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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

2011

For calendar year 2011, or tax year beginning 05-01-2011 , and ending 04-30-2012

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

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

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

A Employer identification number
41-6052604

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

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)
\$ 22,445,212

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	77,920	77,920		
	4 Dividends and interest from securities.	520,350	520,350		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	445,236			
	b Gross sales price for all assets on line 6a _____ 849,054				
	7 Capital gain net income (from Part IV, line 2)		445,236		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	2,786	0		
	12 Total. Add lines 1 through 11	1,046,292	1,043,506		
	13 Compensation of officers, directors, trustees, etc	146,661	4,400		142,261
	14 Other employee salaries and wages	108,137	1,081		107,056
	15 Pension plans, employee benefits	96,276	962		95,314
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	11,700	1,170		10,530
	c Other professional fees (attach schedule)	114,886	114,886		0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	63,952	0		0
	19 Depreciation (attach schedule) and depletion	1,274	13		
	20 Occupancy	5,014	50		4,964
	21 Travel, conferences, and meetings	4,760	48		4,712
	22 Printing and publications	8,501	85		8,416
	23 Other expenses (attach schedule).	21,477	212		21,265
	24 Total operating and administrative expenses. Add lines 13 through 23	582,638	122,907		394,518
	25 Contributions, gifts, grants paid	596,162			558,662
	26 Total expenses and disbursements. Add lines 24 and 25	1,178,800	122,907		953,180
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-132,508			
	b Net investment income (if negative, enter -0-)		920,599		
	c Adjusted net income (if negative, enter -0-)				

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Cat No 11289X

Form **990-PF** (2011)

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		4,538,133	4,538,133
	2	Savings and temporary cash investments	5,228,413	297,326	297,326
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ 79,000 Less allowance for doubtful accounts ▶ _____	90,000	79,000	79,000
	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	8,507	10,822	10,822
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	17,149,388	17,491,750	17,491,750
	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) ▶ _____ 192,836	2,425	1,151	1,151
15	Other assets (describe ▶ _____)	25,448	27,030	27,030	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	22,504,181	22,445,212	22,445,212	
Liabilities	17	Accounts payable and accrued expenses	24,118	20,695	
	18	Grants payable		37,500	
	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)	24,118	58,195	
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	22,390,063	22,308,017	
	25	Temporarily restricted	90,000	79,000	
	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)	22,480,063	22,387,017	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	22,504,181	22,445,212	

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	22,480,063
2	Enter amount from Part I, line 27a	2	-132,508
3	Other increases not included in line 2 (itemize) ▶ _____	3	50,462
4	Add lines 1, 2, and 3	4	22,398,017
5	Decreases not included in line 2 (itemize) ▶ _____	5	11,000
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	22,387,017

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			(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	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	445,236
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))
2010	995,846	21,178,571	0 047021
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

2	Total of line 1, column (d).	2	0 264591
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 052918
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	21,593,707
5	Multiply line 4 by line 3.	5	1,142,696
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	9,206
7	Add lines 5 and 6.	7	1,151,902
8	Enter qualifying distributions from Part XII, line 4.	8	953,180

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 VIExcise 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	18,412
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	18,412
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	18,412
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	38,600	
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	38,600
8		Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	13
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	20,175
11		Enter the amount of line 10 to be Credited to 2012 estimated tax 20,175	Refunded	11	0

Part VII-AStatements Regarding Activities

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?		Yes	No
		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)?			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 2011 or the taxable year beginning in 2011 (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 GROTTO FOUNDATION 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.			
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?	15		
			Yes	No
	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		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?			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?			
	(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)?			
	(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).			
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)? Organizations relying on a current notice regarding disaster assistance check here.	1b		No
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		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 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 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?			
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		
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 2011?	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)? Organizations relying on a current notice regarding disaster assistance check here.	5b		
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	6b		No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?			
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	GRANT MANAGER	71,621	2,745	0
1315 RED FOX RD STE 100	40 00			
ARDEN HILLS, MN 551126941				
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 2012 THE GROTTO FOUNDATION MADE GRANTS OF \$248,812 TO THE NATIVE LANGUAGES INITIATIVE	294,463
2 THE TIWAHE FOUNDATION, REPLACING THE AMERICAN INDIAN FAMILY EMPOWERMENT PROGRAM, CONTINUES 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	53,951
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 IN FISCAL YEAR 2012 THE GROTTO FOUNDATION MADE GENERAL GRANTS OF \$107,350 FOR CHARITABLE PURPOSES	202,802
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) IN FISCAL YEAR 2012 THE GROTTO FOUNDATION MADE GRANTS OF \$240,000 TO THE EARLY CHILDHOOD DEVELOPMENT INITIATIVE	323,001

