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

2011

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

For calendar year 2011 or tax year beginning APR 1, 2011, and ending MAR 31, 2012

Name of foundation
D A O FOUNDATION

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

City or town, state, and ZIP code
ROCKFORD, IL 61111

Room/suite

A Employer identification number
36-6101712

B Telephone number
(815) 964-7226

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 ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

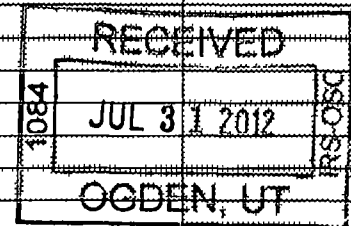
I Fair market value of all assets at end of year (from Part II, col. (c), line 16)
\$ 2,361,966. (Part I, column (d) must be on cash basis.)

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		52,527.	52,527.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)		8,261.			
6a Net gain or (loss) from sale of assets not on line 10					
b Gross sales price for all assets on line 6a		1,060,948.			
7 Capital gain net income (from Part IV, line 2)			8,261.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		60,788.	60,788.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees					
c Other professional fees STMT 2		11,003.	11,003.		0.
17 Interest					
18 Taxes STMT 3		4,645.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 4		15.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		15,663.	11,003.		0.
25 Contributions, gifts, grants paid		110,640.			110,640.
26 Total expenses and disbursements. Add lines 24 and 25		126,303.	11,003.		110,640.
27 Subtract line 26 from line 12		<65,515.>			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			49,785.		
c Adjusted net income (if negative, enter -0-)				N/A	

p 17

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Part II Balance Sheets

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

		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	25,356.	20,750.	20,750.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations			
	b Investments - corporate stock STMT 5	1,950,590.	1,966,393.	2,130,625.
	c Investments - corporate bonds STMT 6	281,092.	204,623.	210,591.
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 7	243.	0.	0.	
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	2,257,281.	2,191,766.	2,361,966.	
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			
	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. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	2,257,281.	2,191,766.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
30 Total net assets or fund balances	2,257,281.	2,191,766.		
31 Total liabilities and net assets/fund balances	2,257,281.	2,191,766.		

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	2,257,281.
2 Enter amount from Part I, line 27a	2	<65,515.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,191,766.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,191,766.

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			
b SEE ATTACHED STATEMENTS			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 1,060,948.		1,052,687.	8,261.

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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			8,261.

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	8,261.
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) If (loss), enter -0- in Part I, line 8 }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	107,795.	2,293,681.	.046997
2009	110,956.	2,137,785.	.051902
2008	138,496.	2,291,711.	.060433
2007	128,289.	2,777,511.	.046188
2006	129,245.	2,660,323.	.048582

2 Total of line 1, column (d)	2	.254102
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	.050820
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,309,032.
5 Multiply line 4 by line 3	5	117,345.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	498.
7 Add lines 5 and 6	7	117,843.
8 Enter qualifying distributions from Part XII, line 4	8	110,640.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	996.
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	996.
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	996.
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	3,120.	
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	3,120.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,124.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax	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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 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	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> IL		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation 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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► PATRICIA OLSON Telephone no ► (815) 964-7226 Located at ► 611 BEACON STREET, ROCKFORD, IL ZIP+4 ► 61111			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 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 X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ►		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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

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

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

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

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

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PATRICIA OLSON 611 BEACON STREET ROCKFORD, IL 61111	TRUSTEE 1.00	0.	0.	0.
AMY OLSON 611 BEACON STREET ROCKFORD, IL 61111	TRUSTEE 1.00	0.	0.	0.

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

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

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

0

Form 990-PF (2011)

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	2,261,052.
b	Average of monthly cash balances	1b	83,143.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,344,195.
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	2,344,195.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	35,163.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,309,032.
6	Minimum investment return. Enter 5% of line 5	6	115,452.

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	115,452.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	996.
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	996.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	114,456.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	114,456.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	114,456.

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	110,640.
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	110,640.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	110,640.

