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 12/03 **, 2010, and ending** 12/31, 2010

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
THE JAY AND ROSE PHILLIPS FAMILY
FOUNDATION OF MINNESOTA

A Employer identification number
27-4196509

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

Room/suite
200

B Telephone number (see page 10 of the instructions)
(612) 623-1654

City or town, state, and ZIP code
MINNEAPOLIS, MN 55413

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)* ▶ $ 44,372,650.

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

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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)	0.			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities				
	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)				
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	Total. Add lines 1 through 11	0.			
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	0.			
	25	Contributions, gifts, grants paid	0.			0.
	26	**Total expenses and disbursements.** Add lines 24 and 25	0.			0.
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	0.			
	b	**Net investment income** (if negative, enter -0-)		0.		
	c	**Adjusted net income** (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see page 30 of the instructions. JSA Form **990-PF** (2010)

1/

Part II Balance Sheets

		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments		584,456.	584,456.
	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			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) ATCH 1		19,663,325.	27,657,503.
	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) ATCH 2		15,384,255.	16,130,691.
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	0.	35,632,036.	44,372,650.
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	0.	35,632,036.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☐			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	0.	35,632,036.	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	0.	35,632,036.	

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	0.
2	Enter amount from Part I, line 27a	2	0.
3	Other increases not included in line 2 (itemize) ▶ ATTACHMENT 3	3	35,632,036.
4	Add lines 1, 2, and 3	4	35,632,036.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	35,632,036.

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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				
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				

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

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. NOT AVAILABLE FOR INITIAL YEAR RETURNS

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 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 ruling 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	0.
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	
3	Add lines 1 and 2 . . .			3	0.
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	0.
6	Credits/Payments:				
a	2010 estimated tax payments and 2009 overpayment credited to 2010 . . .	6a			
b	Exempt foreign organizations-tax withheld at source . . .	6b	0.		
c	Tax paid with application for extension of time to file (Form 8868) . . .	6c	0.		
d	Backup withholding erroneously withheld . . .	6d			
7	Total credits and payments Add lines 6a through 6d . . .			7	0.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached . . .			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** . . . ▶			9	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** . . . ▶			10	
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) ▶ MN,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation* . . .	8b	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

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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 ▶ WWW.PHILLIPSFAMILYFOUNDATIONMN.ORG

14 The books are in care of ▶ PATRICK TROSKA Telephone no ▶ 612-623-1654

Located at ▶10 SECOND STREET NE, SUITE 200 MINNEAPOLIS, MN ZIP + 4 ▶ 55413

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 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 ▶			
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		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶			
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	X
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	X
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	X

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
ATTACHMENT 4		0.	0.	0.

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 ▶

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services . . . . ▶ 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 N/A	
2	
3	
4	

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 NONE	
2	
All other program-related investments See page 24 of the instructions 3 NONE	
Total. Add lines 1 through 3 . . . . ▶	

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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	43,788,194.
b	Average of monthly cash balances	1b	12,176.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	43,800,370.
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	0.
3	Subtract line 2 from line 1d	3	43,800,370.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	657,006.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	43,143,364.
6	**Minimum investment return.** Enter 5% of line 5	6	171,391.

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	171,391.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	0.		
b	Income tax for 2010. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	171,391.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	171,391.
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	171,391.

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	0.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	0.
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	0.

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					171,391.
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only					
b Total for prior years 20 08 ,20 07 ,20 06					
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					
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 0.					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)					
d Applied to 2010 distributable amount					
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5		0.			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions					
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					171,391.
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)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)					
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	0.				

Form **990-PF** (2010)

Part XIV **Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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					
(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))

N/A

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

N/A

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:

ATTACHMENT 5

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

SEEE ATTACHMENT 8

c Any submission deadlines

SEE ATTACHMENT 8

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

SEE ATTACHMENT 8

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*				
Total ▶ 3a				
b *Approved for future payment*				
Total ▶ 3b				

Form **990-PF** (2010)

JSA
0E1491 1 000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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					
4 Dividends and interest from securities					
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					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					

13 Total. Add line 12, columns (b), (d), and (e) . . . . . . 13 ______

(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)

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
	N/A		N/A

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

Signature of officer or trustee

Date 8-11-11

Title Executive Director

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Michael J. Shidell	Michael J Shidell CPA	8/10/11		P00162484

Firm's name ▶ CORNELL KAHLER SHIDELL & MAIR, PLLP

Firm's EIN ▶ 41-0941592

Firm's address ▶ 3570 LEXINGTON AVENUE N. #300

ST PAUL, MN 55126

Phone no 651-482-1698

ATTACHMENT 1

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
JP MORGAN - CAP GUARDIAN SEE ATTACHMENT 6	10,230,810.	13,458,066.
JP MORGAN - TUKMAN SEE ATTACHMENT 7	9,432,515.	14,199,437.
TOTALS	19,663,325.	27,657,503.

ATTACHMENT 2

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
PIMCO TOTAL RETURN FUND	15,384,255.	16,130,691.
TOTALS	15,384,255.	16,130,691.

ATTACHMENT 3

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
TRANSFER OF ASSETS FROM A COMMON CONTOLLED PRIVATE FOUNDATION - SEE ATTACHMENT 9		35,632,036.
	TOTAL	35,632,036.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 4

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
EDWARD PHILLIPS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	CHAIR 1.00	0.	0.	0.
DEAN PHILLIPS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	CO-CHAIR/TREASURER 1.00	0.	0.	0.
KARIN PHILLIPS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	DIRECTOR 1.00	0.	0.	0.
JEANNE PHILLIPS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	CO-CHAIR 1.00	0.	0.	0.
WALTER HARRIS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	DIRECTOR 1.00	0.	0.	0.

THE JAY AND ROSE PHILLIPS FAMILY 27-4196509

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 4 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
TYLER PHILLIPS 10 SECOND STREET NE 200 MINNEAPOLIS, MN 55413	DIRECTOR 1.00	0.	0.	0.
	GRAND TOTALS	0.	0.	0.

