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

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 , and ending

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 <b>ROYAL &amp; NORMA JOHNSON CHARITABLE FOUNDATION</b>		A Employer identification number <b>81-0505703</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>2915 ILLINOIS</b>	Room/suite	B Telephone number <b>406-259-7531</b>
City or town, state, and ZIP code <b>BILLINGS, MT 59102</b>		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) <b>\$ 504,582.</b> (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	11,103.	11,103.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-53.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	11,050.	11,103.			
Operating and Administrative Expenses	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 STMT 2	3,785.	0.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 3	201.	86.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	99.	0.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	4,085.	86.		0.
	25 Contributions, gifts, grants paid	18,900.			18,900.
26 Total expenses and disbursements. Add lines 24 and 25	22,985.	86.		18,900.	
27 Subtract line 26 from line 12.	-11,935.				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		11,017.			
c Adjusted net income (if negative, enter -0-)			N/A		

7

<b>Part II Balance Sheets</b> <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing		3.	3.
	2 Savings and temporary cash investments	42,554.	11,423.	11,423.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 5	482,477.	501,670.	493,156.
	c Investments - corporate bonds			
<b>Liabilities</b>	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)	525,031.	513,096.	504,582.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
<b>Net Assets or Fund Balances</b>	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 6)	10,377.	10,377.	
23 Total liabilities (add lines 17 through 22)	10,377.	10,377.		
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted and complete lines 24 through 26 and lines 30 and 31.			
	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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	514,654.	502,719.	
30 Total net assets or fund balances	514,654.	502,719.		
31 Total liabilities and net assets/fund balances	525,031.	513,096.		

**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	514,654.
2 Enter amount from Part I, line 27a	2	-11,935.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	502,719.
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	502,719.

**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.)
<b>1a FAIRPOINT COMMUNICATIONS INC</b>	P	02/16/06	05/05/10
<b>b FRONTIER COMMUNICATIONS COPR</b>	P	02/16/06	07/01/10
<b>c</b>			
<b>d</b>			
<b>e</b>			

(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)
<b>a</b>		53.	-53.
<b>b</b>			0.
<b>c</b>			
<b>d</b>			
<b>e</b>			

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	(l) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	
<b>a</b>			-53.
<b>b</b>			0.
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> 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	-53.
<b>3</b> 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))
2009	25,149.	397,531.	.063263
2008	30,683.	529,735.	.057921
2007	26,964.	588,058.	.045853
2006	25,518.	544,619.	.046855
2005	22,463.	513,509.	.043744

<b>2</b> Total of line 1, column (d).	2	.257636
<b>3</b> 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	.051527
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	467,680.
<b>5</b> Multiply line 4 by line 3	5	24,098.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	6	110.
<b>7</b> Add lines 5 and 6	7	24,208.
<b>8</b> Enter qualifying distributions from Part XII, line 4	8	18,900.

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	220.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	220.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	220.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
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		0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		220.
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	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
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. \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	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.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>MT</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (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

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**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 ► ROYAL C. JOHNSON Telephone no ► 406-259-7531 Located at ► 2915 ILLINOIS, BILLINGS, MT ZIP+4 ► 59102			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 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? 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 ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input 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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A <input type="checkbox"/>	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 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <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 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.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(a))?

☐ 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

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?

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

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?

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
SEE STATEMENT 7		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

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**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

<b>Total number of others receiving over \$50,000 for professional services</b>	.. .. .	0
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## Expenses

AmountForm 990-PF (2010)

2010.03020 ROYAL & NORMA JOHNSON CHARI 130738 1



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	444,665.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	30,137.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b>	474,802.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	474,802.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	7,122.
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	467,680.
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b>	23,384.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	23,384.
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	220.
<b>b</b>	Income tax for 2010 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	220.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	23,164.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	23,164.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	23,164.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	18,900.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	18,900.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	18,900.

**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 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				23,164.
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only			18,838.	
<b>b</b> Total for prior years		0.		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005				
<b>b</b> From 2006				
<b>c</b> From 2007				
<b>d</b> From 2008				
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 18,900.				
<b>a</b> Applied to 2009, but not more than line 2a			18,838.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				62.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				23,102.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006				
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008				
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				

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

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities					
Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 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).)
- ROYAL C. JOHNSON
- 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 ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number of the person to whom applications should be addressed.
- ROYAL JOHNSON, 406-259-7531  
2915 ILLINOIS, BILLINGS, MT 59102
- b** The form in which applications should be submitted and information and materials they should include:
- CONTACT FOUNDATION
- c** Any submission deadlines
- CONTACT FOUNDATION
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
- CONTACT FOUNDATION

<b>Part XV</b>	<b>Supplementary Information</b> (continued)
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### 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)				
<b>a</b> <i>Paid during the year</i>				
SEE STATEMENT 8				
<b>Total</b>			► 3a	18,900.
<b>b</b> <i>Approved for future payment</i>				
NONE				
<b>Total</b>			► 3b	0.



**Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

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

[illegible]

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

- b If "Yes," complete the following schedule**

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

**Sign  
Here**

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

Signature of officer or trustee

Date \_\_\_\_\_

**PRESIDENT**

Title

Print/Type preparer's name

DANIEL S. MILLER,  
CPA

Preparer's signature

DANIEL S. MILLER,

Date \_\_\_\_\_

3/26/11

Check ☐☐ self-employed

PTIN	
------	--

**Paid  
Preparer  
Use Only**

Firm's name ► **ANDERSON ZURMUEHLEN & CO., P.C.**

1601 LEWIS AVE, STE 105

Firm's address ► BILLINGS, MT 59102

Firm's EIN ▶

Phone no.	406-245-5136
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Form **990-PF** (2010)

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FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
RBC CAPITAL MARKETS CORPORATION	11,103.	0.	11,103.
TOTAL TO FM 990-PF, PART I, LN 4	11,103.	0.	11,103.

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FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	3,785.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	3,785.	0.		0.

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FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2008 990-PF	115.	0.		0.
FOREIGN TAXES PAID	86.	86.		0.
TO FORM 990-PF, PG 1, LN 18	201.	86.		0.

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FORM 990-PF	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	99.	0.		0.
TO FORM 990-PF, PG 1, LN 23	99.	0.		0.

FORM 990-PF

CORPORATE STOCK

STATEMENT 5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
3M CO.200 SHS 200 SHS	16,225.	17,260.
ALLSTATE CORP 200SHS	10,625.	6,376.
AUTOMATIC DATA PROCESSING 300 SHS	12,106.	13,884.
BANK AMERICA CORP 800 SHS	21,370.	10,672.
BROADRIDGE FINANCIAL SOL 400 SHS	7,528.	8,772.
BP PLC	15,173.	13,251.
DOW CHEMICAL 300 SHS	13,823.	10,242.
DUKE ENERGY CORP 900 SHS	16,264.	16,029.
ELI LILLY & CO. 200 SHS	11,019.	7,008.
FORTUNE BRANDS INC. 200 SHS	14,210.	12,050.
GENERAL ELECTRIC 500 SHS	18,561.	9,145.
HOME DEPOT 300 SHS	12,170.	10,518.
MDU RESOURCES STOCK 900 SHS	11,554.	18,243.
MEDTRONIC, INC. 500 SHS	20,782.	18,545.
MICROSOFT 800 SHS	19,009.	22,328.
MOLSON COORS BREWING 400 SHS	12,930.	20,076.
QUALCOMM, INC. STOCK 400 SHS	13,234.	19,796.
SPECTRA ENERGY INC 150 SHS	3,840.	3,749.
UNITED PARCEL SERVICE 300 SHS	17,243.	21,774.
UNITED TECHNOLOGIES CORP 200 SHS	13,568.	15,744.
VERIZON COMMUNICATIONS 400 SHS	12,508.	14,312.
WELLS FARGO & CO 1000 SHS	20,384.	30,990.
ZIMMER HOLDINGS, INC. 300 SHS	10,576.	16,104.
BUNGE LTD 200 SHS	19,516.	13,104.
CONOCOPHILLIPS 200 SHS	11,095.	13,620.
FAIRPOINT COMMUNICATIONS INC 7 SHS	0.	0.
INTEL CORP 1000 SHS	23,357.	21,030.
JOHNSON & JOHNSON 200 SHS	12,246.	12,370.
SUPERVALU INC 500 SHS	10,690.	4,815.
EURO PACIFIC GROWTH FUND CLASS A	25,716.	22,466.
NEW WORLD FUND INC NEW	25,000.	23,409.
AOL INC	1,281.	711.
MEAD JOHNSON NUTRITION	8,588.	12,450.
TIME WARNER CABLE INC	6,383.	5,480.
TIME WARNER INC NEW	18,405.	10,713.
FRONTIER COMMUNICATIONS CORP 96 SHS	827.	934.
BAXTER INTERNATIONAL INC 300 SHS	13,864.	15,186.
TOTAL TO FORM 990-PF, PART II, LINE 10B	501,670.	493,156.



FORM 990-PF	OTHER LIABILITIES	STATEMENT	6
DESCRIPTION	BOY AMOUNT	EOY AMOUNT	
ANNUITY LIABILITIES	10,377.	10,377.	
TOTAL TO FORM 990-PF, PART II, LINE 22	10,377.	10,377.	

