Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter Social Security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf*.

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, and ending , 20

Name of foundation: SIT INVESTMENT ASSOCIATES FOUNDATION

A Employer identification number: 41 - 1468021

Number and street (or P O box number if mail is not delivered to street address): 3300 IDS CENTER, 80 SOUTH 8TH STREET

Room/suite:

B Telephone number (see instructions): 612 - 332-3223

City or town, state or province, country, and ZIP or foreign postal code: MINNEAPOLIS, MN 55402

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 33,150,295

J Accounting method: ☐ Cash ☑ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	1,728,676			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	225,580	225,580		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	1,908,348			
	b	Gross sales price for all assets on line 6a 3,792,992				
	7	Capital gain net income (from Part IV, line 2)		1,908,348		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	3,862,604	2,133,928	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0	0	0	0
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest Schedule 1				
	18	Taxes (attach schedule) (see instructions)	14,000			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) Schedule 2	6,504	6,504		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	20,504	6,504	0	0
	25	Contributions, gifts, grants paid	1,452,430			1,452,430
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,472,934	6,504	0	1,452,430
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	2,389,670			
	b	**Net investment income** (if negative, enter -0-)		2,127,424		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	36,296	49,778	49,778
	2	Savings and temporary cash investments	29,256	3,824	3,824
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) Schedule 3	19,310,526	21,442,049	32,906,726
	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) Schedule 3	518,919	279,300	189,967
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	19,894,997	21,774,951	33,150,295
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ Due to affliate)		11,000	
	23	**Total liabilities** (add lines 17 through 22)	0	11,000	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	19,894,997	21,763,951	
	30	**Total net assets or fund balances** (see instructions)	19,894,997	21,763,951	
	31	**Total liabilities and net assets/fund balances** (see instructions)	19,894,997	21,774,951	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	19,894,997
2	Enter amount from Part I, line 27a	2	2,389,670
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	22,284,667
5	Decreases not included in line 2 (itemize) ▶ Schedule 4	5	520,716
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	21,763,951

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See schedule 5			
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	3,792,992		1,884,644	1,908,348
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				1,908,348
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } — 2 — 1,908,348

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 — 3 — N/A 6,776

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 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))
2012	1,286,708	25,484,320	5.05%
2011	1,207,347	24,470,669	4.93%
2010	1,016,684	21,345,021	4.76%
2009	889,782	17,181,081	5.18%
2008	1,015,571	21,649,131	4.69%

2	**Total** of line 1, column (d)	2	24.61%
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	4.92%
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	29,613,493
5	Multiply line 4 by line 3	5	1,457,576
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	21,274
7	Add lines 5 and 6	7	1,478,850
8	Enter qualifying distributions from Part XII, line 4	8	1,452,430

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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	42,548
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	42,548
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	42,548
6	Credits/Payments:		
a	2013 estimated tax payments and 2012 overpayment credited to 2013 — 6a — 56,548		
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	56,548
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	14,000
11	Enter the amount of line 10 to be: **Credited to 2014 estimated tax** ▶ 14,000 **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*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		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers. ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Minnesota			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶ N/A

14 The books are in care of ▶ Paul E. Rasmussen Telephone no. ▶ 612-332-3223

Located at ▶ 3300 IDS Center, 80 South 8th Street, Minneapolis, MN ZIP+4 ▶ 55402-2211

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 |

			Yes	No
16	At any time during calendar year 2013, 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		✓
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ▶☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☑ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2013 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 2013.)*		3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b		✓

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? . ☐ Yes ☑ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? . . . . ☐ Yes ☑ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? . . . . . ☐ Yes ☑ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) . . . . ☑ Yes ☐ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . ☐ Yes ☑ No

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

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

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

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . ☐ Yes ☑ No

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** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Debra A. Sit 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Director, 1	0	0	0
Paul E. Rasmussen 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Secretary, 1	0	0	0
Debra K. Beaudet 3300 IDS Ctr, 80 S 8th St, Mpls, MN 55402	Asst Secretary, 1	0	0	0

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

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

Total number of other employees paid over $50,000 . . . . ▶ 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		0
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 N/A	0
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	0
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	29,578,906
b	Average of monthly cash balances	1b	36,877
c	Fair market value of all other assets (see instructions)	1c	448,677
d	**Total** (add lines 1a, b, and c)	1d	30,064,460
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	30,064,460
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	450,967
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	29,613,493
6	**Minimum investment return.** Enter 5% of line 5	6	1,480,675

