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

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation: Carl and Verna Schmidt Foundation

A Employer identification number: 23-7423942

Number and street (or P O box number if mail is not delivered to street address): P.O. Box 638 | Room/suite:

B Telephone number (see page 10 of the instructions): (507) 285-2517

City or town, state, and ZIP code: Rochester, MN 55903-0638

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $25,037,872

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc, received (attach schedule)				
	2	Check ▶ ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	11,806	11,806		
	4	Dividends and interest from securities	464,902	464,902		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		-0-		
	8	Net short-term capital gain			20,000	
	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)	93,950	93,950		
	12	**Total.** Add lines 1 through 11	570,658	570,658	20,000	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages	27,600	13,800		13,800
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	18,000	9,000		9,000
	c	Other professional fees (attach schedule)	142,144	116,595		25,549
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	24,423	23,277		1,146
	19	Depreciation (attach schedule) and depletion	609	609		
	20	Occupancy	13,592	13,592		
	21	Travel, conferences, and meetings	421			421
	22	Printing and publications				
	23	Other expenses (attach schedule)	6,674	6,674		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	233,463	183,547	-0-	49,916
	25	Contributions, gifts, grants paid	1,180,797			1,180,797
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,414,260	183,547	-0-	1,230,713
	27	Subtract line 26 from line 12.				
	a	**Excess of revenue over expenses and disbursements**	(843,602)			
	b	**Net investment income** (if negative, enter -0-)		387,111		
	c	**Adjusted net income** (if negative, enter -0-)			20,000	

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	150,255	173,284	173,284
	2	Savings and temporary cash investments	450,000	200,000	200,000
	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 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			
	10a	Investments—U.S. and state government obligations (attach schedule)	707,939	-0-	-0-
	b	Investments—corporate stock (attach schedule)	11,724,423	11,824,811	20,698,914
	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)	2,233,221	2,233,822	3,963,508
	14	Land, buildings, and equipment: basis ▶ 10,100.18			
		Less: accumulated depreciation (attach schedule) ▶ (7,934.42)	2,774	2,166	2,166
	15	Other assets (describe ▶ Mark to Fair Market Value of Investments)	8,187,301	10,603,788	-0-
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	23,455,913	25,037,871	25,037,872
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 ▶)			
	23	**Total liabilities** (add lines 17 through 22)	-0-	-0-	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	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	23,455,913	25,037,871	
	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)	23,455,913	25,037,871	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	23,455,913	25,037,871	

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	23,455,913
2	Enter amount from Part I, line 27a	2	(843,602)
3	Other increases not included in line 2 (itemize) ▶ (See Schedule)	3	2,436,888
4	Add lines 1, 2, and 3	4	25,049,199
5	Decreases not included in line 2 (itemize) ▶	5	11,328
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	25,037,871

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	Federal Home Loan Bank	P	7-28-08	8-13-10
b	250 Shs. Allegheny Energy Inc.	P	9-11-06	8-19-10
c	99 Shs. Aviat Networks Inc.	P	5-27-09	8-19-10
d	358 Shs. Centurylink Inc.	P	5-31-06	8-19-10
e	2500 Shs. Qwest Comms. Intl. Inc.	P	7-19-07	8-19-10

	(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	200,000.00		202,309.50	(2,309.50)
b	5,387.33		10,533.05	(5,145.72)
c	315.98		531.23	(215.25)
d	12,605.62		12,142.39	463.23
e	13,682.85		24,488.21	(10,805.36)

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				
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	TOTALS ON PAGE 3 OF 3
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009			
2008			
2007			
2006			
2005			

2	**Total** of line 1, column (d)	2	
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	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

Part 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	Federal National Mortgage Association	P	2-22-08	1-25-10
b	92 Shs. Idearc Inc. (Bankruptcy)	P	11-24-06	4-07-10
c	30 Shs. Idearc Inc. (Bankruptcy)	P	11-24-06	4-07-10
d	Cash in lieu - Frontier Communications Corp.	P	2-05-97	7-12-10
e	Cash in lieu - Frontier Communications Corp.	P	7-10-97	7-09-10

	(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	507,443.42		505,629.50	1,813.92
b	-0-		2,274.87	(2,274.87)
c	-0-		827.95	(827.95)
d	1.13			1.13
e	3.10			3.10

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				
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** TOTALS ON PAGE 3 OF 3

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions).
If (loss), enter -0- in Part I, line 8 . . . . **3**

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009			
2008			
2007			
2006			
2005			

2	**Total** of line 1, column (d)	2	
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	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

Part 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	4000 Shs. Rite Aid Corp.	P	7-19-07	8-19-10
b	403 Shs. Tronox Inc. CL B	P	3-30-06	8-19-10
c	1000 Shs. St. Jude Medical Inc.	D	12-29-99	10-04-10
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	3,530.97		25,181.26	(21,650.29)
b	87.49		3,286.80	(3,199.31)
c	38,483.52		5,202.50	33,281.02
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				
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	(10,865.85)
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 . . .	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	1,212,413	23,242,474	.0521637
2008	1,344,342	26,023,414	.0516589
2007	1,479,282	29,957,165	.0493799
2006	1,231,364	27,157,982	.0453408
2005	1,187,742	25,977,379	.0457222

