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Return of Private Foundation

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

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning APR 1, 2015, and ending MAR 31, 2016

Name of foundation

A Employer identification number

D A O FOUNDATION

36-6101712

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

Room/suite

B Telephone number

(815) 964-7226

611 BEACON STREET

City or town, state or province, country, and ZIP or foreign postal code

ROCKFORD, IL 61111

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 changeD 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 foundationE 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

J Accounting method:

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

(from Part II, col. (c), line 16)

☐ Other (specify)

\$ 2,465,759. (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).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received

N/A

2 Check ☒ if the foundation is not required to attach Sch. B

3 Interest on savings and temporary cash investments

11.

11.

STATEMENT 1

4 Dividends and interest from securities

50,960.

50,960.

STATEMENT 2

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

47,940.

b Gross sales price for all assets on line 6a

696,609.

7 Capital gain net income (from Part IV, line 2)

47,940.

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss)

11 Other income

12 Total. Add lines 1 through 11

98,911.

98,911.

13 Compensation of officers, directors, trustees, etc

0.

0.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

c Other professional fees

STMT 3

11,720.

11,720.

17 Interest

18 Taxes

STMT 4

3,416.

0.

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses

STMT 5

15.

0.

24 Total operating and administrative expenses. Add lines 13 through 23

15,151.

11,720.

25 Contributions, gifts, grants paid

132,219.

26 Total expenses and disbursements. Add lines 24 and 25

147,370.

11,720.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

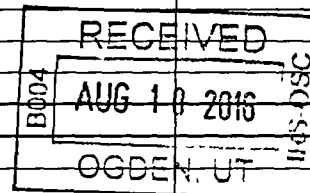
<48,459.>

b Net investment income (if negative, enter -0-)

87,191.

c Adjusted net income (if negative, enter -0-)

N/A



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		76,239.	75,420.	75,420.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 6	2,068,814.	2,071,222.	2,339,692.
	c	Investments - corporate bonds	STMT 7	99,850.	49,802.	50,647.
	11	Investments - land, buildings, and equipment basis ▶				
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		2,244,903.	2,196,444.	2,465,759.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	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 ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		2,244,903.	2,196,444.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
30	Total net assets or fund balances		2,244,903.	2,196,444.		
31	Total liabilities and net assets/fund balances		2,244,903.	2,196,444.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,244,903.
2	Enter amount from Part I, line 27a	2	<48,459.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,196,444.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,196,444.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENT				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e 696,609.		648,669.	47,940.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d	1			
e			47,940.	
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 47,940.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		{ }		3 N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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))
2014	125,398.	2,709,565.	.046280
2013	116,898.	2,581,808.	.045278
2012	114,000.	2,361,565.	.048273
2011	110,640.	2,309,032.	.047916
2010	107,795.	2,293,681.	.046997
2 Total of line 1, column (d)			2 .234744
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 .046949
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5			4 2,528,945.
5 Multiply line 4 by line 3			5 118,731.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 872.
7 Add lines 5 and 6			7 119,603.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 132,219.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	872.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	872.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	872.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a 3,320.	7	3,320.
b Exempt foreign organizations - tax withheld at source	6b	8	3.
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	2,445.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax <input checked="" type="checkbox"/> 2,445. Refunded <input checked="" type="checkbox"/>			

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
2 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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>IL</u>		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X
14 The books are in care of ► <u>PATRICIA OLSON</u> Telephone no. ► <u>(815) 964-7226</u> Located at ► <u>611 BEACON STREET, ROCKFORD, IL</u> ZIP+4 ► <u>61111</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>		
16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <u>N/A</u>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): a At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____, _____, _____ 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.) <u>N/A</u> c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b If "Yes," did it have excess business holdings in 2015 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 2015.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b	X

Form 990-PF (2015)

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 4945(d)(4)(A)? (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)?

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?

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

6b

X

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

☐ Yes ☒ No

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

N/A

7b

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

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

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

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,459,322.
b	Average of monthly cash balances	1b	108,135.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,567,457.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,567,457.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	38,512.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,528,945.
6	Minimum investment return. Enter 5% of line 5	6	126,447.