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	1,480,675
2a	Tax on investment income for 2013 from Part VI, line 5	2a	42,548		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	42,548
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,438,127
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,438,127
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	1,438,127

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	1,452,430
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the.		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,452,430
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,452,430

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 2012	(c) 2012	(d) 2013
1	Distributable amount for 2013 from Part XI, line 7					1,438,127
2	Undistributed income, if any, as of the end of 2013.					
a	Enter amount for 2012 only					
b	Total for prior years: 20___,20___,20___					
3	Excess distributions carryover, if any, to 2013:					
a	From 2008					
b	From 2009	16,574				
c	From 2010					
d	From 2011	5,100				
e	From 2012	40,276				
f	**Total** of lines 3a through e		61,950			
4	Qualifying distributions for 2013 from Part XII, line 4: ▶ $ 1,452,430					
a	Applied to 2012, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see instructions)					
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2013 distributable amount					1,438,127
e	Remaining amount distributed out of corpus		14,303			
5	Excess distributions carryover applied to 2013 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e. Subtract line 5		76,253			
b	Prior years' undistributed income. Subtract line 4b from line 2b			0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b. Taxable amount—see instructions			0		
e	Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount—see instructions				0	
f	Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8	Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)					
9	**Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		76,253			
10	Analysis of line 9:					
a	Excess from 2009	16,574				
b	Excess from 2010					
c	Excess from 2011	5,100				
d	Excess from 2012	40,276				
e	Excess from 2013	14,303				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	N/A	N/A	N/A	N/A	N/A
b 85% of line 2a	N/A	N/A	N/A	N/A	N/A
c Qualifying distributions from Part XII, line 4 for each year listed	N/A	N/A	N/A	N/A	N/A
d Amounts included in line 2c not used directly for active conduct of exempt activities					N/A
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	N/A	N/A	N/A	N/A	N/A
3 Complete 3a, b, or c for the alternative test relied upon. **a** "Assets" alternative test—enter: **(1)** Value of all assets					N/A
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					N/A
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	N/A	N/A	N/A	N/A	N/A
c "Support" alternative test—enter: **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					N/A
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					N/A
(3) Largest amount of support from an exempt organization					N/A
(4) Gross investment income					N/A

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

None

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

None

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

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed.

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Schedule 6				1,452,430
Total . . . . . . ▶ 3a				1,452,430
b *Approved for future payment*				
Minnesota Medical Foundation - U of M				250,000
Total . . . . . . ▶ 3b				250,000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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					
4 Dividends and interest from securities			14	225,580	
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					
8 Gain or (loss) from sales of assets other than inventory			18		1,908,348
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		225,580	1,908,348

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 2,133,928

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions)

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

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

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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

[signature] 5/13/14 Secretary

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

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

Attachments to IRS Form 990-PF
SIT INVESTMENT ASSOCIATES FOUNDATION
41-1468021
Tax Year 2013

Schedule 1: Part I, Line 18 - Taxes

Type of tax		Amount
1	2012 Estimated Federal Excise Tax	14,000
3		
Total		14,000

Schedule 2: Part I, Line 23 - Other Expenses

Description		Amount
1	Flow-through from partnership/fund investments	6,366
2	Misc G & A Expenses	138
3		
4		
5		
10	Amortization from schedule below	
Total		6,504