ATTACHMENT 5

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

TRACY LAMPARTY
10 SECOND STREET NE, SUITE 200
MINNEAPOLIS, MN 55113
612-623-1656

Equity Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
AKAMAI TECHNOLOGIES INC 00971T-10-1 AKAM	1,900.000	47 05	89,395 00		N/A		
ALBERTO CULVER COMPANY 013078-10-0 ACV	2,167 000	37.04	80,265 68		N/A	736 78	0 92%
ALLEGHENY TECHNOLOGIES INC 01741R-10-2 ATI	4,767.000	55 18	263,043 06		N/A	3,432 24	1 30%
ALLERGAN INC 018490-10-2 AGN	3,066·000	68 67	210,542.22		N/A	613 20	0.29%
AMERICAN TOWER CORP CL A 029912-20-1 AMT	5,767 000	51 64	297,807 88		N/A		
ANADARKO PETROLEUM CORP 032511-10-7 APC	2,433 000	76 16	185,297 28		N/A	875 88	0 47%
APPLE INC. 037833-10-0 AAPL	1,567 000	322.56	505,451.52		N/A		
AVON PRODUCTS INC 054303-10-2 AVP	4,200 000	29 06	122,052.00		N/A	3,696 00	3.03%
BAKER HUGHES INC 057224-10-7 BHI	1,166.000	57 17	66,660 22		N/A	699 60	1.05%
BANK OF NEW YORK MELLON CORP 064058-10-0 BK	2,000.000	30.20	60,400.00		N/A	720.00	1.19%

JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

US Large Cap

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
BOSTON SCIENTIFIC CORP 101137-10-7 BSX	15,800 000	7 57	119,606 00		N/A		
BROADCOM CORP CL A 111320-10-7 BRCM	5,200 000	43 55	226,460 00		N/A	1,664 00	0 73%
CELGENE CORPORATION 151020-10-4 CELG	4,734 000	59 14	279,968 76		N/A		
CERNER CORP 156782-10-4 CERN	5,633 000	94 74	533,670 42		N/A		
CISCO SYSTEMS INC 17275R-10-2 CSCO	13,300.000	20 23	269,059 00		N/A		
CLIFFS NATURAL RESOURCES INC 18683K-10-1 CLF	1,800 000	78 01	140,418 00		N/A	1,008 00	0.72%
COACH INC 189754-10-4 COH	5,400 000	55 31	298,674 00		N/A	3,240.00	1 08%
COLGATE PALMOLIVE CO 194162-10-3 CL	1,633 000	80 37	131,244 21		N/A	3,461 96	2 64%
COMCAST CORP CL A 20030N-10-1 CMCS A	9,034 000	21 97	198,476 98		N/A	3,414 85	1 72%
DANAHER CORP 235851-10-2 DHR	3,866 000	47 17	182,359 22		N/A	309 28 77.32	0 17%

The Jay and Rose Phillips Family Foundation of Minnesota 27-4196509
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	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
DREAMWORKS ANIMATION SKG-A 26153C-10-3 DWA	8,100.000	29 47	238,707 00		N/A		
EBAY INC 278642-10-3 EBAY	3,167 000	27 83	88,137 61		N/A		
ECOLAB INC 278865-10-0 ECL	1,600 000	50 42	80,672 00		N/A	1,120 00	1 39%
EMERSON ELECTRIC CO 291011-10-4 EMR	1,400 000	57 17	80,038 00		N/A	1,932 00	2.41%
FEDEX CORP 31428X-10-6 FDX	2,833 000	93 01	263,497 33		N/A	1,359 84	0.52%
FIRST SOLAR INC 336433-10-7 FSLR	1,100 000	130 14	143,154 00		N/A		
GENERAL MILLS INC 370334-10-4 GIS	1,467 000	35 59	52,210.53		N/A	1,643.04	3.15%
GOLDMAN SACHS GROUP INC 38141G-10-4 GS	1,367.000	168 16	229,874.72		N/A	1,913 80	0 83%
GOOGLE INC CL A 38259P-50-8 GOOG	921 000	593 97	547,046 37		N/A		
HALLIBURTON CO 406216-10-1 HAL	4,100 000	40 83	167,403.00		N/A	1,476 00	0 88%
ILLINOIS TOOL WORKS INC 452308-10-9 ITW	2,733.000	53 40	145,942 20		N/A	3,716.88 929 22	2 55%

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JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
INTERNATIONAL BUSINESS MACHINES CORP 459200-10-1 IBM	500 000	146 76	73,380 00		N/A	1,300 00	1 77%
IRON MOUNTAIN INC PA 462846-10-6 IRM	5,300.000	25 01	132,553 00		N/A	3,975 00 993 75	3 00%
JABIL CIRCUIT INC 466313-10-3 JBL	4,767 000	20 09	95,769 03		N/A	1,334 76	1.39%
JACOBS ENGINEERING GROUP INC 469814-10-7 JEC	767 000	45 85	35,166 95		N/A		
JP MORGAN CHASE & CO 46625H-10-0 JPM	2,033.000	42 42	86,239 86		N/A	406 60	0 47%
JUNIPER NETWORKS INC 48203R-10-4 JNPR	9,566.000	36 92	353,176 72		N/A		
KLA-TENCOR CORP 482480-10-0 KLAC	4,967 000	38.64	191,924 88		N/A	4,967 00	2 59%
LOWES COMPANIES INC 548661-10-7 LOW	3,500 000	25 08	87,780 00		N/A	1,540 00	1 75%
MAXIM INTEGRATED PRODUCTS INC 57772K-10-1 MXIM	2,867 000	23 62	67,718.54		N/A	2,408 28	3 56%
MEDTRONIC INC 585055-10-6 MDT	5,500 000	37 09	203,995 00		N/A	4,950 00	2 43%
MERCK AND CO INC 58933Y-10-5 MRK	1,333 000	36 04	48,041 32		N/A	2,026.16	4.22%