2	**Total** of line 1, column (d) . . .	2	.2442655
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	.0488531
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 . . .	4	22,040,812
5	Multiply line 4 by line 3 . . .	5	1,076,762
6	Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	3,871
7	Add lines 5 and 6 . . .	7	1,080,633
8	Enter qualifying distributions from Part XII, line 4 . . .	8	1,230,713

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

Part VI Excise 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	3,871
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	3,871
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	3,871
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 2,945		
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	2,945
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	926
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 2011 estimated tax** ▶ **Refunded** ▶	11	

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		x
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)?	1b		x
	*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		x
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		x
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		x
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	x	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	x	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		x
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	x	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	x	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ Minnesota State Statutes			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	x	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		x
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		x

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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
	Website address ▶ N/A			
14	The books are in care of ▶ Alan Anderson, Trustee Telephone no. ▶(507) 285-2517			
	Located at ▶ 121 14th Street NE, Rochester, MN ZIP+4 ▶ 55906-7083			
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 2010, 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		X
	See page 20 of 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 page 22 of the instructions)?	1b		X
	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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ 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 page 22 of the 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 2010 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 2010.)*	3b		X
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 2010?	4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? 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? ☐ 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 N/A

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 page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Alan C. Anderson 121 14th St NE, Rochester, MN	Trustee 14 Hrs.	-0-	None	None
Jonathon Anderson 2122 Wright Avenue	Trustee 1/4 Hr.			
Greensboro, NC 27403				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

Total number of other employees paid over $50,000 ▶ None

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
Alan Anderson, Chtd., C.P.A. 121 14th Street NE - Suite A	Management Fees	127,744
Rochester, MN 55906	Accounting Fees	18,000
Total number of others receiving over $50,000 for professional services ▶		None

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 Benedictine Living Community of Saint Peter	250,000
2 Freeborn County Humane Society	50,000
3 Rochester Public Library	45,000.
4 Emmanuel Episcopal Church	40,000

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	22,058,208
b	Average of monthly cash balances	1b	315,781
c	Fair market value of all other assets (see page 25 of the instructions)	1c	2,470
d	**Total** (add lines 1a, b, and c)	1d	22,376,459
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	22,376,459
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	335,647
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	22,040,812
6	**Minimum investment return.** Enter 5% of line 5	6	1,102,041

Part XI **Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	1,102,041
2a	Tax on investment income for 2010 from Part VI, line 5	2a	3,871		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	-0-		
c	Add lines 2a and 2b			2c	3,871
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,098,170
4	Recoveries of amounts treated as qualifying distributions			4	20,000
5	Add lines 3 and 4			5	1,118,170
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	1,118,170

Part XII **Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	1,230,713
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	1,230,713
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	3,871
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,226,842

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

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				1,118,170
2	Undistributed income, if any, as of the end of 2010:				
a	Enter amount for 2009 only			462,802	
b	Total for prior years. 20___,20___,20___		-0-		
3	Excess distributions carryover, if any, to 2010.				
a	From 2005				
b	From 2006				
c	From 2007				
d	From 2008				
e	From 2009				
f	**Total** of lines 3a through e	-0-			
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 1,230,713				
a	Applied to 2009, but not more than line 2a			462,802	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		-0-		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)	-0-			
d	Applied to 2010 distributable amount				767,911
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	-0-			
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e Subtract line 5				
b	Prior years' undistributed income Subtract line 4b from line 2b		-0-		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		-0-		
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		-0-		
e	Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			-0-	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				350,259
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	-0-			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	-0-			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	-0-			
10	Analysis of line 9:				
a	Excess from 2006				
b	Excess from 2007				
c	Excess from 2008				
d	Excess from 2009				
e	Excess from 2010				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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) 2010	(b) 2009	(c) 2008	(d) 2007	(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					
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		N/A			
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see page 28 of the 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed: (507) 285-2517

Carl and Verna Schmidt Foundation, P.O. Box 638, Rochester, MN 55903

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

By application only; telephone applications are not acceptable.
Brief description of purpose, location and amount of request.

c Any submission deadlines:

No deadlines.

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

General restriction: Section 501(c)(3) organizations.