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				114,456.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			109,977.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2011.				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 110,640.				
a Applied to 2010, but not more than line 2a			109,977.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount	0.			663.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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 instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				113,793.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

N/A

- b. Check box to indicate whether the foundation is a private operating foundation described in section**

☐ 4942(i)(3) or ☐ 4942(i)(5)

- (4) Gross investment income**

[illegible]

PREFERENCE GIVEN TO CHARITIES WITHIN ROCKFORD AREA COMMUNITY

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				
ALIGNMENT ROCKFORD ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	750.
ALZHEIMER ASSOCIATION ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	500.
BELOIT YOUTH HOCKEY BELOIT, WI	NONE	PUBLIC	YOUTH	400.
BOY SCOUTS/GIRL SCOUTS ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	20,000.
BOYLAN HIGH SCHOOL ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	15,600.
Total	SEE CONTINUATION SHEET(S)			110,640.
b Approved for future payment				
NONE				
Total				0.

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) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received | | |

[illegible]

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

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

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

**Sign
Here**

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

Signature of officer or trustee Patricia G. Olson

Date _____

7-24-2016

Title

Trustee

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

DAN G. LOESCHER

Preparer's signature

Einflöcher

Date

7/20/12

Check ☐ if
self-employed

PTIN	
------	--

P00096569

Firm's name ► LOESCHER & ASSOCIATES, LTD.

Firm's EIN ► 36-4038006

Firm's address ▶ 6845 WEAVER ROAD, SUITE 200
ROCKFORD, IL 61114

Phone no 815-637-9584

Part XV · Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
CARPENTER'S PLACE ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	10,150.
CINCINNATTI SWING CINCINNATI, OH	NONE	PUBLIC	SOCIAL SERVICES	75.
DISCOVERY CENTER ROCKFORD, IL	NONE	PUBLIC	ARTS	1,630.
GIRLS ON THE RUN ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	500.
HAVEN NETWORK ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	900.
JIMMY FUND WALK ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	200.
KLEHM ARBORETUM ROCKFORD, IL	NONE	PUBLIC	CONSERVATION	8,505.
LUTHERAN ACADEMY ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	1,000.
MIDWAY VILLAGE ROCKFORD, IL	NONE	PUBLIC	HISTORICAL	10,000.
PROJECT TURF ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	100.
Total from continuation sheets				73,390.

Part XV · Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
PUBLIC MEDIA INSTITUTE ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	5,000.
ROCK VALLEY COLLEGE ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	10,000.
ROCKFORD ART MUSEUM ROCKFORD, IL	NONE	PUBLIC	ARTS	9,950.
ROCKFORD CHRISTIAN SCHOOL ROCKFORD, IL	NONE	PUBLIC	EDUCATIONAL	80.
ROCKFORD DAY NURSERY ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	100.
ROCKFORD INSTITUTE ROCKFORD, IL	NONE	PUBLIC	SUPPORT SERVICE	9,400.
ROCKFORD WOMAN'S CLUB ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	700.
ROSECRANCE FOUNDATION ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	100.
ST. ANTHONY'S CHURCH ROCKFORD, IL	NONE	PUBLIC	RELIGIOUS	1,000.
SWEDISH HISTORICAL SOCIETY ROCKFORD, IL	NONE	PUBLIC	SOCIAL SERVICES	500.
Total from continuation sheets				

3 Grants and Contributions Paid During the Year (Continuation)

Total from continuation sheets

D A O FOUNDATION

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	RIDGEWORTH INST US GOV ULTRA SHORT-I	P	VARIOUS	04/21/11
b	JANUS FORTY FUND #1510-S	P	VARIOUS	05/03/11
c	JANUS FORTY FUND #1510-S	P	VARIOUS	05/03/11
d	KEELEY SMALL CAP VALUE FD-CL A	P	12/27/10	05/04/11
e	T ROWE PRICE EMERGING MKT ST	P	VARIOUS	05/04/11
f	ROYCE VALUE PLUS FUND-INV	P	VARIOUS	05/04/11
g	VANGUARD SHTM INVESTMENT GRADE #39	P	VARIOUS	05/04/11
h	INVESCO INTL SMALL COM FD-IS	P	VARIOUS	07/22/11
i	ARTISAN MID CAP VALUE FD-INV	P	VARIOUS	07/29/11
j	ARTISAN MID CAP VALUE FD-INV	P	09/02/10	07/29/11
k	AMERICAN FUNDS FUNDAMENTAL INV-F1	P	VARIOUS	07/22/11
l	AMERICAN FUNDS FUNDAMENTAL INV-F1	P	12/27/10	07/22/11
m	HEARTLAND VALUE PLUS INV	P	VARIOUS	07/22/11
n	INVESCO INTL SMALL COM FD-IS	P	VARIOUS	08/11/11
o	INVESCO INTL SMALL COM FD-IS	P	12/27/10	08/11/11