The Jay and Rose Phillips Family Foundation of Minnesota
27-4196509
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JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
MONSANTO CO 61166W-10-1 MON	4,533 000	69.64	315,678.12		N/A	5,076 96	1 61%
NOBLE ENERGY INC 655044-10-5 NBL	867 000	86 08	74,631.36		N/A	624.24	0.84%
ORACLE CORP 68389X-10-5 ORCL	12,067.000	31 30	377,697 10		N/A	2,413 40	0 64%
PAYCHEX INC 704326-10-7 PAYX	2,466 000	30 91	76,224 06		N/A	3,057 84	4 01%
PEPSICO INC 713448-10-8 PEP	4,934 000	65 33	322,338 22		N/A	9,473.28	2 94%
PHILIP MORRIS INTERNATIONAL 718172-10-9 PM	4,133.000	58 53	241,904 49		N/A	10,580.48 2,645.12	4.37%
PROCTER & GAMBLE CO 742718-10-9 PG	1,900 000	64 33	122,227 00		N/A	3,661.30	3 00%
PROGRESSIVE CORP OHIO 743315-10-3 PGR	3,567 000	19.87	70,876 29		N/A	574.28	0 81%
QUALCOMM INC 747525-10-3 QCOM	7,500 000	49.49	371,175 00		N/A	5,700 00	1 54%
SCHLUMBERGER LTD 806857-10-8 SLB	6,033.000	83 50	503,755 50		N/A	5,067 72	1 01%
SCHWAB CHARLES CORP 808513-10-5 SCHW	13,700 000	17.11	234,407.00		N/A	3,288 00	1 40%

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JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted / Original	Unrealized Gain/Loss	Estimated Annual Income / Accrued Dividends	Yield
US Large Cap							
SCRIPPS NETWORKS INTER-CL A 811065-10-1 SNI	2,666 000	51.75	137,965 50		N/A	799 80	0.58%
TARGET CORP 87612E-10-6 TGT	7,600 000	60 13	456,988 00		N/A	7,600 00	1.66%
TIFFANY & CO 886547-10-8 TIF	4,967 000	62 27	309,295.09		N/A	4,967 00	1.61%
TIME WARNER INC NEW 887317-30-3 TWX	2,022 000	32 17	65,047 74		N/A	1,718 70	2 64%
TIME WARNER CABLE INC 88732J-20-7 TWC	1,764 000	66.03	116,476 92		N/A	2,822.40	2 42%
UNIVERSAL HEALTH SERVICES INC B 913903-10-0 UHS	1,667 000	43 42	72,381 14		N/A	333 40	0 46%
URBAN OUTFITTERS INC 917047-10-2 URBN	6,667.000	35.81	238,745.27		N/A		
VIACOM INC CLASS B 92553P-20-1 VIA B	6,400.000	39 61	253,504 00		N/A	3,840 00	1.51%
VISA INC CLASS A SHARES 92826C-83-9 V	2,966 000	70 38	208,747 08		N/A	1,779.60	0 85%
VULCAN MATERIALS CO 929160-10-9 VMC	2,100 000	44.36	93,156 00		N/A	2,100 00	2 25%

The Jay and Rose Phillips Family Foundation of
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JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
W W GRAINGER INC 384802-10-4 GWW	734 000	138 11	101,372 74		N/A	1,585.44	1 56%
Total US Large Cap	**266,574.000**		**$12,437,873.13** ①	**$0.00**	**$0.00**	**$137,004.99** **$4,645.41**	**1.10%**
US Mid Cap/Small Cap							
KINDER MORGAN MANAGEMENT LLC ONE SHARE REPRESENT 1/100,000 SHARES EKE55U-10-3	6,134.000				N/A		
Non US Equity							
CENOVUS ENERGY INC 15135U-10-9 CVE	2,600.000	33 24	86,424.00		N/A	2,035 80	2 36%
NINTENDO LTD ADR 654445-30-3 NTDO Y	4,734 000	36 73	173,865 62		N/A	4,781 34	2.75%
SHIRE PLC ADR 82481R-10-6 SHPG Y	3,567 000	72.38	258,179 46		N/A	1,230 61	0.48%
TRANSOCEAN INC H8817H-10-0 RIG	1,050.000	69 51	72,985 50		N/A		

JAY AND ROSE FAMILY FDN OF MN-CAP G ACCT. W39096008
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
Non US Equity							
WEATHERFORD INTL LTD H27013-10-3 WFT	16,367 000	22.80	373,167.60		N/A		
Total Non US Equity	**28,318.000**		**$964,622.18** ①	**$0.00**	**$0.00**	**$8,047.75**	**0.83%**
Emerging Markets							
TEVA PHARMACEUTICAL INDUSTRIES LTD SPONS ADR 881624-20-9 TEVA	1,066.000	52 13	55,570 58 ①		N/A	711 02	1 28%

Total Market Value Σ① 13.458.066

The Jay and Rose Phillips Family Foundation of
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Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap	0 00	14,199,436 53	14,199,436 53	99%

Asset Categories

Market Value/Cost	Current Period Value
Market Value	14,199,436 53
Estimated Annual Income	307,643 10
Accrued Dividends	3,439.50
Yield	2 17%

Equity Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
ABBOTT LABORATORIES 002824-10-0 ABT	1,600 000	47.91	76,656 00		N/A	2,816.00	3.67%
AUTOMATIC DATA PROCESSING INC 053015-10-3 ADP	23,967 000	46 28	1,109,192.76		N/A	34,512 48	3 11%

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JAY AND ROSE FAMILY FDN OF MN-TUKMAN ACCT. W39097006
For the Period 12/1/10 to 12/31/10

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
AVON PRODUCTS INC 054303-10-2 AVP	16,767 000	29.06	487,249 02		N/A	14,754 96	3.03%
BERKSHIRE HATHAWAY INC DEL CL B 084670-70-2 BRK B	3,516 000	80 11	281,666 76		N/A		
COCA-COLA CO 191216-10-0 KO	13,967.000	65 77	918,609.59		N/A	24,581 92	2 68%
CONOCOPHILLIPS 20825C-10-4 COP	3,967.000	68 10	270,152.70		N/A	8,727.40	3 23%
GENERAL ELECTRIC CO 369604-10-3 GE	14,367 000	18 29	262,772 43		N/A	8,045.52 2,011.38	3 06%
GOLDMAN SACHS GROUP INC 38141G-10-4 GS	5,500 000	168.16	924,880.00		N/A	7,700.00	0 83%
INTERNATIONAL BUSINESS MACHINES CORP 459200-10-1 IBM	9,366 000	146.76	1,374,554 16		N/A	24,351 60	1.77%
JOHNSON & JOHNSON 478160-10-4 JNJ	15,300 000	61 85	946,305 00		N/A	33,048.00	3 49%
LOWES COMPANIES INC 548661-10-7 LOW	34,667 000	25.08	869,448.36		N/A	15,253 48	1.75%
MICROSOFT CORP 594918-10-4 MSFT	29,300.000	27.91	817,763 00		N/A	18,752.00	2 29%
PEPSICO INC 713448-10-8 PEP	9,633 000	65 33	629,323 89		N/A	18,495 36	2 94%

