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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

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 05-01-2012 , and ending 04-30-2013

Name of foundation GROTTO FOUNDATION INC		A Employer identification number 41-6052604	
Number and street (or P O box number if mail is not delivered to street address) 1315 RED FOX ROAD NO 100		B Telephone number (see instructions) (651) 209-8011	
City or town, state, and ZIP code ARDEN HILLS, MN 551126941		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 23,436,072		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	
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 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	70,666	70,666		
	4 Dividends and interest from securities.	495,588	495,588		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	759,677			
	b Gross sales price for all assets on line 6a _____ 1,616,864				
	7 Capital gain net income (from Part IV, line 2)		759,677		
	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)	 107	0		
	12 Total. Add lines 1 through 11	1,326,038	1,325,931		
	13 Compensation of officers, directors, trustees, etc	146,661	4,400		142,261
	14 Other employee salaries and wages	113,906	1,139		112,767
	15 Pension plans, employee benefits	94,398	944		93,454
	16a Legal fees (attach schedule)	 21,749	217		21,532
	b Accounting fees (attach schedule)	 11,700	1,170		10,530
	c Other professional fees (attach schedule)	 219,475	219,475		0
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion . . .	1,402	14		
	20 Occupancy	4,937	49		4,888
	21 Travel, conferences, and meetings	2,611	26		2,585
	22 Printing and publications	8,926	89		8,837
	23 Other expenses (attach schedule)	 27,460	272		27,188
	24 Total operating and administrative expenses. Add lines 13 through 23	653,225	227,795		424,042
	25 Contributions, gifts, grants paid	398,000			398,000
	26 Total expenses and disbursements. Add lines 24 and 25	1,051,225	227,795		822,042
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	274,813			
	b Net investment income (if negative, enter -0-)		1,098,136		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	4,538,133	4,623,565	4,623,565
	2	Savings and temporary cash investments	297,326	539,402	539,402
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ 82,000 Less allowance for doubtful accounts ▶ _____	79,000	82,000	82,000
	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	10,822	9,865	9,865
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	17,491,750	18,156,846	18,156,846
	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 ▶ _____ 102,971 Less accumulated depreciation (attach schedule) ▶ _____ 101,714	1,151	1,257	1,257
15	Other assets (describe ▶ _____)	27,030	23,137	23,137	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	22,445,212	23,436,072	23,436,072	
Liabilities	17	Accounts payable and accrued expenses	20,695	20,969	
	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)	58,195	20,969	
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	22,308,017	23,333,103	
	25	Temporarily restricted	79,000	82,000	
	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)	22,387,017	23,415,103	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	22,445,212	23,436,072	

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 22,387,017
2	Enter amount from Part I, line 27a	2 274,813
3	Other increases not included in line 2 (itemize) ▶ _____	3 753,273
4	Add lines 1, 2, and 3	4 23,415,103
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 23,415,103

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
c			
d			
e			

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

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	759,677
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	

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))
2011	953,180	21,593,707	0 044142
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

2 Total of line 1, column (d).	2	0 252332
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 050466
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	22,275,129
5 Multiply line 4 by line 3.	5	1,124,137
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	10,981
7 Add lines 5 and 6.	7	1,135,118
8 Enter qualifying distributions from Part XII, line 4.	8	822,042

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 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	21,963
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	21,963
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	21,963
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a	20,175	
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	20,175
8		Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	22
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	1,810
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	
11		Enter the amount of line 10 to be Credited to 2013 estimated tax	Refunded	11	

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 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? 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 instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶WWW.GROTTOFOUNDATION.ORG				
14	The books are in care of ▶ELLIS BULLOCKTelephone no ▶(651) 209-8010 Located at ▶1315 RED FOX ROAD SUITE 100 ARDEN HILLS MNZIP +4 ▶551126941			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
See instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ▶				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. ☐ Yes ☒ No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. ☐ Yes ☒ No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . 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 2012?.	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?. ☐ 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		
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 2012 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 2012.</i>).	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 2012?	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 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)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here.	☒		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