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	126,447.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	872.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	872.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	125,575.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	125,575.
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	125,575.

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	132,219.
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	132,219.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	872.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	131,347.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				125,575.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			131,831.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ 132,219.				
a Applied to 2014, but not more than line 2a			131,831.	
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 2015 distributable amount				388.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				125,187.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

N/A

▶

4942(1)(3) or 4942(1)(5)

(4) Gross investment income

[illegible]

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 ATTACHED STATEMENT	NONE	PUBLIC		132,219.
Total			▶ 3a	132,219.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVII

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

- | | | Yes | No |
|----------|--|--------------|----------|
| 1 | Did the organization directly or indirectly engage in any of the following in any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

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

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

**Sign
Here**

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

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

☒ Yes ☐ No

Signature of officer or trustee

Date _____

Title

Print/Type preparer's name _____

Preparer's signature

Date _____

Check ☐ self-employed

PTIN

**Paid
Preparer
Use Only**

DAN G. LOESCHER

ring binder

7/24/16

P00096569

Firm's name ► **LOESCHER & ASSOCIATES, LTD.**

Firm's EIN ► 36-4038006

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

Phone no. 815-637-9584

Part 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	MAIRS AND POWER GROWTH FD	P	VARIOUS	05/25/15
b	MAIRS AND POWER GROWTH FD	P	VARIOUS	06/09/15
c	FIRST EAGLE FUND OF AMERICA	P	VARIOUS	08/11/15
d	CLEARBRIDGE SMALL CAP GR-I	P	VARIOUS	08/11/15
e	NUVEEN REAL ESTATE SECS	P	VARIOUS	08/11/15
f	OPPENHEIMER DEVELOPING MARKETS	P	VARIOUS	08/11/15
g	VANGUARD SHTM INVEST GRADE	P	VARIOUS	08/24/15
h	GENERAL ELECTRIC CAP CORP	P	VARIOUS	09/21/15
i	IVY MID CAP GROWTH FUND	P	VARIOUS	01/21/16
j	OPPENHEIMER SENIOR FLOATING RATE	P	VARIOUS	01/22/16
k	DEUTSCHE CROCI INTERNATIONALS L FUND	P	VARIOUS	02/22/16
l	GOLDMAN SACHS STRAT INC	P	VARIOUS	02/29/16
m	MAIRS AND POWER GROWTH FD	P	VARIOUS	02/22/16
n	CAPITAL GAINS DIVIDENDS			
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5,000.		3,692.	1,308.
b 110,000.		85,531.	24,469.
c 10,000.		4,923.	5,077.
d 20,000.		16,219.	3,781.
e 10,000.		7,655.	2,345.
f 91,237.		108,773.	<17,536.>
g 20,000.		20,113.	<113.>
h 25,000.		25,034.	<34.>
i 127,417.		132,301.	<4,884.>
j 40,600.		45,000.	<4,400.>
k 80,000.		93,139.	<13,139.>
l 50,593.		56,070.	<5,477.>
m 51,069.		50,219.	850.
n 55,693.			55,693.
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			1,308.
b			24,469.
c			5,077.
d			3,781.
e			2,345.
f			<17,536.>
g			<113.>
h			<34.>
i			<4,884.>
j			<4,400.>
k			<13,139.>
l			<5,477.>
m			850.
n			55,693.
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	47,940.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
TAX REFUND INTEREST	11.	11.	
TOTAL TO PART I, LINE 3	11.	11.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ALPINE BANK INVESTMENT GROUP	106,653.	55,693.	50,960.	50,960.	
TO PART I, LINE 4	106,653.	55,693.	50,960.	50,960.	

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	11,720.	11,720.		0.
TO FORM 990-PF, PG 1, LN 16C	11,720.	11,720.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	3,416.	0.		0.
TO FORM 990-PF, PG 1, LN 18	3,416.	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
STATE FILING FEE	15.	0.		0.	
TO FORM 990-PF, PG 1, LN 23	15.	0.		0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
SEE ATTACHED SCHEDULE	2,071,222.		2,339,692.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,071,222.		2,339,692.	