JAY AND ROSE FAMILY FDN OF MN-TUKMAN ACCT. W39097006
For the Period 12/1/10 to 12/31/10

US Large Cap

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
PROCTER & GAMBLE CO 742718-10-9 PG	18,000.000	64 33	1,157,940 00		N/A	34,686 00	3 00%
SCHLUMBERGER LTD 806857-10-8 SLB	8,400 000	83 50	701,400 00		N/A	7,056 00	1 01%
STRYKER CORP 863667-10-1 SYK	7,934.000	53 70	426,055 80		N/A	5,712 48 1,428 12	1 34%
WALMART STORES INC 931142-10-3 WMT	16,400 000	53 93	884,452 00		N/A	19,844 00	2.24%
WALT DISNEY CO 254687-10-6 DIS	23,833 000	37 51	893,975 83		N/A	9,533 20	1 07%
WELLS FARGO & CO 949746-10-1 WFC	15,567 000	30 99	482,421 33		N/A	3,113 40	0 65%
3M CO 88579Y-10-1 MMM	7,933 000	86 30	684,617 90		N/A	16,659.30	2 43%
Total US Large Cap	**279,984.000**		**$14,199,436.53**	**$0.00**	**$0.00**	**$307,643.10** **$3,439.50**	**2.17%**

The Jay and Rose Phillips Family Foundation of
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THE JAY & ROSE
PHILLIPS FAMILY FOUNDATION
OF MINNESOTA

2011 Funding Priorities Overview

The Mission of the Jay & Rose Phillips Family Foundation of Minnesota is to honor the legacy of its founders by supporting efforts that address the unmet human and social needs of individuals, families and communities that have the least access to resources.

The Foundation's grantmaking resources will be directed to *help people in poverty attain economic stability* focused on the following four funding strategies.

Employment – helping low-income individuals advance toward stable, living-wage careers.
Within this area, funding will be directed to improve industry-focused job training and placement programs, increase access and success in post-secondary vocational education for adults, and support the employment success of diverse communities.

1. Sectoral Employment Initiative: We will help grow and improve industry-focused job training and placement programs.
2. Partnerships that strengthen vocational education: We will support partnerships among educational institutions, employers and nonprofits that help low-skill workers complete degrees and other post-secondary credentials that lead to vocational success.
3. Advocacy for employment success of diverse communities: We will support advocacy that promotes employment success of African Americans and other diverse communities.

Housing – helping low-income individuals access quality affordable housing.
Within this area, funding will be directed at efforts that improve individuals' and families' ability to access the right mix of supportive housing services that will help them achieve greater independence, as well as support homeownership for low-income people.

1. Development and implementation of a demonstration project focused on a standardized assessment and placement system.
2. We will support advocacy and policy efforts to increase the supply of affordable housing and to make public subsidies more portable, so individuals can keep them when they graduate from supportive housing.
3. We will support a small group of nonprofits that provide and promote sustainable homeownership opportunities for people with low incomes.

THE JAY & ROSE
PHILLIPS FAMILY FOUNDATION
OF MINNESOTA

2011 Funding Priorities Overview

Education – expanding access to high quality childcare for working families as well as helping high school students transition to post-secondary options.

Within this area, funding will be directed to support advocacy and public policy efforts, strengthen the viability of childcare businesses that serve low-income families, and help low-income youth connect with community colleges and other career pathways.

1. Childcare advocacy: We will work with leading early learning advocacy organizations to support a strong policy agenda that expands childcare subsidies and supports the childcare industry.
2. Stronger business viability for providers who serve families with low incomes: We will support organizations that provide business services to childcare providers in low-income neighborhoods in order to preserve access to affordable and high quality care options in low-income neighborhoods.
3. Better connections between youth and post-secondary education: We will support programs that promote the educational and career success of youth from low- income families.

Transit – helping low-income individuals access affordable transportation.

Within this area, funding will be directed at policy efforts to ensure a sustainable and highly accessible public transit system in the Twin Cities, and support community organizing efforts that engage those most affected by public transit corridors and other transportation expansions.

1. Advocacy for a permanent and sustainable transit funding source: We will support advocacy and policy change efforts to ensure a new dedicated funding mechanism that will sustain and grow the Twin Cities' public transit system.
2. Community engagement in transit decision making: We will support grassroots community organizing that engages those with low incomes and those who rely on public transit in the development of future transit corridors.
3. Community-based development around the new light rail line: As a founding member, we will continue to support the Central Corridor Funders Collaborative.

For general questions about the Foundation's funding priorities or 2011 grantmaking program, please call our office at (612) 623-1654 or email us at info@phillipsfamilyfoundationmn org

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THE JAY & ROSE
PHILLIPS FAMILY FOUNDATION
OF MINNESOTA

REQUEST FOR PROPOSALS

The Sectoral Employment Initiative (SEI)

Purpose

The Sectoral Employment Initiative is a funding opportunity offered by The Jay and Rose Phillips Family Foundation of Minnesota in partnership with the Minnesota office of the Corporation for National and Community Service (CNCS). The initiative will build the capacity of three to five Twin Cities nonprofit workforce organizations to better carry out their industry-focused employment programs.

Grant Size:	$75,000-$100,000 per year
Duration:	Two years
Geographic Focus:	The seven-county Twin Cities metro area[1]
Proposals Due:	Noon, Thursday, March 10th, 2011
Contact:	Joel Luedtke, Senior Program Officer jluedtke@phillipsfamilyfoundationmn.org

Introduction: A response to the ongoing unemployment crisis

We're now more than two years into the worst job market in a generation, and it's clear that those who were already at the economic margins have suffered the greatest losses.