Part IX-B

Summary of Program-Related Investments (see page 23 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	19,011,084
b	Average of monthly cash balances.	1b	2,880,369
c	Fair market value of all other assets (see page 24 of the instructions).	1c	31,092
d	Total (add lines 1a, b, and c).	1d	21,922,545
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	21,922,545
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	328,838
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	21,593,707
6	Minimum investment return. Enter 5% of line 5.	6	1,079,685

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	1,079,685
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	18,412
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	18,412
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	1,061,273
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	1,061,273
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	1,061,273

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	953,180
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	953,180
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	953,180
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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				1,061,273
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011				
a From 2006.				
b From 2007.				94,629
c From 2008.				390,763
d From 2009.				
e From 2010.				
f Total of lines 3a through e.	485,392			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 953,180				
a Applied to 2010, 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 2011 distributable amount.				953,180
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).)	108,093			108,093
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	377,299			
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 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2011 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 2006 not applied on line 5 or line 7 (see page 27 of the instructions).	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a.	377,299			
10 Analysis of line 9				
a Excess from 2007. . . .				
b Excess from 2008. . . .				377,299
c Excess from 2009. . . .				
d Excess from 2010. . . .				
e Excess from 2011. . . .				

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 2011, enter the date of the ruling.

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

		Prior 3 years				(e) Total
		(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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:

■ 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))

• 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	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 See Additional Data Table				
Total			3a	558,662
b Approved for future payment CARING FOR KIDS INITIATIVE 110 GRAND AVE WAYZATA,MN 55391	NONE	N/A	TO SUPPORT SCHOLARSHIPS THAT WOULD ALLOW FAMILIES TO PARTICIPATE IN EARLY CHILDHOOD EDUCATION PROGRAMS	12,500
NORTHSIDE ACHIEVEMENT ZONE 1200 WEST BROADWAY AVE MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE NAZ FAMILY ACADEMY, SPECIFICALLY FOR CURRICULUM GEARED TOWARD PARENTS OF CHILDREN AGED 0-3	12,500
PHYLLIS WHEATLEY COMMUNITY CENTER 1301 10TH AVE N MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE MARY T WELLCOME CHILD DEVELOPMENT CENTER	12,500
Total			3b	37,500

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	77,920	
4 Dividends and interest from securities. . . .			14	520,350	
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.					2,786
8 Gain or (loss) from sales of assets other than inventory			18	445,236	
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		1,043,506	2,786
13 Total. Add line 12, columns (b), (d), and (e). 13					1,046,292

[illegible]

Part XVII

1

(a)

2.

1

4.

Additional Data

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

Form 990PF - Special Condition Description:

Special Condition Description

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)
NT MAIRS AND POWER	P		
NT SIT LARGE CAP	P		
NT SELF MANAGED	P		
PASS THROUGH OPPORTUNITY BOND	P		
PASS THROUGH OPPORTUNITY	P		
PASS THROUGH SIT SMALL CAP	P		
PASS THROUGH SIT SMALL CAP	P		
PASS THROUGH SIT SHORT DUR GOV	P		
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)
217,663		74,963	142,700
631,391		561,406	69,985
			0
			13,924
			82,157
			10,851
			134,264
			-10,739
			2,094

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	
			142,700
			69,985
			0
			13,924
			82,157
			10,851
			134,264
			-10,739
			2,094

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	PRESIDENT 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
MALCOLM W MCDONALD	2ND VICE PRESIDENT 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
MARY MANUEL ROMAN	TREASURER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
RICHARD ANDOLSHEK	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
KATHRINE HILL	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
LOUIS SHEA HILL	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
NANCY RANDALL-DANA	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
BARBARA SLADE	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
DEREK BENZ	MEMBER 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
AUSTIN J BAILLON	MEMBER EMERITUS 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
WILLIAM B RANDALL	MEMBER EMERITUS 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
ELIZABETH PEGUES-SMART	MEMBER EMERITUS 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
CHRIS STAINBROOK	MEMBER EMERITUS 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
ELLIS BULLOCK	EXECUTIVE DIRECTOR 40 00	146,661	21,146	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				