FORM 990-PF	CORPORATE BONDS		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
SEE ATTACHED SCHEDULE	49,802.		50,647.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	49,802.		50,647.	

DAO Foundation

Form 990PF, Part XV, Line 3 - Grants and Contributions Paid During the Year

Tax Year Ending March 31, 2016

FEIN: 36-6101712

Date	Charity	Cause	City	State	Total
4/4/2015	Community Health	Health	Baton Rouge Chicago	IL	\$500.00
4/7/2015	Holy Family	Religious	Peoria	IL	\$60.00
4/15/2015	Roscrance	Social Welfare	Rockford	IL	\$1,000.00
4/15/2015	University of Il	Educational	Champaign	IL	\$50.00
4/9/2015	Girls on the Run	Social Services	Rockford (Chicago)	IL	\$525.00
4/25/2015	Remedies	Social Welfare	Rockford	IL	\$440.00
5/1/2015	St. Sophias	Religious	Elgin	IL	\$100.00
5/5/2015	RockParkDistFnd	Educational	Rockford	IL	\$200.00
5/26/2015	University of WI	Educational	Madison	WI	\$7,500.00
6/9/2015	Public Media Institute	Educational	Chicago	IL	\$6,000.00
6/1/2015	Discovery Center	Educational	Rockford	IL	\$80.00
7/19/2015	US Marine Corp Fnd	Social Services	Arlington	VA	\$10,000.00
8/11/2015	JEH Fnd	Educational Assistance	Chicago	IL	\$500.00
8/11/2015	Swedish American Fnd	Medical Research	Rockford	IL	\$100.00
8/11/2015	Poor Clares	Religious	Rockford	IL	\$500.00
8/11/2015	Laurent Home	Historical	Rockford	IL	\$25,000.00
8/11/2015	Gigi's Playhouse	Social Welfare	Rockford	IL	\$15,000.00
8/11/2015	Carpenters Place	Social Welfare	Rockford	IL	\$500.00
8/11/2015	Discovery Center	Educational	Rockford	IL	\$5,000.00
8/11/2015	Rockford Symphony	Arts	Rockford	IL	\$10,000.00
9/8/2015	Rockford Womans Club	Social Welfare	Rockford	IL	\$250.00
9/8/2015	St. Anthonys	Religious	Rockford	IL	\$1,000.00
9/8/2015	Pregnancy Care Center	Medical Welfare	Rockford	IL	\$1,000.00
9/23/2015	Roscrance	Social Welfare	Rockford	IL	\$100.00
9/25/2015	Alzheimers Association	Medical Research	Washington	DC	\$250.00
9/25/2015	Art for Health	Medical	Chicago	IL	\$475.84
9/24/2015	Mission of our Ladys of Angels	Religious	Chicago	IL	\$50.00
10/9/2015	Illinois Executive mansion	Historical	Springfield	IL	\$2,500.00
10/15/2015	Duchene Foundation	Educational Assistance	Fort Worth Houston TX	TX	\$200.00
10/30/2015	Discovery Center	Educational	Rockford	IL	\$300.00
10/26/2015	Public Media Institute	Educational	Chicago	IL	\$100.00
11/2/2015	Rockford Day Nursery	Social Welfare	Rockford	IL	\$100.00
11/5/2015	Hci3/PKA Prometheus	Medical	Newton	CT	\$5,000.00
11/15/2015	Culver	Education	Culver	IN	\$150.00
11/15/2015	Aids Foundation	Medical	Chicago	IL	\$800.00
1/12/2016	The Haven	Social Welfare	Rockford	IL	\$800.00
1/12/2016	St. Anthonys	Religious	Rockford	IL	\$1,000.00
1/14/2016	St. Peters	Religious	Rockford	IL	\$1,000.00
1/14/2016	Roscrance	Social Welfare	Rockford	IL	\$1,500.00
1/14/2016	United Way	Social Services	Rockford	IL	\$2,000.00
1/14/2016	Klehm	Conservation	Rockford	IL	\$200.00
1/14/2016	Boy Scouts	Educational	Rockford	IL	\$2,500.00
1/14/2016	Evans Scholars Foundation	Educational Assistance	Golf	IL	\$50.00
1/14/2016	Rockford Institute	Educational	Rockford	IL	\$7,000.00
2/10/2016	Girls in the Game	Social Services	Chicago	IL	\$600.00
2/15/2016	Klehm	Conservation	Rockford	IL	\$7,000.00
2/15/2016	Rockford Art Muesum	Arts	Rockford	IL	\$10,000.00
3/1/2016	Nat. Land Institute	Conservation	Rockford	IL	\$75.00
3/1/2016	St. Marks	Religious	Rockford	IL	\$500.00
3/1/2016	Rockford Christian	Educational	Rockford	IL	\$500.00
3/23/2016	Klehm	Conservation	Rockford	IL	\$2,000.00
4/13/2015	Public Media and Lumpen	Educational	Chicago	IL	\$163.24
Grand Total					\$132,219.08

