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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 05-01-2010 , and ending 04-30-2011

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
GROTTO FOUNDATION INC

A Employer identification number
41-6052604

Number and street (or P O box number if mail is not delivered to street address)
1315 RED FOX ROAD NO 100

Room/suite

B Telephone number (see page 10 of the instructions)
(651) 209-8010

City or town, state, and ZIP code
ARDEN HILLS, MN 551126941

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)* ▶$ 22,504,181

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))*

			(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)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	105,480	105,480		
	4	Dividends and interest from securities	531,487	531,487		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,492,560			
	b	Gross sales price for all assets on line 6a 5,442,324				
	7	Capital gain net income (from Part IV, line 2)		1,492,560		
	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)	6,131	0		
	12	**Total.** Add lines 1 through 11	2,135,658	2,129,527		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	146,661	4,400		142,261
	14	Other employee salaries and wages	129,379	1,294		128,085
	15	Pension plans, employee benefits	103,283	1,033		102,250
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	11,600	1,160		10,440
	c	Other professional fees (attach schedule)	190,935	190,935		0
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	13,840	0		0
	19	Depreciation (attach schedule) and depletion	5,292	53		
	20	Occupancy	5,534	55		5,479
	21	Travel, conferences, and meetings	3,194	32		3,162
	22	Printing and publications	7,857	79		7,778
	23	Other expenses (attach schedule)	18,225	182		18,043
	24	**Total operating and administrative expenses.** Add lines 13 through 23	635,800	199,223		417,498
	25	Contributions, gifts, grants paid	578,348			578,348
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,214,148	199,223		995,846
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	921,510			
	b	**Net investment income** (if negative, enter -0-)		1,930,304		
	c	**Adjusted net income** (if negative, enter -0-)				

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			
	2	Savings and temporary cash investments	1,930,082	5,228,413	5,228,413
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ 90,000 Less allowance for doubtful accounts ▶	75,000	90,000	90,000
	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	11,164	8,507	8,507
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	20,256,958	17,149,388	17,149,388
	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 ▶ 193,987 Less accumulated depreciation (attach schedule) ▶ 191,562	4,130	2,425	2,425
	15	Other assets (describe ▶)	18,290	25,448	25,448
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	22,295,624	22,504,181	22,504,181
Liabilities	17	Accounts payable and accrued expenses	20,146	24,118	
	18	Grants payable	115,000		
	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 ▶)	101,390	0	
	23	**Total liabilities** (add lines 17 through 22)	236,536	24,118	
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	21,984,088	22,390,063	
	25	Temporarily restricted	75,000	90,000	
	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)	22,059,088	22,480,063	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	22,295,624	22,504,181	

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	22,059,088
2	Enter amount from Part I, line 27a	2	921,510
3	Other increases not included in line 2 (itemize) ▶	3	116,390
4	Add lines 1, 2, and 3	4	23,096,988
5	Decreases not included in line 2 (itemize) ▶	5	616,925
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	22,480,063

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 Additional Data Table			
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	See Additional Data Table			
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	See Additional Data Table			
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**	1,492,560
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	714,877	19,369,931	0 036907
2008	1,338,019	19,428,915	0 068867
2007	1,399,330	25,260,921	0 055395
2006	1,388,352	24,615,790	0 056401
2005	1,170,465	23,991,916	0 048786

2	**Total** of line 1, column (d).	**2**	0 266356
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 053271
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	**4**	21,178,571
5	Multiply line 4 by line 3.	**5**	1,128,204
6	Enter 1% of net investment income (1% of Part I, line 27b).	**6**	19,303
7	Add lines 5 and 6.	**7**	1,147,507
8	Enter qualifying distributions from Part XII, line 4.	**8**	995,846