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 <i>Paid during the year</i>				
AFTON HISTORICAL SOCIETY PRESS3321 SAINT CROIX TRL S AFTON,MN 55001	NONE	N/A	SUPPORT AND PUBLICATION OF A WORK BY EARNEST R LAWR	10,000
ALLIANCE OF EARLY CHILDHOOD PROFESSIONALS1308 EAST FRANKLIN AVE SUITE 126 MINNEAPOLIS,MN 55404	NONE	N/A	WICOIE NANDAGIKENDAN URBAN PRE-SCHOOL IMMERSION PROG	50,000
BUG-O-NAY-GE-SHIG SCHOOL 15353 SILVER EAGLE DR NW BENA,MN 56626	NONE	N/A	NIIGAANE IMMERSION PROGRAM AT LEACH LAKE	50,000
CARING FOR KIDS INITIATIVE110 GRAND AVE WAYZATA,MN 55391	NONE	N/A	SCHOLARSHIP SUPPORT	12,500
DAKOTA WICOHANPO BOX 2 - 280 N CENTENNIAL DRIVE MORTON,MN 56270	NONE	N/A	TO SUPPORT THE DEVELOPMENT AND TRAINING OF DAKOTA TE	45,000
EARLY CHILDHOOD RESOURCE AND TRAINING CENTER4048 28TH AVENUE SOUTH MINNEAPOLIS,MN 55406	NONE	N/A	TO SUPPORT IMPACTING CHILDREN'S BRAINS BIRTH TO FIVE PROGRAM	15,000
FAMILY PARTNERSHIP2438 18TH AVENUE S MINNEAPOLIS,MN 55404	NONE	N/A	TO SUPPORT THE FOUR DIRECTIONS FAMILY CENTER THIS IS A PARTNERSHIP GRANT BETWEEN EARLY CHILDHOOD DEVELOPMENT AND NATIVE LANGUAGE REVITALIZATION WITH \$10,000 BEING AWARDED FROM EACH	20,000
HEADWATERS FOUNDATION FOR JUSTICE2801 21ST AVE S STE 132-B MINNEAPOLIS,MN 55407	NONE	N/A	TWIN CITIES AFRICAN AMERICAN LEADERSHIP FORUM	15,000
HILL MUSEUM AND MANUSCRIPT LIBRARYPO BOX 7300 BUSH CENTER SAINT JOHNS UNIVERSITY COLLEGEVILLE,MN 56321	NONE	N/A	LOUIS F HILL HONORARIUM	10,000
JEFFERSON AWARDS100 WEST 10TH STREET SUITE 215 WILMINGTON,DE 19801	NONE	N/A	CREATION OF A LOCAL STUDENTS IN ACTION PROGRAM	15,000
JEREMIAH PROGRAM932 CONCORDIA AVENUE ST PAUL,MN 55104	NONE	N/A	TO SUPPORT WORK IN USING 2-GENERATIONAL EDUCATION AS A CATALYST TO BREAK THE CYCLE OF POVERTY	15,000
MINNEAPOLIS FOUNDATION800 IDS CENTER 80 SOUTH EIGHT STREET MINNEAPOLIS,MN 55402	NONE	N/A	TO SUPPORT THE NORTH MINNEAPOLIS RECOVERY FUND	25,000
MINNESOTA HISTORICAL SOCIETY 345 W KELLOGG BLVD ST PAUL,MN 55102	NONE	N/A	1862 ART EXHIBIT, 1862 TREATY COMPUTER INTERACTIVE	31,750
MINNESOTA WOMEN'S CONSORTIUM550 RICE STREET ST PAUL,MN 55103	NONE	N/A	TO SUPPORT EXPENSES ASSOCIATED WTIIH THE VISIT OF KATHY WAN POVI SANCHEZ	500
NETWORK FOR THE DEVELOPMENT OF CHILDREN OF AFRICAN DESCENT (NDCAD)655 FAIRVIEW AVENUE NORTH ST PAUL,MN 55104	NONE	N/A	TO SUPPORT THE SANKOFA READING PROGRAM	10,000
NORTHSIDE ACHIEVEMENT ZONE 1200 WEST BROADWAY AVE MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE NAZ FAMILY ACADEMY, SPECIFICALLY FOR CURRICULUM GEARED TOWARD PARENTS OF CHILDREN AGED 0-3	12,500
PEOPLE SERVICE PEOPLE INC614 THIRD STREET S MINNEAPOLIS,MN 55415	NONE	N/A	TO SUPPORT THE HIRING OF A PARENT ENGAGEMENT COORDINATOR	15,000
PHYLLIS WHEATLEY COMMUNITY CENTER1301 10TH AVE N MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE MARY T WELLCOME CHILD DEVELOPMENT CENTER	12,500
RED CLOUD INDIAN SCHOOL INC 100 MISSION DRIVE PINE RIDGE,SD 57770	NONE	N/A	LAKOTA LANGUAGE PROGRAM, MEMORIAL GIFT IN HONOR OF PROGRAM OFFICER LAVON LEE'S UNCLE	45,100
SCIENCE MUSEUM OF MINNESOTA 120 WEST KELLOGG BOULEVARD ST PAUL,MN 55102	NONE	N/A	TO SUPPORT THE OUTREACH PROGRAMMING RELATED TO WONDER YEARS, A NEW LONG-TERM EXHIBIT ABOUT THE SCIENCE OF EARLY CHILDHOOD DEVELOPMENT	20,000
ST PAUL'S CHILDHOOD CENTER900 SUMMIT AVENUE ST PAUL,MN 55105	NONE	N/A	TO SUPPORT SIX UNIQUE PROJECTS, WHICH WILL ENHANCE THEIR EARLY CHILDHOOD DEVELOPMENT CURRICULUM AND PROGRAM	20,000
STAIRSTEP FOUNDATION1404 14TH AVENUE N MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE DOULA TRAINING PROGRAM	10,000
THINK SMALL10 YORKTON COURT ST PAUL,MN 55117	NONE	N/A	TO SUPPORT THE TRANSITIONAL PLANNING AND MERGER OF RESOURCES FOR CHILD CARING, INC AND READY 4 K	10,000
UNIVERSITY OF MINNESOTA DULUTH1049 UNIVERSITY DRIVE DULUTH,MN 55812	NONE	N/A	REFUND - MINNESOTA INDIGENOUS LANGUAGE SYMPOSIUM	-1,188
WAADOOKODAADING AN OJIBWE IMMERSION SCHOOLPO BOX 860 HAYWARD,WI 54843	NONE	N/A	NATIVE LANGUAGE REVITALIZATION	50,000
WAY TO GROW125 W BROADWAY AVE SUITE 110 MINNEAPOLIS,MN 55411	NONE	N/A	REACH AND TEACH PROGRAM	25,000
YWCA ST PAUL375 SELBY AVENUE ST PAUL,MN 55104	NONE	N/A	TO SUPPORT YW READS, AN EARLY LITERACY PROGRAM FOR HIGH NEEDS CHILDREN (K-3)	15,000
Total			3a	558,662

