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

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

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation SIT INVESTMENT ASSOCIATES FOUNDATION		A Employer identification number 41 - 1468021
Number and street (or P O box number if mail is not delivered to street address) 3300 IDS CENTER, 80 SOUTH 8TH STREET	Room/suite	B Telephone number (see instructions) 612 - 332-3223
City or town, state, and ZIP code MINNEAPOLIS, MN 55402		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 23,317,082	J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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)	1,294,858			
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	596,930	596,930		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	468,313			
	b Gross sales price for all assets on line 6a	2,900,236			
	7 Capital gain net income (from Part IV, line 2)		468,313		
	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) Schedule 1	488	488			
12 Total. Add lines 1 through 11	2,360,589	1,065,731	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0	0	0	0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) Schedule 0				
	b Accounting fees (attach schedule) Schedule 0				
	c Other professional fees (attach schedule) Schedule 0				
	17 Interest Schedule 2				
	18 Taxes (attach schedule) (see instructions)	17,556			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) Schedule 3	4,436	1,402		
	24 Total operating and administrative expenses. Add lines 13 through 23	21,992	1,402	0	0
	25 Contributions, gifts, grants paid	1,217,990			1,217,990
26 Total expenses and disbursements. Add lines 24 and 25	1,239,982	1,402	0	1,217,990	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1,120,607				
b Net investment income (if negative, enter -0-)		1,064,329			
c Adjusted net income (if negative, enter -0-)			0		

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash—non-interest-bearing	41,005	109,475	109,475		
	2 Savings and temporary cash investments	16,795	23,909	23,909		
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)					
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments—U.S. and state government obligations (attach schedule) Schedule 4					
	b Investments—corporate stock (attach schedule) Schedule 4	16,283,667	17,922,214	21,885,467		
	c Investments—corporate bonds (attach schedule) Schedule 4					
	11 Investments—land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach schedule) ▶					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule) Schedule 4	2,774,779	1,337,383	1,298,231		
	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶					
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	19,116,246	19,392,981	23,317,082			
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule)					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)	0	0			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds					
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	19,116,246	19,392,981			
	29 Retained earnings, accumulated income, endowment, or other funds					
30 Total net assets or fund balances (see instructions)	19,116,246	19,392,981				
31 Total liabilities and net assets/fund balances (see instructions)	19,116,246	19,392,981				

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	19,116,246
2 Enter amount from Part I, line 27a	2	1,120,607
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	20,236,853
5 Decreases not included in line 2 (itemize) ▶ Schedule 5	5	843,872
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	19,392,981

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 Schedule 6				
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 2,900,236		2,431,923	468,313	
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			468,313	
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	468,313
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 instructions). If (loss), enter -0- in Part I, line 8			3	N/A 50

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.

(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))
2010	1,016,684	21,345,021	4.76%
2009	889,782	17,181,081	5.18%
2008	1,015,571	21,649,131	4.69%
2007	1,358,437	24,415,710	5.56%
2006	749,406	20,425,939	3.67%
2 Total of line 1, column (d)			2 23.86%
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 4.77%
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 24,470,669
5 Multiply line 4 by line 3			5 1,167,740
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 10,643
7 Add lines 5 and 6			7 1,178,383
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 1,217,990

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 ☐ 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	10,643
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	10,643
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	10,643
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	15,000	
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	15,000	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,357	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax 4,357 Refunded	11	0	

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?		✓
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)? <i>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.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2	✓
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? <i>If "Yes," attach a conformed copy of the changes.</i>	3	✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	✓
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? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	✓
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	✓
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	7	✓
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Minnesota		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	✓
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	✓

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		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u>	13	✓	
14	The books are in care of ▶ <u>Paul E. Rasmussen</u> Telephone no ▶ <u>612-332-3223</u> Located at ▶ <u>3300 IDS Center, 80 South 8th Street, Minneapolis, MN</u> ZIP+4 ▶ <u>55402-2211</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>			
16	At any time during calendar year 2011, 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 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 ✓

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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	N/A
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 2011?	1c	✓
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ 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 instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2011 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2011?	4b	✓

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 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 instructions)? ☐ Yes ☒ No **5b** N/A

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

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

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? ☐ Yes ☒ No **6b** ✓

If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b** N/A

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 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
Debra A. Sit 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Director, 1	0	0	0
Paul E. Rasmussen 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Secretary, 1	0	0	0
Debra K. Beaudet 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Asst. Secretary, 1	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		0	0	0