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**	38,606
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**	38,606
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**	38,606
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	**6a**	13,840		
b	Exempt foreign organizations—tax withheld at source	**6b**			
c	Tax paid with application for extension of time to file (Form 8868)	**6c**	24,766		
d	Backup withholding erroneously withheld	**6d**			
7	Total credits and payments Add lines 6a through 6d			**7**	38,606
8	Enter any **penalty** for underpayment of estimated tax Check here ☑ if Form 2220 is attached			**8**	680
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			**9**	680
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**		**No**
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**		**No**
	*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**		**No**
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.*	**2**		**No**
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**		**No**
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	**4a**		**No**
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	**4b**		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	**5**		**No**
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**	**Yes**	
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**	**Yes**	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶MN			
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**	**Yes**	
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**		**No**
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	**10**		**No**

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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶WWW GROTTOFOUNDATION ORG

14 The books are in care of ▶ELLIS BULLOCK Telephone no ▶(651) 209-8010

Located at ▶1315 RED FOX ROAD SUITE 100 ARDEN HILLS MN ZIP+4 ▶551126941

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		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 ▶

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | | Yes | No |

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ **Yes** ☑ **No**

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ **Yes** ☑ **No**

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☑ **Yes** ☐ **No**

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ **Yes** ☐ **No**

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ **Yes** ☑ **No**

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ **Yes** ☑ **No**

b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		No

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		No

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 ▶ 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 20 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

▶ 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		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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** **No**

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 Additional Data Table				

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
LAVON LEE 1315 RED FOX RD STE 100 ARDEN HILLS, MN 551126941	GRANT MANAGER 40 00	68,621	2,745	0

Total number of other employees paid over $50,000. . . . . ▶ 0

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. . . . . ▶ 0

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 NATIVE LANGUAGE REVITALIZATION - SINCE ITS INCEPTION IN 1964, THE GROTTO FOUNDATION HAS DIRECTED APPROXIMATELY 37 PERCENT OF ITS GRANT SUPPORT TO NATIVE-AMERICAN ENDEAVORS, INCLUDING COMMUNITY AND CULTURAL REVITALIZATION THROUGH RECENT RESEARCH RELATED TO THESE ENDEAVORS, IT WAS DISCOVERED THAT CHILDREN WHO LEARN THEIR HERITAGE LANGUAGE ACHIEVE BETTER ACADEMICALLY WHILE A MYRIAD OF NEEDS EXIST, NURTURING THE ROOT OF NATIVE CULTURE AND BELIEF SYSTEMS THROUGH LANGUAGE RESTORATION, IS THE CALL TO WHICH GROTTO HAS RESPONDED THE GROTTO FOUNDATION SERVES AS A CATALYST IN THE WORK OF NATIVE LANGUAGE REVITALIZATION IT RECOGNIZES THAT THE RENEWAL OF INDIGENOUS LANGUAGE LIES WITHIN THE COMMUNITY ITSELF ULTIMATELY, INDIGENOUS COMMUNITIES WILL PERSERVE AND RESTORE THEIR HERITAGE LANGUAGE FOR FUTURE GENERATIONS IN FISCAL YEAR 2011 THE GROTTO FOUNDATION MADE GRANTS OF $300,000 TO THE NATIVE LANGUAGES INITIATIVE	357,347
2 THE TIWAHE FOUNDATION, REPLACING THE AMERICAN INDIAN FAMILY EMPOWERMENT PROGRAM, WILL CONTINUE TO EXPAND ITS CAPACITY TO SUPPORT INDIVIDUALS AND FAMILIES STRIVING FOR SELF-DETERMINATION THROUGH EDUCATIONAL ATTAINMENT, ECONOMIC SELF-SUFFICIENCY, AND CONNECTING TO THEIR CULTURE, AND WILL EXPAND ITS LEADERSHIP DEVELOPMENT PROGRAM TO PREPARE NATIVE PEOPLE WITH THE SKILLS, KNOWLEDGE, AND OPPORTUNITIES REQUIRED TO SUCCESSFULLY LEAD THEIR COMMUNITIES IN THE 21ST CENTURY TIWAHE IS A DAKOTA WORD MEANING FAMILY, AND FOR THE NEWLY FORMED FOUNDATION IT SYMBOLIZES THE HEART AND SOUL TO WHICH ALL THINGS ARE RELATED IT IS A SPECIAL GIFT FROM THE CREATOR, WHICH EMBODIES INTERCONNECTEDNESS OF ALL LIVING THINGS AND RESPONSIBILITY TO FAMILY, MOTHER EARTH, AND COMMUNITY	59,907
3 GENERAL GRANTS AND CONSULTATIVE SERVICES ARE TO BENEFIT SOCIETY BY IMPROVING THE EDUCATION AND THE ECONOMIC, PHYSICAL, AND SOCIAL WELL-BEING OF CITIZENS, WITH A SPECIAL FOCUS ON FAMILIES AND CULTURALLY DIVERSE GROUPS THE FOUNDATION IS FURTHER INTERESTED IN INCREASING PUBLIC UNDERSTANDING OF AMERICAN CULTURAL HERITAGE, THE CULTURES OF NATIONS, AND THE INDIVIDUAL'S RESPONSIBILITY TO FELLOW HUMAN BEINGS	105,463
4 EARLY CHILDHOOD DEVELOPMENT - IN 2008 THE GROTTO DIRECTORS DETERMINED THAT THEY WANTED TO FOCUS GROTTO'S FUNDING ON SUPPORT FOR EARLY CHILDHOOD DEVELOPMENT AND PARENTING THEY WILL FOCUS ITS FUNDING TO SUPPORT AGENCIES AND INSTITUTIONS DEDICATED TO IMPROVING THE QUALITY OF PARENTING AND THE WELL- BEING OF INFANTS AND CHILDREN (FROM BIRTH TO SIX YEARS OF AGE)	303,667