- During and since the recent Great Recession (2007-2009), African American households have experienced larger increases in unemployment, deeper cuts to family incomes, and faster growth in poverty than the national averages (Economic Policy Institute, 2011)

- Minnesota's unemployment rate for adults without a high school diploma now tops 19%—nearly six times the rate of those with bachelor's degrees or better (2009 U.S. Bureau of Labor Statistics data)

- Workers with disabilities have lost jobs at three times the rate of other workers (H. Stephen Kaye, Bureau of Labor Statistics Labor Review Online. October 2010)

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[1] This includes the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

These disproportionate impacts have emerged in the first few years of what is projected to be a prolonged period of high unemployment. Adding to the challenge is a looming skills gap in this state. An oft-cited study projects that by 2018 70% of Minnesota's job openings will require some form of post-secondary education or training. Currently only 40% of the state's workforce has a postsecondary degree.

It will take powerful strategies to reverse the trajectory of those with barriers to employment. We believe that high-quality sectoral programs may be up to the challenge.

Growing evidence suggests that when strong nonprofit organizations partner with private-sector employers to create targeted job training and placement programs, participants in these programs experience a substantial long-term boost to their earnings and overall quality of employment. Beyond strong individual outcomes, this strategy dovetails well with the business community's emerging plans to promote growth in the Twin Cities region as well as the ongoing statewide efforts to help more low-skilled adults achieve post-secondary credentials.

How We Define "Sector Based" Employment Efforts

This initiative will support "sector-based" or "sectoral" employment programs operated by nonprofit organizations in the Twin Cities metro area. These programs target specific industries and offer coordinated training and job placement components. Training usually culminates in some form of certification or credential that is recognized by employers as indicating that a candidate possesses the skills necessary to successfully perform a job. Sometimes the training and credentialing happens entirely within the nonprofit organization, but it can also be done in partnership with post-secondary education institutions such as community and technical colleges.

Typically, nonprofit organizations that implement this type of program successfully conduct careful research to determine which industry sectors hold the most opportunities for their participants. They build strong relationships with employers in these sectors to gather real-world input into their training practices and to gain access to employment opportunities for program graduates. These mutually beneficial partnerships with industry are an essential component of successful nonprofit sectoral programs.

On a broader scale, sector initiatives that involve multiple nonprofit service providers, employers, funders, educational institutions, and government entities can strengthen regional economic growth and competitiveness by linking the human resource needs of key industries with the underdeveloped human capital prevalent in low-income communities. High quality nonprofit training programs are part of this kind of regional strategy, but a comprehensive approach also requires improvements to critical systems such as higher education, public-sector workforce development, industry associations, and public policy. While the Sectoral Employment Initiative is not launching as a full-blown regional effort, it does aim to help participating organizations become leaders in current and future sectoral work in the Twin Cities region.

Differences between current workforce models and sector-based strategies

The program model that this RFP seeks to support is different than the prevailing approach to employment services. Many current workforce programs try to place individuals into jobs as quickly as possible. They may include some emphasis on skill-building (typically around soft skills such as resume building, interviewing skills, etc) or career pathways. But frequently, they don't offer the hard skills training and support services needed by hard-to-employ individuals to succeed in today's labor market. We believe the sectoral model, with its strong emphasis on training and meeting the needs of employers, offers a better chance for participants to achieve significant, long-term increases in their income and job quality.

The Evidence In Support of Sector-Focused Programs

This is not a new way to help individuals move up in the labor market. Sector-focused employment programs were piloted in the 1980's and have since shown consistently strong results. In the Twin Cities, nonprofit organizations have been using this approach for decades. Some prominent sectoral programs from other parts of the country include:

- JVS in Boston, Massachusetts trains low-income individuals for careers in nursing and culinary professions. It also offers GED courses, college prep services, English classes, and assistance to aspiring entrepreneurs. JVS was part of a recent study that revealed a host of strong outcomes for sectoral employment programs compared to other types of employment services.

- Capital IDEA in Austin, Texas provides tuition grants and other supports to lower-income job seekers to help them complete college-level training courses. The organization then helps participants get good jobs through an extensive network of employer contacts. Capital IDEA is constantly researching its regional labor market to guide participants to the most promising sectors and careers.

Evaluations of past sectoral employment efforts provide compelling testimony for the value of this approach and the need for further investments. Key findings include:

- Participants in this type of training program saw their rate of poverty drop from 64% pre-program to 35% two years after completion. (Public/Private Ventures, 2008)

- Two separate studies showed that the percentage of participants who worked year-round roughly tripled from the year prior to training to the second year after training (22-23% before vs. 61-66% after). (Aspen Institute, 2002 and Public/Private Ventures, 2008)

- Adults who participated in industry-focused training programs earned $4,000 more per year than those who participated in other types of employment services. (Public/Private Ventures, 2010)

Overview of the Sectoral Employment Initiative

The initiative seeks to boost participating organizations into the top tier of sectoral employment programs, locally and nationally. It uses grant funding, technical assistance, independent evaluation, peer-to-peer learning, and additional staff resources to pursue this goal. Here are the main components of this initiative.

- The SEI will bring together three to five strong, sector-focused employment providers to form a two-year learning and improvement cohort.

- Grantees will work with foundation staff and consultants to create and implement plans aimed at increasing program capacity, achieving better participant outcomes, and influencing key systems and policies on behalf of their constituents. Participating organizations will also meet regularly to learn from each other, participate in trainings, and develop common strategies for expanding high-quality sectoral employment opportunities throughout the region.

- Organizations selected to participate will receive $75,000-$100,000 in capacity-building support from the Foundation. The Foundation also intends to fund a robust process and outcome evaluation of the SEI.

- The Foundation is partnering with the Minnesota office of the Corporation for National and Community Service to provide up to two full-time VISTA members to each grantee. These staff resources will support all facets of this capacity-building effort. See Appendix A for more information about the VISTA program and its role in the SEI.

Goals of the Sectoral Employment Initiative

The SEI seeks to strengthen the work of participating organizations in four main ways:

1. **Increased capacity** The initiative's resources will allow grantees to explore new employment opportunities and employer relationships, and to pilot new training programs or expand current offerings. This should lead to growing enrollment capacities and/or more diverse career and training options.
   Some ways the SEI could help an organization increase its training capacity are:
   - Funding and providing additional staff time to research and network with prospective employers,
   - Supporting stronger marketing and customer relations, and
   - Funding start-up costs associated with launching a new training program.