Part VIII

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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 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	2,865	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 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 PRESERVE AND RESTORE THEIR HERITAGE LANGUAGE FOR FUTURE GENERATIONS IN FISCAL YEAR 2013 THE GROTTO FOUNDATION MADE GRANTS OF \$195,000 TO THE NATIVE LANGUAGES INITIATIVE	241,192
2 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 THE TIWAHE FOUNDATION WAS FORMED TO SUPPORT INDIVIDUALS AND FAMILIES STRIVING FOR SELF-DETERMINATION THROUGH EDUCATIONAL ATTAINMENT, ECONOMIC SELF-SUFFICIENCY, AND CONNECTING TO THEIR CULTURE THE LEADERSHIP DEVELOPMENT PROGRAM PREPARES NATIVE PEOPLE WITH THE SKILLS, KNOWLEDGE, AND OPPORTUNITIES REQUIRED TO SUCCESSFULLY LEAD THEIR COMMUNITIES AS THE TIWAHE FOUNDATION HAS GROWN AND ITS BOARD OF DIRECTORS ASSUMED RESPONSIBILITY, THE FOUNDATION SPUN OFF AS AN INDEPENDENT OPERATING FOUNDATION THE FORMAL PROGRAM TOOK PLACE AT THE JAMES J HILL MANSION AND THE BOARD MEMBERS AND STAFF OF THE GROTTO FOUNDATION WERE RECOGNIZED FOR THEIR LONG-TIME PERSERVERANCE IN THE ESTABLISHMENT OF A FULLY OPERATIONAL INDEPENDENT FOUNDATION TO SERVE AMERICAN INDIANS AND CONTROLLED BY AMERICAN INDIANS	20,999
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 2013 THE GROTTO FOUNDATION MADE GENERAL GRANTS OF \$10,500 FOR CHARITABLE PURPOSES	107,084
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 2013 THE GROTTO FOUNDATION MADE GRANTS OF \$192,500 TO THE EARLY CHILDHOOD DEVELOPMENT INITIATIVE	268,088

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	
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 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	17,895,654
b	Average of monthly cash balances.	1b	4,686,543
c	Fair market value of all other assets (see instructions).	1c	32,147
d	Total (add lines 1a, b, and c).	1d	22,614,344
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	22,614,344
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	339,215
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	22,275,129
6	Minimum investment return. Enter 5% of line 5.	6	1,113,756

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	1,113,756
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	21,963
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	21,963
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	1,091,793
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	1,091,793
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	1,091,793

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	822,042
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	822,042
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	822,042
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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				1,091,793
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2012				
a From 2007.				
b From 2008.	377,299			
c From 2009.				
d From 2010.				
e From 2011.				
f Total of lines 3a through e.	377,299			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 822,042				
a Applied to 2011, but not more than line 2a			0	
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 2012 distributable amount.				822,042
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	269,751			269,751
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	107,548			
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 2011 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013.				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).	0			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions). . . .	0			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.	107,548			
10 Analysis of line 9				
a Excess from 2008. . . .	107,548			
b Excess from 2009. . . .				
c Excess from 2010. . . .				
d Excess from 2011. . . .				
e Excess from 2012. . . .				

Part XIVPrivate 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 2012, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a

Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 XVSupplementary Information (Complete this part only if the organization 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))

b

List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2

Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a

The name, address, and telephone number or e-mail 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

Form 990-PF (2012)

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	398,000
b Approved for future payment				
Total			3b	0

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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	70,666	
4	Dividends and interest from securities. . . .			14	495,588	
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.					107
8	Gain or (loss) from sales of assets other than inventory			18	759,677	
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		1,325,931	107
13	Total. Add line 12, columns (b), (d), and (e).			13		1,326,038

[illegible]

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

[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

**Sign
Here**

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

* * * * *

2013-09-17

* * * * *

Signature of officer or trustee

Date

Title

May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ **Yes** ☐ **No**

**Paid
Preparer
Use
Only**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☒	PTIN
	LINDA M MCMONIGAL	LINDA M MCMONIGAL	2013-09-12		P01216625
	Firm's name ☐	MAHONEYULBRICHCHRISTIANSEN & RUSS PA		Firm's EIN ☐ 41-1647057	
		30 EAST PLATO BOULEVARD			
	Firm's address ☐	SAINT PAUL, MN 551071809		Phone no (651) 227-6695	

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 SELF MANAGED	P	2008-09-15	2012-10-26
NT SIT LARGE CAP	P		
NT SIT LARGE CAP	P		
NT MAIRS AND POWER	P		
PASS THROUGH OPPORTUNITY BOND FUND	P		
PASS THROUGH OPPORTUNITY BOND FUND	P		
PASS THROUGH SIT SMALL CAP	P		
PASS THROUGH SIT SMALL CAP	P		
PASS THROUGH SIT SHORT DURATION	P		
PASS THROUGH SIT SHORT DURATION	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)
67,036		50,031	17,005
50,426		54,404	-3,978
550,579		498,575	52,004
948,823		374,504	574,319
			45,078
			49,930
			-14,123
			44,995
			-5,172
			-381