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	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3. . . . . ▶ 0

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	21,436,217
b	Average of monthly cash balances			1b	44,087
c	Fair market value of all other assets (see page 24 of the instructions)			1c	20,783
d	**Total** (add lines 1a, b, and c)			1d	21,501,087
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0		
2	Acquisition indebtedness applicable to line 1 assets			2	0
3	Subtract line 2 from line 1d			3	21,501,087
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)			4	322,516
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	21,178,571
6	**Minimum investment return.** Enter 5% of line 5			6	1,058,929

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	1,058,929
2a	Tax on investment income for 2010 from Part VI, line 5	2a	38,606		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	38,606
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,020,323
4	Recoveries of amounts treated as qualifying distributions			4	2,662
5	Add lines 3 and 4			5	1,022,985
6	Deduction from distributable amount (see page 25 of the instructions)			6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	1,022,985

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	995,846
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	995,846
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	995,846

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					1,022,985
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only.				0	
b Total for prior years 20___ , 20___ , 20___			0		
3 Excess distributions carryover, if any, to 2010					
a From 2005.					
b From 2006.					
c From 2007.	121,768				
d From 2008.	390,763				
e From 2009.					
f **Total** of lines 3a through e.		512,531			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 995,846					
a Applied to 2009, but not more than line 2a				0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .		0			
d Applied to 2010 distributable amount.					995,846
e Remaining amount distributed out of corpus		0			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		27,139			27,139
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		485,392			
b Prior years' undistributed income Subtract line 4b from line 2b			0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.			0		
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .			0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				0	
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)		0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		0			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		485,392			
10 Analysis of line 9					
a Excess from 2006. . . .					
b Excess from 2007. . . .	94,629				
c Excess from 2008. . . .	390,763				
d Excess from 2009. . . .					
e Excess from 2010. . . .					

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 organization 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	
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 organization had $5,000 or more in assets at any time during the year—see page 27 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))

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

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

ELLIS BULLOCK
1315 RED FOX ROAD SUITE 100
ARDEN HILLS, MN 551126941
(651) 209-8010

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

ON THE APPLICATION FORM THE ORGANIZATION PROVIDES INFORMATION ABOUT THE LOCATION OF THE ORGANIZATIONS AND A CONTACT PERSON, ALONG WITH THE TYPE OF ORGANIZATION 501(C)(3) THE ORGANIZATION THEN DESCRIBES THE PROJECT THEY ARE REQUESTING A GRANT FOR, THE AMOUNT THEY ARE REQUESTING FOR THE PROJECT, AND WHAT TYPE OF FUNDS ARE BEING REQUESTED (GENERAL OPERATING SUPPORT, PROJECT/PROGRAM SUPPORT, CAPACITY BUILDING, ETC)

c Any submission deadlines

JANUARY 15 FOR APRIL, MARCH 15 FOR JUNE, JULY 15 FOR OCTOBER, AND NOVEMBER 15 FOR FEBRUARY

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

NONE

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 Additional Data TableSee Additional Data Table				
Total . . . . ▶ **3a**				578,348
b *Approved for future payment*				
Total . . . . ▶ **3b**				0