Amortization

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

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Schedule 3	Beginning of Year 12/31/12 (a) Book Value	End of Year 12/31/13 (b) Book Value	12/31/13 (c) Fair Market Value	
Investments - Corporate Stock				
Ace Ltd Bermuda Ord	$ 394,828	$ 394,828	1,271,038	
Mercury General Corp	400,562	-	-	
Oracle Systems Corp	1,356,260	1,356,260	2,398,902	
Prothena Corp PLC	-	16,388	16,151	
Sit Developing Markets Fund	424,179	461,123	684,361	
Sit Dividend Frowth Fund	783,641	844,775	1,266,203	
Sit Global Dividend Growth Fund	1,248,048	1,472,010	1,795,969	
Sit International Growth Fund	1,115,793	1,129,706	1,428,923	
Sit Large Cap Growth Fund	2,124,770	2,488,934	3,690,600	
Sit Mid Cap Growth Fund	2,778,657	3,014,393	4,748,435	
Sit MN Tax-Free Income Fund	1,776,344	1,846,263	1,825,616	
Sit Quality Income Fund	-	1,640,563	1,639,058	
Sit Small Cap Growth Fund	4,635,963	4,165,514	9,571,764	
Sit US Government Securities Fund	2,147,250	1,834,413	1,812,599	
Surmodics, Inc	-	652,648	692,091	
TCF Finl Crop	124,231	124,231	65,016	
	$ 19,310,526	$ 21,442,049	$ 32,906,726	**Part II, Line 10b**
Investments - Other				
SIA Partnership VI	$ 20,711	$ 19,739	$ 19,739	
SIA Partnership XIII	65,741	53,066	53,066	
SIA Partnership XVI	4,466	4,466	8,413	
SIA Partnership XX	115,093	115,093	21,813	
SIA Partnership XXI	266,962	3,779	3,779	
SIA Partnership XXIV	45,945	83,157	83,157	
	$ 518,918	$ 279,300	$ 189,967	**Part II, Line 13**

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Schedule 4: Part III, Line 5 - Decreases Not Included in Line 2

Description	Amount
1 Book Tax Differences	520,716
3	
Total	520,716

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Schedule 5: Part IV, Capital Gains and Losses for Tax on Investment Income

	(a)	List and describe the kind(s) of property sold	P - Purchase D - Donation	(c) Date Acquired	(d) Date Sold
1	a	Flow-thru from partnership K-1 - SIA Partnership VI	P	various	12/31/2013
	b	Flow-thru from partnership K-1 - SIA Partnership XIII	P	various	12/31/2013
	c	Flow-thru from partnership K-1 - SIA Partnership XXI	P	various	12/31/2013
	d	Applied Micro Circuits	D	12/4/2013	12/19/2013
	e	Mercury General Corp	D	7/3/2007	7/30/2013
	f	Mercury General Corp	D	7/3/2007	12/16/2013
	g	Sit Developing Markets Fund	P	various	12/18/2013
	h	Sit Dividend Growth Fund	P	various	12/18/2013
	i	Sit Global Dividend Growth Fund	P	various	12/18/2013
	j	Sit Large Cap Growth Fund	P	various	12/18/2013
	k	Sit Mid Cap Growth Fund	P	various	12/19/2013
	l	Sit Small Cap Growth fund	P	various	12/23/2013
	m	Sit US Government Securities Fund	P/D	various	7/30/2013

	(e) Gross Sales Price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis Plus expenses of sales	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,117			1,117
b	1,104			1,104
c	171,837			171,837
d	27,214		-	27,214
e	99,499		31,640	67,859
f	235,577		68,572	167,005
g	35,944			35,944
h	43,488			43,488
i	66,097			66,097
j	338,379			338,379
k	235,736			235,736
l	1,037,000		273,372	763,628
m	1,500,000		1,511,060	(11,060)
	3,792,992		1,884,644	1,908,348

2	Capital gain net income or (net capital loss)	If gain, also enter in Part I, Line 7 If (loss), enter -0- in Part I, Line 7	2	1,908,348
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter amount in Part I, line 8, column (c) If (loss) enter -0- in Part I, line 8		3	N/A 6,776

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Schedule 6 - PART XV - SUPPLEMENTARY INFORMATION

Abbott Northwestern Hospital Foundation	$ 10,000
Achieve Services, Inc.	500
Alexandra House	2,000
ALS Association - Minnesota Chapter	5,000
Alzheimer's Association MN-ND Chapter	2,000
American Red Cross - Disaster Relief	3,000
American Red Cross - Twin Cities Area Chapter	5,000
Be The Match Foundation	2,000
Beacon Interfaith Housing Collaborative	5,000
Camp Fire Minnesota	15,000
Catholic Charities Of St. Paul And Minneapolis	2,500
Charles Wright Academy	500
Children's Hospitals And Clinics Of Minnesota	7,500
Children's Theatre Company	3,500
Colorado Coalition For The Homeless	500
CommonBond Communities	30,000
Community Emergency Service	5,000
CornerHouse	2,500
Courage Kenny Rehabilitation Institute	3,000
Deerfield Academy	500
DePauw University Annual Fund	500
Edina A Better Chance (ABC)	2,000
Edina Federated Women's Club	1,000
Emergency FoodShelf Network, Inc.	50,000
Families In Transition	7,500
Federated Foundation	125,000
Fraser	5,000
Friends Of The St. Paul Public Library	1,500
Friends Of Education	4,000
Friends Of The Hennepin County Library	1,500
Gilda's Club Twin Cities	100,000
Greater Minneapolis Crisis Nursery	5,000
Guthrie Theater	3,000
Hamline University	3,500
Hammer Residences, Inc.	2,500
Harvard Business School Alumni	1,000
Here's Life Inner City - Twin Cities	500
Heritage Christian Academy Foundation	1,000
Holy Trinity Lutheran School	3,500
Home For Life	1,000
Inner City Tennis	1,000
Interfaith Outreach / Community Partners	7,500