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	0

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	0
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	23,274,345
b	Average of monthly cash balances	1b	172,465
c	Fair market value of all other assets (see instructions)	1c	1,396,509
d	Total (add lines 1a, b, and c)	1d	24,843,319
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	24,843,319
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	372,650
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	24,470,669
6	Minimum investment return. Enter 5% of line 5	6	1,223,533

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,223,533
2a	Tax on investment income for 2011 from Part VI, line 5	2a	10,643
b	Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	10,643
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,212,890
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,212,890
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,212,890

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	1,217,990
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,217,990
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 instructions)	5	10,643
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,207,347

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				1,212,890
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only				
b Total for prior years: 20 <u>20</u> , 20 <u>20</u> , 20 <u>20</u>				
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				16,574
e From 2010				
f Total of lines 3a through e	16,574			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ <u>1,217,990</u>				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				1,212,890
e Remaining amount distributed out of corpus	5,100			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	21,674			
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				
d Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	21,674			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				16,574
d Excess from 2010				
e Excess from 2011	5,100			

Part XIV Private Operating Foundations (see 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 2011, enter the date of the ruling

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

2a	Tax year	Prior 3 years			(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	N/A	N/A	N/A	N/A	N/A
b 85% of line 2a	N/A	N/A	N/A	N/A	N/A
c Qualifying distributions from Part XII, line 4 for each year listed	N/A	N/A	N/A	N/A	N/A
d Amounts included in line 2c not used directly for active conduct of exempt activities					N/A
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	N/A	N/A	N/A	N/A	N/A
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					N/A
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					N/A
b "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed	N/A	N/A	N/A	N/A	N/A
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)					N/A
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					N/A
(3) Largest amount of support from an exempt organization					N/A
(4) Gross investment income					N/A

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 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).)

None

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:

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

c Any submission deadlines:

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

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

Recipient 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 Schedule 7				1,217,990
Total			3a	1,217,990
b Approved for future payment Detail available upon request				800,000
Total			3b	800,000

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)	✓
	(2) Other assets	1a(2)	✓
b	Other transactions.		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
	(3) Rental of facilities, equipment, or other assets	1b(3)	✓
	(4) Reimbursement arrangements	1b(4)	✓
	(5) Loans or loan guarantees	1b(5)	✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
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.		

[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 **N/A**

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) is based on all information of which preparer has any knowledge.

 5/11/12 **Secretary**

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶ -- - ---	
	Firm's address ▶			Phone no -	

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2011**Name of the organization**

Sit Investment Associates Foundation

Employer identification number

41-1468021

Organization type (check one):**Filers of:****Section:**

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

Employer identification number

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Sit Investment Associates, Inc. 3300 IDS Center, 80 South 8th Street Minneapolis, MN 55402	\$ 700,000.00	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	Sit Investment Fixed Income Advisors, Inc. 3300 IDS Center, 80 South 8th Street Minneapolis, MN 55402	\$ 132,510.58	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
3	Sit Investment Fixed Income II, LLC 3300 IDS Center, 80 South 8th Street Minneapolis, MN 55402	\$ 462,347.46	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	18,913.807 shares of Sit Small Cap Growth Fund	\$ 700,000	11/25/11
2	13,466.522 shares of Sit Minnesota Tax-Free Income Fund	\$ 132,510.58	5/10/11
3	46,989.53 shares of Sit Minnesota Tax-Free Income Fund	\$ 462,347.46	5/10/11

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 1: Part I, Line 11 - Other Income

Description	From Part XVI-A			Total to Part I, Line 11
	Unrelated Business Income (Column (b))	Excluded by Section 512, 513, or 514 (Column (d))	Related or exempt function income (Column (e))	
1 Program Service Revenue (total of lines 1a through 1g)	0	0	0	0
2 Membership dues and assessments	0	0	0	0
7 Other investment income	0	488	0	488
9 Gross revenue from special events	0	0	0	0
11 Total Other Revenue (listed separately on line 11)				
a	0	0	0	0
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0
Total line 11	0	0	0	0
Total	0	488	0	488

Schedule 2: Part I, Line 18 - Taxes

Type of tax	Amount
1 2010 Federal Excise Tax paid with return	2,556
2 2011 Estimated Federal Excise Tax	15,000
3	
Total	17,556

Schedule 3: Part I, Line 23 - Other Expenses

Description	Amount
1 Flow-through from partnership/fund investments	4,303
2 Misc G & A Expenses	133
3	
4	
5	
10 Amortization from schedule below	
Total	4,436