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			14	105,480	
4 Dividends and interest from securities. . . .			14	531,487	
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.					6,131
8 Gain or (loss) from sales of assets other than inventory			18	1,492,560	
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). .		0		2,129,527	6,131

13 Total. Add line 12, columns (b), (d), and (e). 13 2,135,658

(See worksheet in line 13 instructions on page 28 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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
7	THIS AMOUNT IS FOR GRANT RECOVERIES RECEIVED DURING THE YEAR

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
(1)	Cash	**1a(1)**		No
(2)	Other assets	**1a(2)**		No
b	Other transactions			
(1)	Sales of assets to a noncharitable exempt organization	**1b(1)**		No
(2)	Purchases of assets from a noncharitable exempt organization	**1b(2)**		No
(3)	Rental of facilities, equipment, or other assets	**1b(3)**		No
(4)	Reimbursement arrangements	**1b(4)**		No
(5)	Loans or loan guarantees	**1b(5)**		No
(6)	Performance of services or membership or fundraising solicitations	**1b(6)**		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**1c**		No

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

****** 2011-09-08 ******

Signature of officer or trustee Date Title

Paid Preparer's Use Only

Preparer's Signature ▶ LINDA M MCMONIGAL	Date 2011-09-08	Check if self-employed ▶ ☐	PTIN
Firm's name ▶ MAHONEYULBRICHCHRISTIANSEN & RUSS PA		Firm's EIN ▶	
Firm's address ▶ 30 EAST PLATO BOULEVARD SAINT PAUL, MN 551071809		Phone no (651) 227-6695	

Additional Data

Software ID:
Software Version:
EIN: 41-6052604
Name: GROTTO FOUNDATION INC

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
A	NT MAIRS AND POWER	P		
B	NT SIT LARGE CAP	P		
C	NIT SELF MANAGED	P		
D	PASS THROUGH OPPORTUNITY BOND	P		
E	PASS THROUGH OPPORTUNITY BOND	P		
F	PASS THROUGH SIT SMALL CAP	P		
G	PASS THROUGH SIT SMALL CAP	P		
H	PASS THROUGH SIT SHORT DUR GOV	P		
I	PASS THROUGH SIT SHORT DUR GOV	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

	(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	4,216,974		2,819,630	1,397,344
B	799,579		740,759	58,820
C	425,771		334,678	91,093
D				58,699
E				-190,770
F				8,908
G				71,434
H				12,821
I				-15,789

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(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	
A				1,397,344
B				58,820
C				91,093
D				58,699
E				-190,770
F				8,908
G				71,434
H				12,821
I				-15,789

Form 990PF Part VIII Line 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
LOUIS FORS HILL 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	PRESIDENT 1 00	0	0	0
MALCOLM W MCDONALD 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	2ND VICE PRESIDENT 1 00	0	0	0
MARY MANUEL ROMAN 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	TREASURER 1 00	0	0	0
RICHARD ANDOLSHEK 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
KATHRINE HILL 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
LOUIS SHEA HILL 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
NANCY RANDALL-DANA 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
BARBARA SLADE 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
DEREK BENZ 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER 1 00	0	0	0
AUSTIN J BAILLON 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER EMERITUS 1 00	0	0	0
WILLIAM B RANDALL 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER EMERITUS 1 00	0	0	0
ELIZABETH PEGUES-SMART 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER EMERITUS 1 00	0	0	0
CHRIS STAINBROOK 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	MEMBER EMERITUS 1 00	0	0	0
ELLIS BULLOCK 1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112	EXECUTIVE DIRECTOR 40 00	146,661	8,800	0