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Schedule 6 - PART XV - SUPPLEMENTARY INFORMATION

Jodi's Network Of Hope, Inc.	250
Junior League Minneapolis	2,500
Kid's Cup c/o RAF	1,000
Loaves & Fishes	25,000
Lutheran Social Service Of Minnesota	15,000
Maharashtra Foundation	1,000
Marie Sandvik Center, Inc.	10,000
Masterworks Chorale Of Augsburg College	500
Metropolitan Economic Development Association	1,000
Metropolitan State University Foundation	10,000
Milliken University	500
Minneapolis College Of Art & Design	5,000
Minneapolis Institute of Arts	25,000
Minneapolis Rotary Foundation	1,000
Minnesota Children's Museum	2,500
Minnesota Council On Economic Education	5,550
Minnesota Historical Society	5,000
Minnesota Medical Foundation	250,000
Minnesota Museum of American Art	1,000
Minnesota Opera	2,000
Minnesota Ovarian Cancer Alliance (MOCA)	10,000
Minnesota Public Radio	1,000
Minnesota YMCA Youth In Government	10,000
Minnesota Zoo Foundation	5,000
Minnesotans' Military Appreciation Fund	323,500
MVNA	1,000
NAZ - Northside Achievement Zone	5,000
NJROTC Harding High School	2,000
Northern Star Council, BSA	5,000
Ordway Center For The Performing Arts	20,000
Outreach Asia	500
Page Education Foundation	1,250
Parnassus Preparatory School	3,500
Pathways To Children Foundation	5,000
People Serving People, Inc.	10,000
Pillsbury United Communities	10,000
PRISM	7,500
Red Lake Rosie's Rescue	1,000
Richard M. Schulze Family American Cancer Society Hope Lodge	2,500
Ronald McDonald House	2,500
Saint Hubert School	850
Saint John's Preparatory School	250

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Schedule 6 - PART XV - SUPPLEMENTARY INFORMATION

Salvation Army - Northern Division	35,000
Science Museum of Minnesota	2,500
Second Harvest Heartland	45,000
Sharing & Caring Hands	30,000
Shepherd Of The Valley Lutheran Church	200
Shepherd's Foundation	480
Skidmore College	3,500
Southwest Wildlife Conservation Center	500
St. Catherine University	1,000
St. John's Preparatory School Annual Fund	1,500
St. Paul Chamber Orchestra	15,000
The Blake School - Annual Fund	1,000
The Whole Learning School	500
Timber Bay/Youth Investment Foundation	1,000
Twin Cities Habitat For Humanity	12,000
UA Mayo Clinic Golf Outing	1,000
University Of Chicago	2,500
University Of Minnesota Carlson School Of Mgmt	500
University Of Minnesota Foundation	7,000
University Of Minnesota Foundation - CLA Fund	1,000
University Of Minnesota Morris	3,500
University Of Northwestern	2,400
University Of Notre Dame	500
University Of Notre Dame - Annual Fund	1,500
Upper Midwest High School Elite Hockey League	5,000
US Air Force Academy Fund	1,000
USA Hockey Foundation	500
Valley Chamber Chorale	4,000
Valley Outreach	2,000
VocalEssence	10,000
Volunteers of America - Minnesota	3,000
Walker Art Center	3,000
Wallin Education Partners	25,000
Wounded Warrior Project	200
Yellow Ribbon Fund	5,000
Youth Advantage	1,000
	$ 1,452,430

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