2. **Better participant outcomes** Organizations participating in the initiative will identify opportunities to improve the efficiency and effectiveness of their services. This could be measured in terms of higher program completion rates, increased job placement rates, better wages, stronger job retention, or other indicators of participant job quality and overall financial sustainability.
   Possible strategies for SEI participants to improve participant outcomes include:
   - Increasing case management support for participants,
   - Creating or expanding an emergency fund to help participants cope with financial crises,

- Creating an incentive system to encourage participants to complete training and remain on the job, and
- Extending the length of time that support services are offered to promote better long-term job retention.

3. **Improving supports and outcomes for job-seekers with high barriers to employment**
   Because sectoral employment programs aim to meet the needs of employers, they must carefully screen applicants to ensure that they can succeed in training and meet industry standards. Consequently, job-seekers who lack adequate literacy and numeracy, or who have other significant barriers such as criminal records, are often unable to participate in these training programs. The Foundation and the CNCS are interested in linking a broader range of job-seekers to sectoral employment programs.
   Possible uses of SEI resources to support this goal include:
   - Creating a "bridge" program to boost the literacy, numeracy or other core skills of applicants who fall just below eligibility criteria,
   - Establishing stronger connections with adult basic education or other key systems so that individuals who are screened out receive high quality services and reconnect with training programs when they're better prepared, and
   - Researching career options that are more accessible to individuals with criminal records, or advocating with employers to hire these candidates.

4. **Progress towards systemic change**
   The job prospects of low-income individuals—especially those with high barriers to employment--are strongly influenced by an interlocking network of public sector systems. These include public assistance/welfare, workforce centers and the rest of the public sector workforce system, adult basic education, higher education and criminal justice. The systems that exist in each industry around training, certification, recruitment, and hiring impact all workers. While it's not realistic to expect dramatic shifts in these large, entrenched systems during the short duration of two years, this initiative can help grantees focus more intently on key system-level reforms that would support the employment opportunities and long-term economic success of their participants.
   The SEI could support activities such as:
   - Participation in forums, meetings, task forces, and groups that influence workforce policies,
   - Advocacy with key stakeholders such as industry associations and higher education to reduce barriers to employment for participants, and
   - Engagement with groups such as HIRE and the Second Chance Coalition, which are working to reduce employment disparities for people of color and those with criminal records.

Organizations responding to this RFP will be asked to describe their plans and aspirations within each of these four goal areas, as well as how they will measure progress and success. However, we recognize that resources available through this initiative aren't sufficient for grantees to launch major new projects across all four areas. Some prioritization will be needed. Applicants also may not have clear ideas about what their "next level" of work should look like in all of these domains. We appreciate as much specificity about applicants' learning and improvement agendas as can be offered, but we also expect that these plans will evolve during the course of this two-year initiative. At its core, this initiative is a capacity building effort, so learning and adaptation will always be encouraged in the pursuit of better employment outcomes for program participants and other hard-to-employ individuals.

Eligibility Criteria

- The SEI will support nonprofit organizations **already operating sectoral employment programs** that serve individuals with barriers to employment in the seven-county Twin Cities metro area. Applicants may identify partners in their proposal but this is not required. If a collaborative proposal is submitted there must be one lead applicant. Partners could include entities such as other nonprofits, educational institutions, workforce agencies, industry associations or labor unions.

- The SEI will support organizations with a **strong record of success in sectoral employment**. Applicants must demonstrate that they've been offering industry-focused job training and placement services to hard-to-employ individuals for at least two years. These programs must have resulted in the successful placement of at least 40 individuals into jobs in the targeted industry over the past two years.

- SEI resources are intended to support **services for low-income job-seekers with significant barriers to employment**. Examples of "significant barriers" include: mental or physical disability; limited English proficiency; a criminal record; lack of a high school diploma or GED; chemical dependency; or poor basic skills (literacy and numeracy). Applicants will need to demonstrate that their sectoral employment programs are reaching one or more of these target populations.

- Applicants must be in **sound financial health** with adequate income to cover current operations, some cash reserves, and professional accounting practices.

Other Selection Criteria

In addition to meeting the criteria mentioned above, successful applicants will demonstrate the following attributes:

- A clear and compelling vision of how their sectoral programs can grow and improve,

- A demonstrated commitment to strive for systems change to benefit their participants and a clear agenda for future advocacy,

- A commitment to achieving equitable outcomes for all participants and an appreciation for the ongoing inequities and discrimination that face African Americans and other diverse communities as they strive for economic success, and

- Strong relationships with key stakeholders and systems. These include higher education, adult basic education, the public sector workforce system, city, county and state government, industry associations, criminal justice, and labor unions.

How to Apply

1. Review the RFP document carefully. If you have specific questions please contact Joel Luedtke, the Foundation's Senior Program Officer at 612-623-1651 or at jluedtke@phillipsfamilyfoundationmn.org.

2. Participate in one of the following teleconference to learn more about this initiative:

   Tuesday, February 22nd — 2:00 p.m. – 3:00 p.m.
   Thursday, February 24th — 10:00 a.m. – 11:00 a.m.

   The call in number for both teleconference is: 1-800-247-5110. The passcode for both is: 1720

3. Use the link on Employment page of the Foundation's website to complete your on-line proposal.

   Once a proposal is opened, you'll be able to log in at your convenience, add to the document, and save your changes until you submit it or until the application deadline is reached.

4. Complete your online application and upload all of the required attachments by 12:00 noon on **Thursday, March 10th, 2011**

Proposal Format and Required Attachments

The online application includes the following questions. All of the required attachments should be uploaded prior to final submission.

1. Basic organizational information (name, address, contact information, etc.)

2. Narrative description of organization and its programs (mission statement, history, programs and key relationships)

3. Organizational budget figures and additional narrative Note: Project budgets will be developed with finalists during the proposal review process.

4. Describe your current efforts to train and place low-income individuals into specific positions and industries. What positions, industries or sectors are targeted? How has this aspect of your organization evolved in recent years?