Form 990PF Part XV Line 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*				
CARING FOR KIDS INITIATIVE 110 GRAND AVE WAYZATA, MN 55391	NONE	N/A	SCHOLARSHIP SUPPORT	20,000
EARLY CHILDHOOD RESOURCE AND TRAINING CENTER 4048 28TH AVENUE SOUTH MINNEAPOLIS, MN 55406	NONE	N/A	AMERICAN INDIAN SCHOOL READINESS PROJECT	20,000
HEADWATERS FOUNDATION FOR JUSTICE 2801 21ST AVE S STE 132-B MINNEAPOLIS, MN 55407	NONE	N/A	TWIN CITIES AFRICAN AMERICAN LEADERSHIP FORUM	25,000
READY 4 K 2233 UNIVERSITY AVENUE W ST PAUL, MN 55114	NONE	N/A	GENERAL OPERATING SUPPORT	20,000
WAADOOKODAADING AN OJIBWE IMMERSION SCHOOL PO BOX 860 HAYWARD, WI 54843	NONE	N/A	NATIVE LANGUAGE REVITALIZATION	55,680
COMMUNITY INITIATIVES FOR CHILDREN 2314 ELLIOT AVE MINNEAPOLIS, MN 55404	NONE	N/A	HOME INSTRUCTION FOR PARENTS AND PRESCHOOL YOUNGSTERS PROGRAM	10,000
FRASER SCHOOL 2400 WEST 64TH STREET MINNEAPOLIS, MN 55423	NONE	N/A	SPANISH IMMERSION CLASSROOM	10,000
GREATER TWIN CITIES UNITED WAY SCHOOL READINESS FUNDERS COALITION 404 S 8TH STREET SUITE 100 MINNEAPOLIS, MN 55404	NONE	N/A	EARLY CHILDHOOD EDUCATION	25,000
JEWISH FAMILY COMMUNITY SERVICES 13100 WAYZATA BLVD SUITE 400 MINNETONKA, MN 55305	NONE	N/A	PARENT-CHILD PROGRAM	10,000
MONTESSORI TRAINING CENTER OF MINNESOTA 1611 AMES AVE ST PAUL, MN 55106	NONE	N/A	COMMUNITY OUTREACH PROGRAM	20,000
PACER CENTER 8161 NORMANDALE BLVD BLOOMINGTON, MN 55437	NONE	N/A	LITERACY SOS PROJECT	10,000
REACH OUT AND READ MINNESOTA 701 PARK AVENUE MINNEAPOLIS, MN 55415	NONE	N/A	MANAGEMENT ASSISTANCE PROGRAM	15,000
RESOURCES FOR CHILDCARING 10 YORKTON CT ST PAUL, MN 55117	NONE	N/A	ADVANCING QUALITY CARE & EARLY CHILDHOOD EDUCATION PROGRAM	10,000
WAY TO GROW 125 W BROADWAY AVE SUITE 110 MINNEAPOLIS, MN 55411	NONE	N/A	REACH AND TEACH PROGRAM	20,000
AFTON HISTORICAL SOCIETY PRESS 3321 SAINT CROIX TRL S AFTON, MN 55001	NONE	N/A	SUPPORT AND PUBLICATION OF A WORK BY EARNEST R LAWRENCE	10,000
Total . . . . ▶ **3a**				578,348