(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 29,857.		29,931.	<74.>
b 31,655.		35,000.	<3,345.>
c 42,236.		40,000.	2,236.
d 53,986.		50,000.	3,986.
e 24,300.		18,850.	5,450.
f 55,069.		45,000.	10,069.
g 25,329.		25,000.	329.
h 25,000.		18,586.	6,414.
i 30,084.		20,000.	10,084.
j 14,916.		12,306.	2,610.
k 39,009.		40,000.	<991.>
l 10,991.		10,310.	681.
m 25,000.		18,930.	6,070.
n 4,513.		3,848.	665.
o 15,487.		16,093.	<606.>

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			<74.>
b			<3,345.>
c			2,236.
d			3,986.
e			5,450.
f			10,069.
g			329.
h			6,414.
i			10,084.
j			2,610.
k			<991.>
l			681.
m			6,070.
n			665.
o			<606.>

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7
If (loss), enter "-0-" in Part I, line 7 }

2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c)
If (loss), enter "-0-" in Part I, line 8

3

D A O FOUNDATION

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	FNMA 1% 08/26/2015	P	VARIOUS	08/26/11
b	HEARTLAND VALUE PLUS INV	P	VARIOUS	08/09/11
c	WASATCH LARGE CAP VALUE FUND	P	VARIOUS	08/11/11
d	FAIRHOLME FUND	P	05/03/11	09/29/11
e	INVESCO INTL SMALL COM FD-IS	P	VARIOUS	10/06/11
f	AMERICAN FUNDS FUNDAMENTAL INV-F1	P	VARIOUS	10/06/11
g	ISHARES TR S&P 500 INDEX	P	VARIOUS	10/11/11
h	ISHARES TR S&P MIDCAP VALUE	P	VARIOUS	10/11/11
i	PIMCO LOW DURATION INSTL FUND #36	P	VARIOUS	10/06/11
j	FHLMC 5.75% 01/15/2012	P	VARIOUS	01/17/12
k	MORGAN STANLEY 5.625% 01/09/2012	P	VARIOUS	01/10/12
l	PIMCO LOW DURATION INSTL FUND #36	P	VARIOUS	02/10/12
m	RIDGEWORTH INST US GOV ULTRA SHORT-I	P	VARIOUS	02/10/12
n	CAPITAL GAINS DIVIDENDS			
o				

(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 25,000.		25,000.	0.
b 32,404.		31,070.	1,334.
c 55,414.		55,000.	414.
d 51,875.		73,500.	<21,625.>
e 21,755.		23,907.	<2,152.>
f 61,617.		69,690.	<8,073.>
g 102,170.		118,010.	<15,840.>
h 56,339.		57,657.	<1,318.>
i 90,000.		91,738.	<1,738.>
j 25,000.		25,000.	0.
k 25,000.		25,000.	0.
l 33,102.		33,261.	<159.>
m 40,079.		40,000.	79.
n 13,761.			13,761.
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			0.
b			1,334.
c			414.
d			<21,625.>
e			<2,152.>
f			<8,073.>
g			<15,840.>
h			<1,318.>
i			<1,738.>
j			0.
k			0.
l			<159.>
m			79.
n			13,761.
o			

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	8,261.
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) If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ALPINE BANK INVESTMENT GROUP	66,288.	13,761.	52,527.
TOTAL TO FM 990-PF, PART I, LN 4	66,288.	13,761.	52,527.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	11,003.	11,003.		0.
TO FORM 990-PF, PG 1, LN 16C	11,003.	11,003.		0.

FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	4,645.	0.		0.
TO FORM 990-PF, PG 1, LN 18	4,645.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE FILING FEE	15.	0.		0.
TO FORM 990-PF, PG 1, LN 23	15.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE	1,966,393.	2,130,625.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,966,393.	2,130,625.

FORM 990-PF	CORPORATE BONDS	STATEMENT	6
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE	204,623.	210,591.
TOTAL TO FORM 990-PF, PART II, LINE 10C	204,623.	210,591.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	7
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
PURCHASED INTEREST	COST	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		0.	0.