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				
Total . . . . ▶ 3a				1,180,797
b *Approved for future payment*				
None				
Total . . . . ▶ 3b				None

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 page 28 of the instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	11,806	
4 Dividends and interest from securities			14	464,902	
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					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a Lake Bank Shares	522100	79,690			
b US Treasury tax refund			14	7,209	
c Distribution payments			14	1,508	
d Miscellaneious investment income			14	5,193	
e Other income			14	350	
12 Subtotal. Add columns (b), (d), and (e)		79,690		490,968	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 570,658

(See worksheet in line 13 instructions on page 29 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 page 29 of the instructions)
	N/A

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

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

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

(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 or fiduciary) is based on all information of which preparer has any knowledge

Alan Anderson | 5-13-11 | Trustee

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ALAN ANDERSON	Alan Anderson	5-13-11		P00947443

Firm's name ► Alan Anderson Chartered, C.P.A. Firm's EIN ► 41-1326473

Firm's address ► 121 14th St. NE, Rochester, MN 55906 Phone no (507) 288-3947

CARL AND VERNA SCHMIDT FOUNDATION

Return of Private Foundation

Supporting Schedule

	Initials	Date
Prepared By		
Approved By		

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12-31-10

	1	2	3
OTHER INCOME - Form 990-PF, Part I, Line 11			
Lake Bank Shares, Inc. - K-1			
Ordinary business income	78421		
Ordinary dividends	2821		
Other deductions	⟨11552⟩	79690	
U.S. Treasury refund		7209	
Miscellaneous investment income		5193	
Distribution payments			
Evergreen	56		
PSI	1380		
United Health Group	72	1508	
Other income		350	
Total			93950
OTHER PROFESSIONAL FEES - Form 990-PF, Part I, Line 16c			
Trustee/Management fees		127744	
Advisory committee fees		14400	
Total			142144
TAXES - Form 990-PF, Part I, Line 18			
Foreign tax withheld		22132	
Payroll taxes		2291	
Total			24423

DEPRECIATION - Form 990-PF, Part I, Line 19

	DATE PLACED IN SERVICE	BASIS FOR RECOVERY	METHOD	LIFE	AMT. CLAIMED IN PRIOR YRS.	AMOUNT CLAIMED
Computer	3/09	2,689.26	S.L.	5	26892	53785
Equipment	6/03	1,070.00	S.L.	5	107000	-
Equipment	10/97	3,220.79	S.L.	10	322079	-
Office furniture	2/00	2,412.00	S.L.	10	241200	-
Blinds	8/05	708.13	S.L.	10	35405	7081
Total		10,100.18			732576	60866

OTHER EXPENSES - Form 990-PF, Part I, Line 23

	1	2	3
Office supplies and postage		4414	
Public relations		400	
Insurance		774	
Dues and subscriptions		607	
Miscellaneous expense		62	
Fees - Investments		17	
Total			627400

CARL AND VERNA SCHMIDT FOUNDATION

Return of Private Foundation

12-31-10 PAGE 2

	Initials	Date
Prepared By		
Approved By		

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	1	2	3
OTHER INCREASES - Form 990-PF, Part III, Line 3			
Change in unrealized appreciation		2416488	
Grants returned		20000	
Non-taxable distributions		400	
Total			2436888
OTHER DECREASES - Form 990-PF, Part III, Line 5			
Capital net loss		10866	
Non-deductible expense		462	
Total			11328

CARL AND VERNA SCHMIDT FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-10

#23-7423942

Investments - other - Form 990-PF, Line 13c--
End of year fair market value

AIM Equity Funds CL A Constellation FD Inc.	$ 42,964.90
Alliance Bernstein Mid Cap Growth FD CL A	285,226.09
Alliance Bernstein Growth & Income FD CL A	667,861.00
Col Large Core Quant - A	702,715.28
Col Mid Cap Grw Opp - A	94,617.04
Columbia FDS TR III Mid Cap Value FD CL A	105,910.31
DWS Investment Trust Class A	181,498.40
DWS Technology Fund Class A	38,389.03
Dreyfus Premier Technology Growth FD CL B	10,683.03
Lord Abbett Affiliated Fund Inc. CL A	635,064.84
PIMCO Funds Pac INVT Mgmt. Ser. Commodity Real Return Strategy Fund CL A	7,371.60
Putnam FD for Growth & Income CL A SHS	760,995.93
Rydex SGI Large Cap Core - A	87,698.72
Van Eck Funds Gold - A	75,738.89
Virtus Opportunities Trust Worldwide Strategies Fund Class A	64,367.87
WR Advisors Science & Technology A	66,232.45
Wells Fargo Funds TR Advantage Mid Cap Growth Fund Class A	33,658.42
Total mutual funds	3,860,993.80
Jackson National Annuity	102,513.82
Total investments - other	$3,963,507.62

CARL AND VERNA SCHMIDT FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-10

#23-7423942

Investments - Corporporate stock - Form 990-PF, Part II,
Line 10b - End of year fair market value