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/16**

FEIN:36-6101712

<u>MUTUAL FUNDS</u>	<u>BEGINNING BOOK VALUE</u>	<u>END OF YEAR</u>	
		<u>BOOK VALUE</u>	<u>FMV</u>
ALLIANZ CONVERTIBLE BOND FUND INSTL	125,000	125,000	107,453
BLACKROCK STRATEGIC INC OPPORT INS	65,000	77,000	73,903
CLEARBRIDGE SMALL CAP GROWTH	59,490	43,271	45,353
DEUTSCHE CROCI INTERNATIONAL FUND	185,000	136,861	112,365
FIRST EAGLE FUND OF AMERICA	43,857	38,934	53,650
GOLDMAN SACHS STRAT INC-INST	56,070	-	-
HARBOR INTERNATIONAL FUND	131,757	146,757	145,315
ISHARES S&P MIDCAP 400 IND FD-ALPINE	30,970	46,303	69,211
ISHARES S&P SMALLCAP 600 INDEX FUND	61,469	61,469	97,936
ISHARES S&P 500 INDEX FUND - ALPINE	246,002	246,002	391,602
ISHARES S&P 500 BARRA GROWTH FUND	40,392	40,392	75,329
IVY MID CAP GROWTH FUND	132,301	150,000	145,205
MAIRS AND POWER GROWTH FUND	139,442	-	-
MASSMUTUAL SELECT MID CAP GROWTH	-	105,000	114,679
METROPOLITAN WEST TOTAL RETURN BD	50,000	73,000	72,053
METROPOLITAN WEST HIGH YIELD BOND	55,450	80,450	72,812
NUVEEN REAL ESTATE SEC CLASS I	46,890	39,236	50,347
OPPENHEIMER DEVELOPING MARKETS	108,773	-	-
OPPENHEIMER SR FLOATING RATE FD-Y	45,000	-	-
T ROWE PRICE GROWTH STOCK FUND	134,805	154,805	207,114
VANGUARD DIVIDEND GROWTH INV	100,000	150,000	152,504
VANGUARD SELECTED VALUE	50,000	75,000	70,789
VANGUARD SHORT TERM INVEST GRADE	66,000	70,887	71,056
VANGUARD TOTAL BOND MKT INDEX	75,000	190,709	191,416
VANGUARD FIXED INC SEC GNMA	20,146	20,146	19,601
TOTALS	<u>2,068,814</u>	<u>2,071,222</u>	<u>2,339,692</u>

**DAO FOUNDATION
SCHEDULE OF INVESTMENTS
YEAR ENDING 3/31/16**

FEIN:36-6101712

<u>CORPORATE BONDS</u>	<u>BEGINNING BOOK VALUE</u>	<u>END OF YEAR BOOK VALUE</u>	<u>FMV</u>
FHLB DATED			
3.125% DUE 3/11/2016	25,058	-	-
GENERAL ELECTRIC CAP CORP			
4.375% DUE 9/21/2015	25,034	-	-
GOLDMAN SACHS BANK CERT OF DEP			
2.000% DUE 1/28/2020	<u>49,759</u>	<u>49,802</u>	<u>50,647</u>
 TOTALS	 <u><u>99,851</u></u>	 <u><u>49,802</u></u>	 <u><u>50,647</u></u>