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/12**

FEIN:36-6101712

<u>MUTUAL FUNDS</u>	<u>BEGINNING BOOK VALUE</u>	<u>END OF YEAR BOOK VALUE</u>	<u>FMV</u>
AMERICAN FUNDS FUNDATMENTAL INV	120,000	-	-
AMERICAN FUNDS CAP WORLD BOND	20,000	20,000	20,842
ARTISIAN MID CAP VALUE FUND	70,000	37,694	45,713
COLUMBIA DIVIDEND OPPORFTUNITY	145,000	197,000	225,354
CREDIT SUISSE COMMODITY RETURN STRGY	67,000	97,000	90,873
FEDERATED STRATEGIC VALUE DIV-INSTL	-	100,000	108,705
FIDELITY ADV CONSUMER STAPLES FD-I	-	85,000	96,093
FIRST EAGLE FUND OF AMERICA	57,475	57,475	70,277
FRANKLIN UTILITIES FUND-ADVS	-	80,000	86,444
GOLDMAN SACHS STRAT INC-INST	-	108,000	106,142
HARBOR BOND FUND INSTL	60,000	85,000	88,404
HARBOR INTERNATIONAL FUND	91,757	91,757	94,371
HEARTLAND VALUE PLUS INV	50,000	-	-
ISHARES S&P MIDCAP 400 IND FD-ALPINE	21,152	21,153	29,766
ISHARES S&P MIDCAP VALUE	57,657	-	-
ISHARES S&P SMALLCAP 600 INDEX FUND	50,011	50,011	54,943
ISHARES S&P 500 INDEX FUND - ALPINE	232,332	195,946	225,936
ISHARES S&P 500 BARRA GROWTH FUND	40,392	40,392	48,991
INVESCO INTL SMALL COMPANY	62,434	-	-
IVY MID CAP GROWTH FUND	80,000	130,000	138,370
JANUS ADVISOR FORTY FUND	75,000	-	-
JANUS TRITON FUND-I	-	57,000	57,405
KEELEY SMALL CAP VALUE FUND	50,000	-	-
METROPOLITAN WEST HIGH YIELD BOND	81,950	81,950	75,802
NUVEEN REAL ESTATE SEC CLASS I	95,000	95,000	108,709
OPPENHEIMER DEVELOPING MARKETS	40,000	73,000	68,693
RIDGEWORTH INST US GOV ULTRA SHORT	29,931	-	-
ROYCE VALUE PLUS FUND	45,000	-	-
T ROWE PRICE GROWTH STOCK FUND	100,000	100,000	116,978
T ROWE PRICE EMERGING MARKETS	18,850	-	-
VANGUARD INFLATION PROTECTED #119	79,649	83,015	90,597
VANGUARD SHORT TERM INV GRADE	25,000	-	-
VANGUARD FIXED INC SEC GNMA	30,000	80,000	81,217
WASATCH LARGE CAP VALUE FUND	55,000	-	-
TOTALS	1,950,590	1,966,393	2,130,625

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/12**

FEIN:36-6101712

<u>CORPORATE BONDS</u>	<u>BEGINNING BOOK VALUE</u>	<u>END OF YEAR BOOK VALUE</u>	<u>FMV</u>
FHLMC DATED 1/14/02 5.75% DUE 1/15/2012	24,946	-	-
FHLMC DATED 2.175% DUE 2/19/2014	51,238	50,825	51,666
FHLB DATED 3.125% DUE 3/11/2016	25,909	25,728	27,127
FNMA DATED 5.00% DUE 8/2/2012	24,970	24,990	25,399
FNMA DATED 2.625% DUE 11/20/2014	51,750	51,347	52,768
FNMA DATED 1.00% DUE 8/26/2015 STEP UP	25,000	-	-
GENERAL ELECTRIC CAP CORP 4.375% DUE 9/21/2015	26,273	25,990	27,270
JPMORGAN CHASE 3.700% DUE 1/20/2015	25,962	25,743	26,361
MORGAN STANLEY 5.625% DUE 1/9/2012	25,044	-	-
TOTALS	<u>281,092</u>	<u>204,623</u>	<u>210,591</u>