Accenture Ltd.	$ 9,698.00
Airtran Holdings Inc.	14,780.00
Alaska Air	22,392.55
Alexander & Baldwin Inc.	16,612.45
Allegheny Technologies Inc.	55,180.00
Alliant Energy Corp.	91,925.00
Alliant Techsystems Inc.	62,744.49
Allscripts Healthcare Solutions Inc.	19,077.30
American Financial Group Inc.	121,087.50
American International Group Inc.	32,612.92
American States Water Company	18,096.75
Amgen Inc.	27,450.00
AMR Corp.	8,569.00
Anadarko Petroleum Corp.	117,286.40
AOL	711.30
Apache	826,263.90
Apogee Enterprises Inc.	13,470.00
Apple Inc.	64,512.00
Applied Materials	8,430.00
AT&T	22,035.00
Avnet Inc.	14,863.50
Autozone Inc.	40,888.50
Avon Products	11,624.00
Ball Corp.	27,220.00
Baxter International Inc.	90,204.84
Becton Dickinson & Co.	202,848.00
BHP Billiton Ltd. SPONS	13,938.00
Black Hills Corp.	45,000.00
Boeing	65,260.00
Brightpoint Inc. NEW	5,238.00
Calgon Carbon Corp.	30,240.00
Callaway Golf Company	8,877.00
Canon Inc. ADR REP 5 SHS	10,268.00
Cardinal Health Inc.	28,617.57
CareFusion Corp.	9,586.10
Carpenter Technology Corp.	8,048.00
Caseys General Stores Inc.	31,882.50
Caterpillar Inc.	23,415.00
CenterPoint Energy Inc.	106,235.76
Chevron Texaco Corp.	18,250.00
C H Robinson Worldwide Inc.	40,095.00
Cisco Systems	20,230.00
Citigroup	1,892.00
Coca-Cola Co.	32,885.00
Colgate Palmolive Co.	24,111.00
Comcast Corp. Special CL A New	9,364.50
Commscope Inc.	24,976.00
Conagra Inc.	54,192.00
Cooper Cos. Inc.	8,451.00

CARL AND VERNA SCHMIDT FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-10

#23-7423942

Investments - corporate stock - Form 990-PF, Part II,
Line 10B - End of year fair market value

Corning Inc.	115,920.00
Corrections Corp. Amer. NEW	17,542.00
Covance Inc.	25,705.00
Crown Holding Inc.	100,140.00
Darden Restaurants Inc.	696,600.00
Deckers Outdoor Corporation	47,844.00
Deluxe Corp.	46,040.00
Donnelley (RR) & Sons Co.	69,880.00
E I DuPont DeNemours & Co.	149,640.00
EBay Inc.	19,481.00
Edwards Lifesciences Corp.	161,680.00
El Paso Energy Corp.	16,374.40
Emerson Electric Co.	22,868.00
EnPro Industries Inc.	8,312.00
Ericsson LM Tel Co. CL B	52,346.20
Exxon Mobil Corp.	1,629,113.60
Fairpoint Communications Inc.	.75
Fairpoint Communications Inc.	.24
Flir Sys. Inc.	35,700.00
Ford Motor Co. DEL	41,975.00
Freeport McMoran Copper & Gold (B)	944,868.12
Freightcar America Inc.	10,129.00
Frontier Communications Corp.	4,300.66
Frontier Communications Corp.	1,420.58
Fuller H B Co.	246,240.00
Garmin Ltd.	6,198.00
General American Investors Co. Fund Inc.	39,711.82
General Electric	54,870.00
General Mills Inc.	1,423,600.00
Genon Energy Inc.	20,303.49
Gildan Activewear Inc.	21,367.50
Goodrich Corp.	88,070.00
Goodyear Tire & Rubber Co.	29,625.00
Google Inc. CL A	14,849.25
Halliburton Co.	40,830.00
Harris Corp. DEL	18,120.00
Home Depot Inc.	78,885.00
Honeywell Intl. Inc.	398,700.00
IHS Inc. Class A	24,117.00
Illinois Tool Works Inc.	20,025.00
Imperial Oil Ltd. NEW	12,156.00
Ingram Micro Inc. CL A	9,545.00
Intel	25,236.00
Intercontinental Exchange Inc.	14,893.75
International Business Machines	146,760.00
International Paper	19,068.00
ITT Corp.	7,816.50
J Crew Group	17,256.00

CARL AND VERNA SCHMIDT FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-10

#23-7423942

Investments - corporate stock - Form 990-PF, Part II, Line 10b - End of year fair market value

