense Acct and other Allowances
Verne C Johnson 8301 Creekside Circle #920 Bloomington, MN 55437	President	NONE	NONE	NONE
Dwight L Johnson 14212 La Paloma Place Fountain Hills, AZ 85268	Trustee	NONE	NONE	NONE
Ronald B Johnson 285 Atherton Ave	Trustee	NONE	NONE	NONE

Atherton, CA 94027

Diane C Flynn 1865 Camino Los Cerros Menlo Park, CA 94025	Trustee	NONE	NONE	NONE
	Grand Totals	NONE	NONE	NONE

Statement 9

Form 990PF, Part XV – Name, Address and Phone for Applications

Verne C. Johnson
8301 Creekside Circle #920
Bloomington, MN 55437
952-835-4549

Statement 10

Form 990PF, Part XV – Restrictions or Limitations on Awards

Strategy primarily one of developing and initiating proposals to be submitted to providers of services, rather than reviewing and selection among submitted proposals. Proposals should involve education related endeavors for the economically disadvantaged, with emphasis on the state of Minnesota.

Statement 11

Form 990PF, Part XV – Grants and Contributions paid during the year

Recipient Name and Address	Relationship to Substantial Contributor and Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Marquette Univ Inst for Transformation of Learning P O Box 1881 Milwaukee, WI 53201-1881	NONE 501 (C) (3)	Research/ Evaluation	$ 5,000
Twin Cities Rise 112 N 3rd St, Suite 500 Minneapolis, MN 55401	NONE 501 (C) (3)	General Support	15,000
Youth Frontiers Joe Cavanaugh, CEO 6009 Excelsior Blvd	NONE 501 (C) (3)	General Support	10,000

Minneapolis, MN 55416

Habitat for Humanity	NONE 501 (C) (3)	General Support	1,000
Twin Cities Habitat for Humanity	NONE 501 (C) (3)	General Support	500
United Way	NONE 501 (C) (3)	General Support	5,000
Wooddale Church	NONE 501 © (3)	General Support	1,500
Smile Train	NONE 501 © (3)	General Support	5,000

Total Contributions Paid $ 43,000

Detail of Other Expenses

Office Supplies

Date	Expense Item		Amount
-	---	$	0
-	---		0
	Total Office Supplies	$	0
5/15	State of Minnesota Filing Fee		25
	Total Other Expenses	$	25

Detail of Travel, Conferences and Meetings

Date	Expense Item	Amount
None in 2010		
	Total Travel/Conf/Meetings	$ 0

Month end Securities/Cash Detail for 2010

Month	Securities	Cash	Total
Dec 31, 2009	$ 880,133	$ 74,792	$ 954,925
Jan	N/A	N/A	
Feb	N/A	N/A	
Mar	N/A	N/A	
Apr	N/A	N/A	
May	N/A	N/A	
June	N/A	N/A	
July	N/A	N/A	
Aug	N/A	N/A	
Sept	N/A	N/A	
Oct	N/A	N/A	
Nov	N/A	N/A	
Dec 31, 2010	$ 1,293,247	$ 57,019	$ 1,350,266
2009 close/2010 close total	$2,173,380	$ 131,811	
Monthly average (/2)	$ 1,086,690	$ 65,905	

Tax Detail

1999	Owed \$990 less \$120 (carry forward from 1998) = \$870 tax paid on 5/15/00
2000	Owed \$195 less \$750 in coupons = \$555 (\$359 taken in refund and \$200 applied to 2001)
2001	Owed \$127 less \$200 (carry forward from 2000) = \$73 (\$73 applied to 2002)
2002	Owed \$61 less \$73 (carry forward from 2001) = \$12 (\$12 applied to 2003)
2003	Owed \$107 less \$12 (carry forward from 2002) = \$95 (check submitted with completed tax forms)
2004	Owed \$65 (no carry forward from 2003) = \$65 (check submitted with completed tax forms)
2005	Owed \$79 (no carry forward from 2004) = \$79 (check submitted with completed tax forms)
2006	Owed \$112 (no carry forward from 2005) = \$112 (check submitted with completed tax forms)
2007	Owed \$194 (no carry forward from 2006) = \$194 (check submitted with completed tax forms)
2008	Owed \$208 (no carry forward from 2007) = \$208 (check submitted with completed tax forms)
2009	Owed \$92 (no carry forward from 2008) = \$92 (check submitted with completed tax forms)
2010	Owed \$173 (no carry forward from 2009) = \$173 (check submitted with completed tax forms)

Dj vcjfamilytax10 (May 7, 2011)