Form 990PF Part XV Line 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*				
IMPACT FOUNDATION 4152 30TH AVENUE SOUTH SUITE 102 FARGO, ND 58104	NONE	N/A	HIGH IMPACT PHILANTHROPY INITIATIVE	5,000
JEFFERSON AWARDS 100 WEST 10TH STREET SUITE 215 WILMINGTON, DE 19801	NONE	N/A	CREATION OF A LOCAL STUDENTS IN ACTION PROGRAM	10,000
MINNESOTA HISTORICAL SOCIETY 345 W KELLOGG BLVD ST PAUL, MN 55102	NONE	N/A	TO ESTABLISH THE NINA M ARCHABAL ENDOWMENT FUND FOR MUSEUM PROGRAMS	1,000
PETER LEACH 1420 ALMOND AVE ST PAUL, MN 55108	NONE	N/A	50TH ANNIVERSARY SISTER CITIES PROJECT	2,348
UNIVERSITY OF MINNESOTA DULUTH 1049 UNIVERSITY DRIVE DULUTH, MN 55812	NONE	N/A	AMERICAN INDIAN YOUTH LEADERSHIP PROGRAM	25,000
WOMEN'S ADVOCATES 588 GRAND AVE ST PAUL, MN 55102	NONE	N/A	TO SUPPORT THE CAPACITY OF WOMEN'S ADVOCATES WORK WITH CHILDREN	10,000
ALLIANCE OF EARLY CHILDHOOD PROFESSIONALS 1308 EAST FRANKLIN AVE SUITE 126 MINNEAPOLIS, MN 55404	NONE	N/A	WICOIE NANDAGIKENDAN URBAN PRE-SCHOOL IMMERSION PROGRAM	55,680
BUG-O-NAY-GE-SHIG SCHOOL 15353 SILVER EAGLE DR NW BENA, MN 56626	NONE	N/A	NIIGAANE IMMERSION PROGRAM AT LEACH LAKE	50,680
DAKOTA WICOHAN PO BOX 2 - 280 N CENTENNIAL DRIVE MORTON, MN 56270	NONE	N/A	TO SUPPORT THE DEVELOPMENT AND TRAINING OF DAKOTA TEACHERS	50,680
METROPOLITAN STATE UNIVERSITY 700 EAST SEVENTH STREET ST PAUL, MN 55106	NONE	N/A	OJIBWE LANGUAGE IMMERSION PROGRAM	1,600
RED CLOUD INDIAN SCHOOL INC 100 MISSION DRIVE PINE RIDGE, SD 57770	NONE	N/A	LAKOTA LANGUAGE PROGRAM	50,680
UNIVERSITY OF MINNESOTA DULUTH 1049 UNIVERSITY DRIVE DULUTH, MN 55812	NONE	N/A	MINNESOTA INDIGENOUS LANGUAGE SYMPOSIUM	30,000
Total . . . . ▶ **3a**				578,348

TY 2010 Accounting Fees Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
AUDIT FEES	11,600	1,160		10,440

TY 2010 Investments Corporate Stock Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Name of Stock	End of Year Book Value	End of Year Fair Market Value
SIT - SMALL CAP FUND II, LLC	1,491,176	1,491,176
COMMON STOCK	8,202,389	8,202,389
SIT OPPORTUNITY BOND FUND, LLC	5,823,247	5,823,247
SIT - GOV'T BOND FUND	1,632,576	1,632,576

TY 2010 Other Assets Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
INVESTMENT INCOME RECEIVABLE	18,290	25,448	25,448

TY 2010 Other Decreases Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Amount
UNREALIZED LOSS ON INVESTMENTS	616,925

TY 2010 Other Expenses Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INSURANCE	7,516	75		7,441
OFFICE EXPENSE	4,395	44		4,351
TELEPHONE	4,902	49		4,853
ANNUAL REPORT	25	0		25
OFFICE SUPPLIES	480	5		475
POSTAGE	692	7		685
EDUCATION AND TRAINING	185	2		183
MISCELLANEOUS EXPENSES	30	0		30

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TY 2010 Other Income Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
GRANT RECOVERIES	2,662	0	2,662
LITIGATION REFUND	3,469	0	3,469

TY 2010 Other Increases Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Amount
CHANGE IN PRESENT VALUE OF ANNUITY	15,000
FEDERAL EXCISE TAX ON UNREALIZED GAIN ON INVESTMENT	101,390

TY 2010 Other Liabilities Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Beginning of Year - Book Value	End of Year - Book Value
DEFERRED FEDERAL EXCISE TAX	101,390	0

TY 2010 Other Professional Fees Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT ADVISORS	190,935	190,935		0

TY 2010 Taxes Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAX	13,840	0		0