John Hancock Bank & Thrift Opptry.	38,745.00
J P Morgan Chase & Co.	116,655.00
Joy Global Inc.	32,531.25
Juniper Networks	36,920.00
Kansas City Southern	33,502.00
Kraft Foods Inc. CL A	15,755.00
Lake Bank Shares Inc.	1,038,674.00
Lexmark Intl. Group Inc. CL A	20,892.00
Eli Lilly & Co.	49,056.00
Lockheed Martin Corp.	41,946.00
Lowes Companies Inc.	5,016.00
LSI Corp.	1,293.84
Lubrizol Corp.	427,520.00
Macquarie Infrastructure Co.	12,702.00
Manulife Financial Corp.	4,295.00
Martin Marietta Matls. Inc.	18,448.00
McGraw Hill Cos. Inc.	14,564.00
McMoran Exploration Co.	14,808.96
MDU Resources Group Inc.	359,143.86
Merck & Co. Inc.	18,020.00
Microsoft	36,283.00
Monsanto Co. (NEW)	70,057.84
Monsanto Co. (NEW)	20,892.00
Mosaic Company	119,885.20
Morgan Stanley	4,081.50
Motorola Inc.	27,210.00
Motors Liquidation Co.	100.10
Mylan Inc.	142,627.50
Nash Finch Company	21,255.00
National Oil Well Varco Inc.	13,450.00
National Presto Ind. Inc.	32,502.50
News Corp. Inc. CL B	16,420.00
Nexterra Energy Inc.	10,398.00
Nvidia Corp.	9,902.20
Nokia Corp. ADR	7,224.00
Nordstrom Inc.	8,476.00
Oceaneering International Inc.	14,726.00
Occidental Petroleum Corp.	196,200.00
Omivision Tech Inc.	14,805.00
Oracle Corp.	31,300.00
Oshkosh Truck Corp.	14,096.00
Pan American Silver Corp.	20,605.00
Pepsico Incorporated	52,264.00
Pfizer Inc.	25,914.80
Precision Castparts Corp.	27,842.00
Priceline.COM Inc.	149,831.25
Procter & Gamble Co.	257,320.00
Quest Diagnostics	53,970.00

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Investment - corporate stock - Form 990-PF, Part II,
Line 10b - End of year fair market value

Raytheon Co. CL A	18,536.00
Reliance Stl. & Alum. Co.	20,440.00
Republic Services Inc.	24,186.60
Research In Motion Ltd.	26,158.50
Royal Dutch Petroleum	2,871,540.00
Ryder System Inc.	10,528.00
St. Joe Company	3,539.70
Saint Jude Medical Inc.	2,180,250.00
Shaw Communications Inc. CL B	20,524.80
Sherwin Williams Company	41,875.00
Skywest Inc.	7,341.40
Smucker J M Co. NEW	19,695.00
Southern Copper Corp.	43,866.00
Southwest Airlines Co.	11,033.00
Stratus Properties Inc.	6,370.00
Strayer ED Inc.	30,444.00
SuperValu Inc.	77,040.00
SYSCO Corp.	14,700.00
Target Corp.	288,624.00
Teledyne Tech Inc.	5,320.37
Templeton Emerging Markets Funds Inc.	21,213.00
Texas Instruments	48,750.00
Thornburg Mortgage Inc.	.62
Time Warner Cable Inc.	5,480.49
Time Warner Inc. NEW	10,712.61
Toll Brothers Inc.	19,000.00
Travelers Companies Inc.	31,420.44
Tyco Electronics Ltd.	42,126.00
Tyco International Ltd.	49,313.60
Union Pacific	370,640.00
UNISYS	2,589.00
United Continental Holdings Inc.	30,013.20
United Health Group Inc.	6,499.80
United Technologies Corp.	15,350.40
URS Corp. NEW	16,644.00
Vail Resorts	20,816.00
Valueclick Inc.	12,824.00
Varian Semiconductor Equipment Assoc. Inc.	22,182.00
Verizon Communications	65,906.76
Verizon Communications	21,825.80
Volt Information SCI Inc.	3,243.75
Vulcan Materials Co.	4,436.00
Walgreen Company	19,480.00
Wal-Mart Stores Inc.	161,790.00
Walt Disney Co. Holding Co.	75,020.00
Waters Corp.	31,084.00
Washington Mutual Inc.	684.35
Washington Post Company	10,987.50

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Investments - corporate stock - Form 990-PF, Part II, Line 10b - End of year fair market value

Waste Management Inc. DEL	73,740.00
Williams Companies DEL	394,135.68
Windstream Corp.	7,430.02
Winnebago Industries Inc.	12,160.00
XCEL Energy Inc.	47,100.00
Zimmer Holdings Inc.	64,416.00
Total investments - corporate stock	$20,698,913.88