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	
			17,005
			-3,978
			52,004
			574,319
			45,078
			49,930
			-14,123
			44,995
			-5,172
			-381

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	VICE PRESIDENT 1 00	0	0	0
1315 RED FOX ROAD SUITE 200 ARDEN HILLS, MN 55112				
MARY MANUEL	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				
ERIK FORS	MEMBER 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/SECRETARY 40 00	146,661	22,916	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>				
360 COMMUNITIES 501 EAST HIGHWAY 13 SUITE 102 BURNSVILLE,MN 55337	NONE	N/A	TO SUPPORT "DAKOTA HEALTHY FAMILIES", AN EARLY CHILDHOOD "HOME VISITING PROGRAM"	20,000
AMERICAN INDIAN COLLEGE FUND 8333 GREENWOOD BLVD DENVER,CO 80221	NONE	N/A	TO SUPPORT THE HOSTING OF THE ANNUAL FLAME OF HOPE GALA HELD IN MINNEAPOLIS, MN ON OCTOBER 12, 2012	5,000
AUGSBURG COLLEGE 2211 RIVERSIDE AVE MINNEAPOLIS,MN 55454	NONE	N/A	TO SUPPORT THE TWIN CITIES AMERICAN INDIAN COLLEGE GRADUATION	500
BUG-O-NAY-GE-SHIG SCHOOL 15353 SILVER EAGLE DR NW BENA,MN 56626	NONE	N/A	TO SUPPORT OJIBWE LANGUAGE REVITALIZATION IN CLASSROOMS K-5	30,000
CARING FOR KIDS INITIATIVE 110 GRAND AVE WAYZATA,MN 55391	NONE	N/A	TO SUPPORT UNDERWRITING GRANTS TO "LOW-INCOME" FAMILIES TO OFFER ACCESS TO QUALITY EARLY CHILDHOOD CARE AND PARENT SUPPORT	18,750
DAKOTA WICOHAN PO BOX 2 - 280 N CENTENNIAL DRIVE MORTON,MN 56270	NONE	N/A	TO SUPPORT THE TIWAHE DAKOTA IAPI A FAMILY BASED DAKOTA LANGUAGE DEVELOPMENT PROJECT	30,000
DAKOTA WICOHAN PO BOX 2 - 280 N CENTENNIAL DRIVE MORTON,MN 56270	NONE	N/A	TO SUPPORT THE PRODUCTION OF SIGNAGE IN THE DAKOTA LANGUAGE	15,000
FAMILY PARTNERSHIP 2438 18TH AVENUE S MINNEAPOLIS,MN 55404	NONE	N/A	TO SUPPORT THE FOUR DIRECTIONS FAMILY CENTER, AN EARLY LEARNING CENTER ROOTED IN AMERICAN INDIAN CULTURE AND OJIBWE LANGUAGE	5,000
FAMILY PARTNERSHIP 2438 18TH AVENUE S MINNEAPOLIS,MN 55404	NONE	N/A	TO SUPPORT OJIBWE LANGUAGE REVITALIZATION AT FOUR DIRECTIONS FAMILY CENTER, AN EARLY LEARNING CENTER FOR NATIVE CHILDREN	5,000
GIVENS FOUNDATION FOR AFRICAN AMERICAN LITERATURE 7151 YORK AVE S EDINA,MN 55435	NONE	N/A	TO SUPPORT AND CELEBRATE 40 YEARS OF SERVICE TO THE TWIN CITIES COMMUNITY	5,000
GRASSROOTS INDIGENOUS MULTIMEDIA PO BOX 1370 HAYWARD,WI 54843	NONE	N/A	TO SUPPORT ITS CREATION OF AN ON-LINE OJIBWE AND DAKOTA DIRECTORY OF RESOURCES AND MATERIALS	5,000
GRASSROOTS INDIGENOUS MULTIMEDIA PO BOX 1370 HAYWARD,WI 54843	NONE	N/A	TO SUPPORT THE 2013 MINNESOTA LANGUAGE SYMPOSIUM	45,000
INCREDIBLE YEARS A PROGRAM OF THE WILDER AMHERST FOUNDATION 451 LEXINGTON PARKWAY NORTH ST PAUL,MN 55104	NONE	N/A	TO SUPPORT THE WORK IN STRENGTHENING CHILDREN'S SOCIAL,EMOTIONAL, AND ACADEMIC COMPETENCIES AND SERVICE OUTCOMES FOR CHILDREN BETWEEN THE AGES OF 3-7 YEARS OLD	20,000
JEWISH FAMILY AND CHILDREN'S SERVICES OF MINNEAPOLIS 13100 WAYZATA BLVD SUITE 400 MINNETONKA,MN 55305	NONE	N/A	TO SUPPORT THE PARENT-CHILD HOME PROGRAM	20,000
JOYCE PRESCHOOL 1219 E 31ST ST MINNEAPOLIS,MN 55408	NONE	N/A	TO SUPPORT A PARTNERSHIP AND EXPANSION PLAN TO BROADEN IMPACT IN THE COMMUNITY AND SUPPORT TO LATINO CHILDREN AND FAMILIES	10,000