Amortization	Date Acquired, Completed or Expensed	Cost or Other Basis	Deduction Allowable in Prior Years	Amortization Period (Months)	Current Year Amortization
Description					
1					
2					
3					
Total		0	0		0

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 4

	Beginning of Year	End of Year	
	12/31/10	12/31/11	12/31/11
	(a) Book Value	(b) Book Value	(c) Fair Market Value
Investments - Corporate Stock			
Ace Ltd Bermuda Ord	\$ 437,054	\$ 437,054	\$ 952,931
AllianceBernstein	246,316		
Mercury General Corp	1,552,610	1,178,800	960,986
Oracle Systems Corp	1,356,260	1,356,260	1,608,255
Quicksilver Resources, Inc	1,052,120		
Sit Developing Markets Fund	318,228	372,502	612,431
Sit Dividend Frowth Fund	533,218	752,266	870,014
Sit Global Dividend Growth Fund	157,639	368,032	379,533
Sit International Growth Fund	1,078,296	1,096,591	1,023,256
Sit Large Cap Growth Fund	1,658,592	1,877,669	2,506,309
Sit Mid Cap Growth Fund	2,804,434	2,804,434	3,123,226
Sit MN Tax-Free Income Fund	582,056	1,332,709	1,393,986
Sit Small Cap Growth Fund	3,163,340	3,935,963	6,242,046
Sit US Government Securities Fund	994,161	2,060,590	2,096,384
TCF Finl Crop	349,344	349,344	116,110
	<u>\$ 16,283,667</u>	<u>\$ 17,922,214</u>	<u>\$ 21,885,467</u>
			Part II, Line 10b
Investments - Other			
BP Institutional Partners, BP	\$ 1,395,368	\$ -	\$ -
Otologics, Inc	105,000	105,000	105,000
SIA Partnership VI	32,619	33,507	33,507
SIA Partnership XIII	122,234	79,317	79,317
SIA Partnership XVI	4,466	4,466	1,637
SIA Partnership XX	115,093	115,093	78,770
SIA Partnership XXI	1,000,000	1,000,000	1,000,000
	<u>\$ 2,774,779</u>	<u>\$ 1,337,383</u>	<u>\$ 1,298,231</u>
			Part II, Line 13

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 5: Part III, Line 5 - Decreases Not Included in Line 2

Description	Amount
1 Book Tax Differences	843,872
3	
Total	843,872

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 6: Part IV, Capital Gains and Losses for Tax on Investment Income

(a)	List and describe the kind(s) of property sold	P - Purchase D - Donation	(c) Date Acquired	(d) Date Sold
1 a	Flow-thru from partnership K-1 - AllianceBernstein Holdings	D	various	12/31/2011
b	Flow-thru from partnership K-1 - SIA Partnership VI	P	various	12/31/2011
c	Flow-thru from partnership K-1 - SIA Partnership XIII	P	various	12/31/2011
d	AllianceBernstein Holdings L.P.	D	various	11/29/2011
e	BP Institutional Partners, LP	P	1/4/1996	1/1/2012
f	Mercury General Corp	D	7/3/2007	12/20/2011
g	Quicksilver Resources, Inc	P/D	various	12/20/2011
h	Sit Developing Markets Fund	P	various	12/16/2011
i	Sit Dividend Growth Fund	P	various	12/16/2011
j	Sit Global Dividend Growth Fund	P	various	12/16/2011
k	Sit Minnesota Tax-Free Income Fund	P/D	various	7/6/2011
l	Sit Small Cap Growth Fund	P/D	various	10/21/2011
m	Sit Small Cap Growth Fund	P/D	various	12/20/2011

	(e) Gross Sales Price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis Plus expenses of sales	(h) Gain or (loss) (e) plus (f) minus (g)
a	726			726
b	937			937
c	114,832			114,832
d	109,605		177,625	(68,020)
e	1,505,701		1,395,368	110,333
f	301,050		93,520	207,530
g	507,932		592,926	(84,994)
h	52,306			52,306
i	6,283			6,283
j	4,364			4,364
k	95,000		92,280	2,720
l	6,500		2,642	3,858
m	195,000		77,562	117,438
	<u>2,900,236</u>		<u>2,431,923</u>	<u>468,313</u>

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	468,313
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	N/A 50
	If gain, also enter amount in Part I, line 8, column (c)			
	If (loss) enter -0- in Part I, line 8			

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 7 - PART XV - SUPPLEMENTARY INFORMATION