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Benedictine Living Community of Saint Peter 1907 Klein Street Saint Peter, MN 56082	Medical Senior Housing Project	$ 250,000.00
Freeborn County Humane Society P.O. Box 423 Albert Lea, MN 56007	General Addition on Existing Animal Shelter	50,000.00
Rochester Public Library 101 - 2nd Street, S.E. Rochester, MN 55904	Literary Lockable Units to House DVD's	45,000.00
Emmanuel Episcopal Church 217 Jesse Street Rushford, MN 55971	Religious Restore Organ After Flood Damage	40,000.00
Saint Peter Public Library 601 South Washington Avenue Saint Peter, MN 56082	Literary Library Materials	39,925.00
Le Sueur County Parks Department 88 South Park Avenue Le Center, MN 56057	Conservation Picnic Shelter at Washington Park	30,000.00
Accessible Space Inc. 2550 University Avenue - Suite 330N Saint Paul, MN 55114	Community Automatic Door Openers/ Rochester Facility	25,000.00
Glencoe Public Library 719 - 13th Street E Glencoe, MN 55336	Literary Shelving and Furniture	25,000.00
Madonna Living Community 4001 - 19th Avenue, N.W. Rochester, MN 55901	Community Build Transitional Care Unit	25,000.00
Mayo Clinic 200 First Street, S.W. Rochester, MN 55905	Medical ALS Research	25,000.00
Saint Peter Community Childcare Center 627 West Park Row Street Saint Peter, MN 56082	Community Leasing Improvements at New Facility	25,000.00
Saint Peter HRA - Parkview Manor 1010 South Fourth Street Saint Peter, MN 56082	Community Remodel Apartment	25,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Nicollet County Historical Society 1851 North Minnesota Avenue Saint Peter, MN 56082	Historical Project Manager Cox House	22,500.00
American Red Cross/Southeast Minnesota and South Central Cahpters 310 - 14th Street, S.E. Rochester, MN 55904	Community Diaster Relief Fund	20,000.00
Camp Victory Ministries Inc. 58212 - 403rd Avenue Zumbro Falls, MN 55991	Religious Restoration of Camp Due to Flood Damage	20,000.00
Friends of the Minnesota Valley 10800 Lyndale Avenue S - Suite 120 Bloomington, MN 55420	Conservation Habitat Restoration	20,000.00
Theilman Sportsman Club/West Albany Township P.O. Box 209 Theilman, MN 55945	Community Restoration of Opera House	20,000.00
Arts Center of Saint Peter 315 S. Minnesota Avenue Saint Peter, MN 56082	Community Replace Flooring	18,000.00
Chatfield Center for the Arts 21 - 2nd Street Chatfield, MN 55923	Community Equipment/Renovations	17,500.00
Camp Patterson Inc. 5050 Patterson Road Madison Lake, MN 56063	Community Bathhouse Upgrade	15,000.00
Camp Winnebago 19708 Camp Winnebago Road Caledonia, MN 55921	Community Camp Scholarships	15,000.00
Dakota Communities 680 O'Neill Drive Eagan, MN 55121	Community Fully Accessible Vans	15,000.00
Rochester Area Habitat for Humanity/ Stewartville Builds 1530 Greenview Drive, S.W. - Suite 107 Rochester, MN 55902	Community Building Habitat Home	15,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Ronald McDonald House 850 Second Street, S.W. Rochester, MN 55902	Medical Lodging for Families	15,000.00
St. Isidore Health Center of Greenwood Prairie 800 - 2nd Avenue, N.W. Plainview, MN 55964	Medical Replace Tub Room	15,000.00
The Cannon River Watershed Partnership 8997 Eaves Avenue Northfield, MN 55057	Conservation River Cleanup	10,000.00
Conservation Corps Minnesota 2715 Upper Afton Road - Suite 100 Maplewood, MN 55119	Conservation Equipment/Restore Habitat	10,000.00
Courtland Fire and Rescue 213 - 4th Street Courtland, MN 56021	Community UTV/ATV Vehicle	10,000.00
Greater Rochester Rotary Foundation 1925 Westwood Court, S.W. Rochester, MN 55902	Educational Dictionaries for Third Graders	10,000.00
Henderson Fire Department and Rescue P.O. Box 85 Henderson, MN 56044	Community Utility Vehicle	10,000.00
Le Sueur Public Library/City of Le Sueur 203 S. Second Street Le Sueur, MN 56058	Literary Handicapped Accessible Doors	10,000.00
Le Sueur Volunteer Fire Department 203 South Second Street Le Sueur, MN 56058	Community Hydraulic Tool Rescue Package	10,000.00
Pine Island Senior Citizens Inc. 109 - 3rd Avenue, S.W. Pine Island, MN 55963	Community Cement Work for New Senior Center	10,000.00
Regions Hospital Foundation 640 Jackson Street, MS 11202C Saint Paul, MN 55101-2592	Medical Education and Support Groups - Cancer Care Center	10,000.00
Rock Bend Folk Festival P.O. Box 222 Saint Peter, MN 56082	Community Sponsoring Performances	10,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