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	7
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ROYAL C. JOHNSON 2915 ILLINOIS BILLINGS, MT 59102	PRESIDENT 2.00	0.	0.	0.
SCOTT R. JOHNSON 3137 AVIEMORE COURT BILLINGS, MT 59101	SECRETARY/TREASURER 2.00	0.	0.	0.
BLAKE F. JOHNSON 345 E. 58TH STREET, APT #2 NEW YORK CITY, NY 10022	VICE-PRESIDENT 2.00	0.	0.	0.
JAN J. KELLY 15408 SPILLMAN RANCH LOOP AUSTIN, TX 78738	VICE-PRESIDENT 2.00	0.	0.	0.
CLARK V. JOHNSON 2909 SALES ROAD BELGRADE, MT 59741	VICE-PRESIDENT 2.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AL BEDOO TRANSPORTATION FUND 1125 BROADWATER AVE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	400.
ALBERTA BAIR THEATER ENDOWMENT PO BOX 1556 BILLINGS, MT 59103	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
BIG BROTHERS & SISTERS FOUNDATION 2624 MINNESOTA AVENUE BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
BIG SKY HOSPICE PO BOX 35033 BILLINGS, MT 59107	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
BILLINGS CLINIC FOUNDATION 2800 10TH AVE. N. BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	1,000.
BILLINGS MASONIC CENTER ENDOWMENT 1101 BROADWATER AVE. BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
BILLINGS PRESERVATION SOCIETY 914 DIVISION STREET BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
BILLINGS PUBLIC HIGH SCHOOL NEED FUND 415 N. 30TH STREET BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.

BILLINGS SCOTTISH RITE FOUNDATION 514 14H STREET WEST BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
BOYS & GIRLS CLUB OF BILLINGS 505 ORCHARD LANE BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
CHAPTER PEO 19 HEATHERWOOD LANE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
EAGLE MOUNT FOUNDATION 2822 3RD AVE NORTH, STE NO. 203 BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
FAMILY SERVICE INC 1824 1ST AVE N BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
FAMILY TREE CENTER 2520 5TH AVE S BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
FIRST PRESBYTERIAN CHURCH 2420 13 STREET WEST BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	1,000.
FIRST PRESBYTERIAN CHURCH FOUNDATION 2420 13 STREET WEST BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	2,000.
FRIENDSHIP HOUSE OF CHRISTIAN 3128 8TH AVE. S. BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
GRAND LODGE OF MT FOUNDATION 425 NORTH PARK AVE HELENA, MT 59264	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.

HARVEST COMMUNITY FOUNDATION 1235 WICKS LANE BILLINGS, MT 59106	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	500.
INSTITUTE OF PENCE STUDIES 1511 POLY DRIVE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	100.
MENTAL HEALTH FOUNDATION 1245 N 29TH STREET BILLINGS, MT 59103	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
MSU-B FOUNDATION 1500 UNIVERSITY DRIVE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	1,100.
MT SCHOOL FOR DEAF AND BLIND 3911 CENTRAL AVE. GREAT FALLS, MT 59406	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
PARMLY BILLINGS LIBRARY FOUNDATION 510 N BROADWAY BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	4,300.
ROCKY MOUNTAIN COLLEGE FOUNDATION 1511 POLY DRIVE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	1,000.
RONALD MCDONALD HOUSE FOUNDATION 1144 N. 30TH BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
SAINT VINCENT HEALTH CARE FOUNDATION 1106 N. 30TH BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
SALVATION ARMY PO BOX 1903 BILLINGS, MT 59103	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.

SCOTTISH RITE CHILDREN CLINIC 50 27TH STREET WEST BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
SHINERS HOSPITAL FOR CHILDREN 911 W 5TH AVE SPOKANE, WA 99204	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
SPECIAL K RANCH 34 SPECIAL K LANE COLUMBUS, MT 59019	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
UNITED CAMPUS MINISTRY 1327 ARTHUR AVENUE MISSOULA, MT 59801	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
UNITED WAY OF YELLOWSTONE COUNTY 2920 2ND AVENUE NORTH BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	500.
YELLOWSTONE BOYS & GIRLS FOUNDATION 2050 OVERLAND AVE BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	500.
YELLOWSTONE SENIOR CENTER 1505 AVE D BILLINGS, MT 59102	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.
YMCA BILLINGS 402 NORTH 32ND BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
YMCA BILLINGS FOUNDATION YSC 402 NORTH 32ND BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	300.
ZOO MONTANA 2100 SOUTH SHILOH ROAD BILLINGS, MT 59101	NONE PHILANTHROPIC PURPOSES	PUBLIC CHARITY	200.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

18,900.