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)				
b <i>Approved for future payment</i>				
CARING FOR KIDS INITIATIVE110 GRAND AVE WAYZATA,MN 55391	NONE	N/A	TO SUPPORT SCHOLARSHIPS THAT WOULD ALLOW FAMILIES TO PARTICIPATE IN EARLY CHILDHOOD EDUCATION PROGRAMS	12,500
NORTHSIDE ACHIEVEMENT ZONE 1200 WEST BROADWAY AVE MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE NAZ FAMILY ACADEMY, SPECIFICALLY FOR CURRICULUM GEARED TOWARD PARENTS OF CHILDREN AGED 0-3	12,500
PHYLLIS WHEATLEY COMMUNITY CENTER1301 10TH AVE N MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE MARY T WELLCOME CHILD DEVELOPMENT CENTER	12,500
Total  3b				37,500

TY 2011 Accounting Fees Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
AUDIT FEES	11,700	1,170		10,530

TY 2011 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	1,434,317	1,434,317
COMMON STOCK	8,348,886	8,348,886
SIT OPPORTUNITY BOND FUND, LLC	6,107,424	6,107,424
SIT - GOV'T BOND FUND	1,601,123	1,601,123

TY 2011 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	25,448	27,030	27,030

TY 2011 Other Decreases Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Amount
CHANGE IN PRESENT VALUE OF ANNUITY	11,000

TY 2011 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	7,385	74		7,311
OFFICE EXPENSE	6,630	66		6,564
TELEPHONE	5,208	52		5,156
ANNUAL REPORT	25	0		25
OFFICE SUPPLIES	1,011	10		1,001
POSTAGE	241	2		239
EDUCATION AND TRAINING	761	8		753
MISCELLANEOUS EXPENSES	216	0		216

TY 2011 Other Income Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
LITIGATION REFUND	2,786	0	2,786

TY 2011 Other Increases Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Amount
UNREALIZED GAIN ON INVESTMENTS	50,462

TY 2011 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	114,886	114,886		0

TY 2011 Taxes Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAX	63,952	0		0