5. How are employers and industry associations engaged in your sectoral employment programs? How has their involvement helped to make these programs more effective?

6. What data do you collect on participant outcomes? What does this tell you about the impact of your sectoral employment program(s)? Some obvious measures of impact would be placement rates, wages, income, poverty reduction, access to paid benefits, and vocational credential or

credit attainment. However, applicants are free to note other ways in which their participants benefits from services. (Applicants must also submit a detailed summary of outputs and outcomes over the past 2 years as an attachment).

7. What do you know about how employers have benefitted from your services?

8. Describe your preliminary plans for improving your organization's sectoral employment programs in the following four areas. How will you measure progress? What goals will you be striving toward during this two-year initiative?
   (Include plans, measurement indicators and goals for each area)
   A. Expanding the capacity and scope of sectoral employment programs
   B. Achieving better participant outcomes
   C. Improving supports and outcomes for job-seekers with high barriers to employment
   D. Advancing systemic change

9. How will you utilize AmeriCorps VISTA members in this effort? Please mention how these staff will be supervised, where they will be located, and any training or professional development opportunities that will be offered. What experience does your organization, and the key program staff have in supervising national service members, interns or similar staff resources? (See Appendix A for more information on the AmeriCorps VISTA program)

10. How will you work to sustain the successful elements of the SEI? How have past pilot projects, research and evaluation shaped your organizations current services and structure?

Required Attachments

1. Current strategic plan, if available

2. Most recent audited financial statement or, if this is not available, most recent year-end financial statements

3. Most recent monthly or quarterly financial statement

4. Budget for current fiscal year noting income and expenses associated with current sectoral employment programming

5. A summary of the activities and outcomes of sectoral employment programming over the past two years. This can include participant-level measures (enrollments, placements, wages at start, job retention etc.), measures of employer benefits, and evidence of positive systemic changes achieved through advocacy.

6. 2 VISTA position descriptions (both VISTA's can have same job description if this is preferable)

7. Brief bios on key agency staff that will be involved with SEI activities

SEI Application and Early Implementation Timeline for 2011

Tuesday, February 15th	Sectoral Employment Initiative Request for Proposals posted on Foundation website and emailed to prospective applicants.
Tuesday, February 22nd 2:00 p.m. – 3:00 p.m.	First question and answer teleconference Call-in number: 1-800-247-5110. Passcode: 1720
Thursday, February 24th 10:00 a.m. - 11:00 a.m.	Second question and answer teleconference Call-in number: 1-800-247-5110. Passcode: 1720
Thursday, March 10th 12:00 p.m. (noon)	Deadline to submit completed proposals online
March 10th – March 31st	Proposal review and site visits
Week of April 4th-8th	Grant awards are announced. Grant agreements provided to prospective SSII participants.
April 22nd	Grant agreements due back to the Foundation.
April 11th – Approx. May 31st	SEI participants will recruit and select VISTA members for their organization (with assistance from Foundation and CNCS)
July	SEI activities commence
Week of August 8th	VISTA members begin year of service at participating agencies

Appendix A

The AmeriCorps VISTA program and its role in the SEI

Overview of AmeriCorps VISTA

AmeriCorps VISTA is the national service program designed specifically to fight poverty. Founded as Volunteers in Service to America in 1965 and incorporated into the AmeriCorps network of programs in 1993, VISTA has been on the front lines in the fight against poverty in America for more than 40 years.

VISTA members commit to serve full-time for a year at a nonprofit organization or local government agency, working to fight illiteracy, improve health services, create businesses, strengthen community groups, and much more. With passion, commitment, and hard work, VISTA members create or expand programs designed to bring individuals and communities out of poverty.

Additional information about AmeriCorps VISTA is available on the program's website.

The role of AmeriCorps VISTA members in the SEI

The SEI will require an organization-wide commitment to achieving excellence in the sectoral employment field. This will certainly demand staff effort at all levels—hence the significant general operating support offered from the Foundation. But, if new evaluation processes are to really become embedded in the organizational life of SEI agencies, if opportunities to reach out to new employers and other key stakeholders are going to be pursued aggressively, if the funding needed to sustain this work over the long haul is to be secured—additional staff resources are essential. VISTA members are an ideal solution to this need.

The VISTA members assigned to SEI organizations will work under the supervision of senior managers who are heading up this project. Their primary task will be to realize the programmatic improvements identified through this initiative. Participating organizations will have wide discretion about how they utilize VISTA staff resources, so long as their work conforms to the general guidelines established by the Corporations for National and Community Service (CNCS) and is principally focused on SEI activities.

Prospective SEI participants should understand that VISTA members are typically new to the professional workforce. Many are recent college graduates. Their success will require a clear job description and responsibilities, supportive and accessible supervision, strong coaching, and a thoughtful professional development plan. CNCS and the Foundation will assist SEI participant to develop these capacities, but host organizations are ultimately responsible to make the most of this staff resource and ensure that VISTA members can excel during their year of service.

SEI participants should also provide:

- adequate office space, office equipment, tools and other essential materials for the member to perform service. The member should have access to a desk, telephone and computer.
- comprehensive on-site orientation and training.
- transportation or mileage reimbursement for members during established service hours in accordance with the policies of the placement site.

VISTA members will serve for a period of one year beginning in early August 2011*. They have the option to renew their commitment for a second year, with their host organization's consent and that of the CNCS. SEI participants should anticipate that a new group of VISTA members will need to be recruited in the spring of 2012.

VISTA members will be provided free of charge to organizations receiving support under the SEI. Those organizations will be responsible for recruiting VISTA members to serve at their individual sites. That recruitment must follow the process established by the CNCS, including the use of the online recruitment system. More information on that process will be available to successful applicants under this RFP, upon selection.

Members must be recruited by June 1, 2011*. VISTA member stipends and benefits will be provided by the CNCS. The Foundation (or its designee) will also provide ongoing oversight and support for VISTA members including organizing trainings, holding regular meetings of all VISTA members, and one-on-one meetings with each member and his/her supervisor.

** Dates subject to change*

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THE JAY & ROSE
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Housing

Within this area, funding will be directed at efforts that improve individuals' and families' ability to access the right mix of supportive housing services that will help them achieve greater independence, as well as support homeownership for low-income people.