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
MINNESOTA CHILDREN'S MUSEUM 10 7TH ST W ST PAUL,MN 55102	NONE	N/A	TO SUPPORT SMART PLAY SPOT FOR THE WHITE EARTH NATION	10,000
MONTESSORI TRAINING CENTER OF MINNESOTA 1611 E AMES AVE ST PAUL,MN 55106	NONE	N/A	TO SUPPORT THE INITIATIVE, MONTESSORI FOR ALL, DURING A PERIOD OF RAPID PROGRAMMATIC GROWTH	20,000
PHYLLIS WHEATLEY COMMUNITY CENTER 1301 10TH AVE N MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT SCHOLARSHIP FEES FOR FAMILIES IN NEED OF FINANCIAL ASSISTANCE TO ENROLL THEIR CHILDREN	20,000
RED CLOUD INDIAN SCHOOL INC 100 MISSION DRIVE PINE RIDGE,SD 57770	NONE	N/A	TO SUPPORT THE ONGOING INITIATIVE TEACHING LAKOTA TO RED CLOUD STUDENTS	25,000
ST PAUL'S CHILDHOOD CENTER 900 SUMMIT AVENUE ST PAUL,MN 55105	NONE	N/A	TO SUPPORT THE SIX UNIQUE PROGRAMS TO ENHANCE EARLY CHILDHOOD DEVELOPMENT	20,000
TEENWISE MINNESOTA 1619 DAYTON AVENUE SUITE 111 ST PAUL,MN 55104	NONE		TO SUPPORT THEIR ADOLESCENT CO-PARENTING PROJECT	10,000
WAADOOKODAADING AN OJIBWE IMMERSION SCHOOL PO BOX 860 HAYWARD,WI 54843	NONE	N/A	TO SUPPORT THE TRANSLATION OF AND PRODUCTION OF TEN BOOKS FROM ENGLISH TO OJIBWE, PREPARING STUDENTS FOR FLUENCY IN THE OJIBWE LANGUAGE PRE-K-5 YEARS	40,000
WAY TO GROW 125 W BROADWAY AVE SUITE 110 MINNEAPOLIS,MN 55411	NONE	N/A	TO SUPPORT THE EARLY CHILDHOOD LEARNING PROGRAM "GREAT BY 8" INITIATIVE FOR CHILDREN 0-5 YEARS	18,750
Total  3a				398,000

TY 2012 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 2012 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	1,529,999	1,529,999
COMMON STOCK	8,306,497	8,306,497
SIT OPPORTUNITY BOND FUND, LLC	6,707,360	6,707,360
SIT - GOV'T BOND FUND	1,612,990	1,612,990

TY 2012 Legal Fees Schedule

Name: GROTTTO FOUNDATION INC

EIN: 41-6052604

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	21,749	217		21,532

TY 2012 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	27,030	23,137	23,137

TY 2012 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	7,367	74		7,293
OFFICE EXPENSE	6,115	61		6,054
TELEPHONE	7,336	73		7,263
ANNUAL REPORT	25	0		25
OFFICE SUPPLIES	1,137	11		1,126
POSTAGE	1,092	11		1,081
EDUCATION AND TRAINING	52	1		51
GARNISHMENTS	4,118	41		4,077
MISCELLANEOUS EXPENSES	218	0		218

TY 2012 Other Income Schedule

Name: GROTTO FOUNDATION INC

EIN: 41-6052604

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
LITIGATION REFUND	107	0	107

TY 2012 Other Increases Schedule**Name:** GROTTO FOUNDATION INC**EIN:** 41-6052604

Description	Amount
UNREALIZED GAIN ON INVESTMENTS	750,273
CHANGE IN PRESENT VALUE OF ANNUITY	3,000

TY 2012 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	219,475	219,475		0