ALS Association - Minnesota Chapter	\$	5,000
Alzheimer's Association		100
American Red Cross		3,000
American Red Cross - Twin Cities Area Chapter		3,000
BestPrep		2,500
Brecken Kaderlik Education Fund		500
Brooklyn Bridge School		3,500
Camp Fire USA, Minnesota Council		250
Children's Theatre Company		2,000
CommonBond Communities		15,000
Community Emergency Services		5,000
Courage Center		2,000
Dakota Hills Middle School		500
DePauw University Annual Fund		500
Eagan High School		500
Edina Federated Women's Club		1,000
Elim Transitional Housing, Inc.		15,000
Emergency FoodShelf Network, Inc.		40,000
Federated Foundation		125,000
Fraser		5,000
Friends Of The St. Paul Public Library		1,500
Friends Of The Hennepin County Library		1,500
Gilda's Club Twin Cities		1,000
Greater Minneapolis Crisis Nursery		2,500
Guthrie Theater		2,000
Habitat For Humanity - Twin Cities		7,500
Hamline University		2,000
Hammer Residences, Inc.		5,000
Harvard Business School Alumni		1,000
Heritage Christian Academy Foundation		2,680
Hiawatha Leadership Academy		250
Inner City Tennis		1,000
Interfaith Outreach / Community Partners		5,000
Jodi's Network Of Hope, Inc.		250
Junior League Minneapolis		2,000
Kid's Cup 2011		1,000
Loaves & Fishes		15,000
Lutheran Social Service		10,000
Macalester College		50,000
Macalester College		100,000

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 7 - PART XV - SUPPLEMENTARY INFORMATION

Marie Sandvik Center, Inc.	7,500
Metropolitan Economic Development Association	1,000
Metropolitan State University Foundation	5,000
Milliken University	250
Minneapolis Institute of Arts	20,000
Minneapolis Institute of Arts	200,000
Minneapolis Rotary Foundation	500
Minnesota Children's Museum	1,000
Minnesota Council On Economic Education	550
Minnesota Council On Economic Education	5,000
Minnesota Helps - North Minneapolis Recovery Fund	3,000
Minnesota Historical Society	200
Minnesota Medical Foundation	200,000
Minnesota Opera	1,000
Minnesota Public Radio	1,000
Minnesota YMCA Youth In Government	5,000
Minnesota Zoo Foundation	5,000
Minnesotans' Military Appreciation Fund	65,000
Minnesotans' Military Appreciation Fund	60,000
Mt. Calvary Evangelical Lutheran Church	200
MVNA	1,000
NJROTC Harding High School	1,000
Ordway Center For The Performing Arts	12,500
Outreach Asia	500
Page Education Foundation	1,000
Page Education Foundation	1,000
Partnership Plan	500
Pathways To Children Foundation	5,000
People Serving People, Inc.	5,000
Pillsbury United Communities	5,000
Plymouth Church Neighborhood Foundation	2,000
Police Officers' Federation Of Minneapolis	60
PRISM	3,000
Project for Pride In Living	5,000
Red Lake Rosie's Rescue	500
Ronald McDonald House	1,000
Salvation Army	25,000
Science Museum of Minnesota	1,000
Second Harvest Heartland	30,000
Sharing & Caring Hands	20,000

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2011

Schedule 7 - PART XV - SUPPLEMENTARY INFORMATION

Sister Kenny Foundation	250
Skidmore College	3,500
St. Catherine University	500
St. John's Preparatory School Annual Fund	1,500
St. Paul Chamber Orchestra	15,000
The Blake School -Annual Fund	1,000
The Family Partnership	250
The Robert Toiga Foundation	5,000
The Whole Learning School	500
Timber Bay/Youth Investment Foundation	500
University Of Chicago	3,000
University Of Chicago	2,500
University Of Michigan - Comprehensive Cancer Center	200
University Of Minnesota Amplatz Children's Hospital	5,000
University Of Minnesota Carlson School Of Mgmt	500
University Of Minnesota Foundation	2,000
University Of Minnesota Foundation	2,000
University Of Minnesota Foundation - CLA Fund	1,000
University Of Minnesota Morris	3,500
University Of Notre Dame	500
University Of Notre Dame - Annual Fund	1,500
University Of Southern California - USC Annual Fund	500
University Of St. Thomas	1,000
US Air Force Academy Fund - Sabre Society	1,000
Valley Chamber Chorale	4,000
Valley Outreach	500
VocalEssence	12,500
Walker Art Center	2,000
Westminster Presbyterian - Transitional Housing Prog.	5,000
	<u>\$ 1,217,990</u>

* All contributions are unrestricted contributions paid to 501(c)(3) organizations