City of Cleveland/Cleveland Civil Defense P.O. Box 309 Cleveland, MN 56017	Community Rotating Siren	8,500.00
Dodge County Historical Society P.O. Box 456 Mantorville, MN 55955	Historical Restoration of Museum Building	8,000.00
Winthrop Library Friends P.O. Box Y Winthrop, MN 55396	Literary Furniture and Equipment for Expansion Area	8,000.00
Boys & Girls Club of Rochester 1026 E. Center Street Rochester, MN 55904	Community Support of Programs	7,500.00
Cleveland Fire & Rescue Department P.O. Box 57 Cleveland, MN 56017	Community Replacing Self-Contained Apparatus	7,500.00
Le Sueur County Sheriff's Office 88 South Park Avenue Le Center, MN 56057	Community K9 Program	7,500.00
Wanda Gag House Association 226 North Washington New Ulm, MN 56073	Historical Restoration of Paintings	7,137.00
Saint Peter Softball Association/ City of Saint Peter 1601 Wood Duck Street Saint Peter, MN 56082	Community Field Scoreboards	7,000.00
CaringBridge 1715 Yankee Doodle Road - Suite 301 Eagan, MN 55121-1616	Medical Support for Families	6,000.00
Choral Arts Ensemble of Rochester 1001 - 14th Street, N.W. - Suite 900 Rochester, MN 55901	Community Sponsoring Performance	6,000.00
Sleepy Eye Area Historical Society Box 544 Sleepy Eye, MN 56085	Historical Replace Double Storm Door at Depot Museum	6,000.00
Saint Peter Volunteer Fire Department 227 West Mulberry Saint Peter, MN 56082	Community Equipment	6,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Audubon Minnesota 2357 Ventura Drive - Suite 106 Saint Paul, MN 55125	Conservation Tracking Golden Eagles	5,000.00
Creative Play Place 600 South 5th Street - Room 127 Saint Peter, MN 56082	Educational Programming Support	5,000.00
Helping Paws Inc. P.O. Box 634 Hopkins, MN 55343	Medical Project/Program Support	5,000.00
LifeLine Pilots Byerly Terminal - Suite 302 6199 West Everett Dirksen Parkway Peoria, IL 61607	Medical Transportation for Medical Humanitarian Needs	5,000.00
Preservation Alliance of Minnesota 416 Landmark Center - 75 West 5th Street Saint Paul, MN 55102	Historical Publication of Bimonthly Magazine	5,000.00
Saint Peter Ambassadors/City of Saint Peter 125 South 3rd Street Saint Peter, MN 56082	Community Support Blues Fest	5,000.00
Saint Peter Area Foodshelf 511 South Fifth Street Saint Peter, MN 56082	Community Food for the Needy	5,000.00
Saint Peter Choral Society Inc. 428 West Wabasha Street Saint Peter, MN 56082	Community Sponsoring Performance	5,000.00
Sugarloaf: The North Shore Stewardship 6008 London Road Duluth, MN 55804	Conservation Programming	5,000.00
Betsy-Tacy Society P.O. Box 94 Mankato, MN 56002	Historical Equipment Upgrades	4,000.00
Gibbon Public Library P.O. Box 138 Gibbon, MN 55335	Literary Library Materials	4,000.00
Guiding Eyes for the Blind 611 Granite Springs Road Yorktown Heights, New York 10598	Medical Providing Dogs to the Visually Impaired	4,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Hearing and Service Dogs of Minnesota 2537 - 25th Avenue South Minneapolis, MN 55406	Medical Train and Place Assistance Dogs with Human Companions	4,000.00
Le Sueur Food Shelf Inc. 116 Inner Drive Le Sueur, MN 56058	Community Food for the Needy	4,000.00
Minnesota River Valley Drug Task Force P.O. Box 228 Mankato, MN 56002	Community K-9 Program	4,000.00
Misfit Acres Inc. 12480 - 550th Avenue Amboy, MN 56010	General Ongoing Care of Sanctuary Horses	4,000.00
Rochester Arts Council 30 Civic Center Drive, S.E. - Suite 200 Rochester, MN 55904	Community Sponsorship of Decorated Designer Bench	3,900.00
Watowan County Humane Society Box 346 St. James, MN 56081	General Central Air Conditioning for Cat Shelter	3,885.00
Friends of the Nature Center P.O. Box 731 Houston, MN 55943	Conservation Speaker Expenses for Owl Festival	3,700.00
Fillmore County Sheriff's Office 901 Houston Street, N.W. Preston, MN 55965	Community Equipment	3,500.00
Goodwill/Easter Seals 553 Fairview Avenue North Saint Paul, MN 55104	Medical Medical Equipment Loan Program/Rochester	3,500.00
Scottish Rite Childhood Language Clinics of Minnesota Inc. 2011 Dupont Avenue South Minneapolis, MN 55405	Medical Language Services to Children	3,500.00
Brown County Historical Society 2 North Broadway New Ulm, MN 56073	Historical Purchase Original Staircase/New Ulm Post Office	3,400.00
Friends of the Le Sueur Public Library 118 East Ferry Street Le Sueur, MN 56058	Literary Book Leasing Program/ Wireless PA Sound System	3,300.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Clean Energy Resource Teams of SE Minnesota/ University of Minnesota 7499 - 60th Avenue, N.W. Oronoco, MN 55960	Educational Cash Awards and Scholarships	3,200.00
Bethel Men's Group 810 - 3rd Avenue, S.E. Rochester, MN 55904	Community Rebuild and Repair Houses in Flood Areas	3,000.00
H.A.V.E. Inc. P.O. Box 190 Le Sueur, MN 56058	Educational Programming in the Arts and Humanities	3,000.00
Hermann Monument Society Inc. P.O. Box 643 New Ulm, MN 56073	Community Purchase Historic Diorama	3,000.00
Red Men Club Inc./City of Saint Peter 412 South 3rd Street Saint Peter, MN 56082	Community Sponsor Fireworks	3,000.00
Red Wing Collectors Society Foundation 2000 Old West Main Street - 2nd Floor East Red Wing, MN 55066	Historical Equipment	3,000.00
Midwest Art Conservation Center 2400 - 3rd Avenue South Minneapolis, MN 55404	Educational Tours and Educational Programming	2,750.00
Arc Southeastern Minnesota 6301 Bandel Road, N.W. - Suite 605 Rochester, MN 55901	Community Support for Persons With Developmental Disabilities	2,500.00
Bolder Options 607 East Center Street - Suite 2 Rochester, MN 55904	Community Mentoring Program	2,500.00
Community Food Response 810 - 3rd Avenue, S.E. Rochester, MN 55904	Community Equipment	2,500.00
Habitat for Humanity/Saint Peter Chapter P.O. Box 202 Saint Peter, MN 56082	Community Construct Homes for Families in Need	2,500.00
Honors Choirs of Southeast Minnesota 1001 - 14th Street, N.W. - Suite 920 Rochester, MN 55901	Community Sponsoring Spring Concert	2,500.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Martin County Historical Society 304 East Blue Earth AVenue Fairmont, MN 56031	Historical Copy Machine	2,500.00
Project G.E.M. Route #1 - Box 533 Lake Crystal, MN 56055	Community Arts Programming	2,500.00
Rochester Area Family Y 709 - 1st Avenue, S.W. Rochester, MN 55902	Community Support Strong Kids Campaign	2,500.00
The Reading Center/Dyslexia Institute of MN 847 - 5th Street, N.W. Rochester, MN 55901	Educational Therapy to Children	2,500.00
Rochester Art Center 40 Civic Center Drive, S.E. Rochester, MN 55904	Community Exhibition Program	2,000.00
Traverse des Sioux Library System 1400 Madison Avenue - Suite 622 Mankato, MN 56001	Literary Battle of Books Project	1,650.00
Chamber of Commerce/City of Henderson 600 Main Street Henderson, MN 56044	Community Purchase Holiday Decorations	1,500.00
Ability Building Center 1911 - 14th Street, N.W. Rochester, MN 55901	Community Build Abilities of People With Disabilities	1,000.00
American Cancer Society Relay for Life Saint Peter, MN 56082	Medical 12-Hour Team Walk	1,000.00
Minnesota Marine Art Museum 800 Riverview Drive Winona, MN 55987	Historical General Support	1,000.00
Minnesota State Fair Foundation 1265 Snelling Avenue North Saint Paul, MN 55108	Historical History and Heritage Program	1,000.00
The Minnesota Gymanfa Ganu Association Inc. 201 South Washington Avenue #205 Saint Peter, MN 56082	Community Welsh Hymn Festival	1,000.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Paws & Claws Humane Society 602 - 7th Street, N.W. Rochester, MN 55901	General General Support	1,000.00
Salvation Army 20 First Avenue, N.E. Rochester, MN 55906	Community General Support	1,000.00
Arlington Historical Society Inc. 204 Shamrock Drive Arlington, MN 55307	Historical Restoring the Lido Theatre Marquee	950.00
Animal Ark 809 East 7th Street Saint Paul, MN 55107	General Aid Homeless Animals	500.00
Habitat for Humanity/South Central Minnesota 1751 Bassett Drive Mankato, MN 56001	Community Construct Homes for Families in Need	500.00
Minnesota Federation Humane Societies 6613 Penn Avenue South - Suite 100 Richfield, MN 55423	General General Support	500.00
North American Bear Center 1926 Highway 169 Ely, MN 55731	General General Support	500.00
Rochester Music Guild P.O. Box 5802 Rochester, MN 55903-5802	Educational Scholarship Funds	500.00
American Cancer Society Midwest Division 2520 Pilot Knob Road - Suite 150 Mendota Heights, MN 55120-1158	Medical General Support	500.00
Southwest Initiative Foundation 15 - 3rd Avenue, N.W. Hutchinson, MN 55350	Community General Support	500.00
Twin Cities Public Television 172 E. Fourth Street Saint Paul, MN 55101	General General Support	500.00

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NAME AND ADDRESS	PURPOSE OF GRANT	CONTRIBUTION AMOUNT
Union Gospel Mission 77 - 9th Street E Saint Paul, MN 55101	Community Meals for Homeless	500.00
TOTAL GRANTS AWARDED - 2010		$1,180,797.00