For people to thrive, they need a place to call home. Whether they own or rent, it has to be safe, affordable, and offer the emotional and psychological space they need to make other changes that improve their lives. It's the foundation for their future success.

When you combine that home with conveniently located voluntary services like job training, parenting education, youth and children's programs, mental health support, and case management—people struggling to stay afloat have the best chance to stabilize their lives and move ahead economically. This combination—called supportive housing—has been used in the Twin Cities for many years. Research has consistently shown that supportive housing is cost-effective, and has positive outcomes on the stability, health, and employment of its residents.

We know that as effective as supportive housing is, there are challenges and inefficiencies in the system that must be addressed so it functions optimally for greater client outcomes. In 2009, Metro-wide Engagement on Shelter and Housing (MESH) formed the Metro Services Funding Workgroup to identify supportive services funding needed to end homelessness. In its year-end report, MESH recommended that:

- The public and private sectors work together to "create a better system to get people to the right programs. A system that is as seamless as possible so that if, for example, a rapid re-housing or prevention intervention does not work for someone, there are other options available, including transitional and permanent supportive housing."
- "There should be incentives to transition people who have benefited from supportive housing but no longer need it, in order to open the unit/services for someone who needs it. This might require rental assistance and /or short-term support. Government should consider targeting some resources to helping people exit supportive housing if they no longer want and need it. The result would be a more efficient use of the dollars being invested in supportive housing."

View the full MESH report.

These findings correlate well with what we heard throughout 2010, as we talked with supportive housing providers, funders, government leaders, and policymakers about how to make this model more efficient and productive for those who need it.

Our response
Our funding will help ensure that people with low incomes have access to quality, stable, affordable housing that gives them the opportunity to move forward.

1. **Development and implementation of a demonstration project focused on a standardized assessment and placement system.**

No universal or standardized assessment tool has been developed that could match families and individuals with available units in a way that would better ensure their success and the system's efficiency. The lack of this process means families and individuals frequently are placed wherever there's an opening, whether it's the best fit for their needs or not. This forces providers to patch together an ad-hoc system of supports to meet each client's needs, which has led to a supportive housing system that's overly redundant, inefficient, and pervasively underfunded. More effective placements would mean that people get the right mix and intensity of services for their particular needs, which should help them move back to independent living more quickly.

Funding process:
Over the course of 2011, we'll support the development and testing of an assessment and placement system that's more effective for clients and more efficient for organizations. The goal is to launch this new system with a pilot group of providers in 2012.

The Foundation will not accept unsolicited applications for this two-year demonstration project. We'll work with a local consulting group to develop and manage the components of the project, identify the key players, and invite nonprofit and public sector partners to participate. Participating organizations will be eligible for a small operating grant for their involvement in the demonstration project.

2. Advocacy and policy efforts to increase affordable housing and subsidies

We will support advocacy and policy efforts to increase the supply of affordable housing and to make public subsidies more portable, so individuals can keep them when they graduate from supportive housing.

There's often little incentive for people who have stabilized to move out of supportive housing, creating a log-jam with wait lists and diminished opportunity for some. This is exacerbated by the shortage of affordable places for people to live. The Twin Cities needs an estimated 51,000 new units of affordable housing by 2020 to meet the demand. But building housing at this scale requires incentives, tax credits, and other policy and zoning changes that need strong advocacy. Another barrier to residents who are ready to move out of supportive housing is the fact that their public subsidy often ends when they leave. Allowing them to take subsidies with them would encourage them to move on because they'd be able to afford market-rate housing without gutting their budgets and potentially cycling back to homelessness.

Funding process:
Applications for housing advocacy and policy efforts were due March 31st. The application process for this area is now closed.

3. Homeownership promotion

We will support a small group of nonprofits that provide and promote sustainable homeownership opportunities for people with low incomes.

Owning a home is a solid pathway to economic stability. It allows people to build wealth and become part of a community. Now is an ideal time to aggressively promote homeownership for people with low incomes. Increased availability of housing stock—including many rehabbed properties—due to the foreclosure crisis creates timely buying opportunities at lower prices. Current tax credit programs can further lower prices. In addition, good home ownership education is available in this region to prepare first-time buyers for success.

Funding process:

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Attachment 8

THE JAY & ROSE
PHILLIPS FAMILY FOUNDATION
OF MINNESOTA

Education

Within this area, funding will be directed to support advocacy and public policy efforts, strenthen the viability of childcare businesses that serve low-income families, and help low-income youth connect with community colleges and other career pathways.

When a family faces the daily stress of poverty, it's hard for children to flourish. Parents can't afford childcare, yet it may be essential to the pursuit of their educational and employment goals—which could increase their income. It's a cycle that's tough to break. Meanwhile, the kids suffer.

Parents with low incomes struggle to provide the education, health care, nutrition, and safe housing their children need. Despite the fact that quality early care has a lifelong positive effect on children, it's often out of reach for families who need it most. Minnesota has one of the highest childcare costs in the country, and has tightened the eligibility for subsidies in recent years. This forces many families to rely on relatives, friends, or other unlicensed childcare providers who don't provide a consistently rich learning environment. In addition, those who do provide quality childcare in low-income neighborhoods are hard pressed to keep their doors open due to heavy job losses among their clientele and high operating costs.

The early struggle to find quality, affordable educational options before kindergarten is often repeated near the end of high school. Today, post-secondary education is crucial for anybody who wants steady, living-wage employment. As education levels increase, unemployment rates plummet. We have to help older youth connect better with post-secondary education opportunities that can set them on the path to productive careers. Completing just two semesters of post-secondary coursework and getting a work-related credential can increase their earnings up to $8,500 per year.

Our response

Our education funding will support advocacy to expand access to quality, affordable childcare for working families with low incomes, as well as efforts that demonstrate better strategies to connect high school students to career pathways.

1. **Childcare advocacy**

We will work with leading early learning advocacy organizations to support a strong policy agenda that expands childcare subsidies and supports the childcare industry.

Funding process:
The Foundation will invite proposals from selected organizations.

2. **Stronger business viability for providers who serve families with low incomes**

We will support organizations that provide business services to childcare providers in low-income neighborhoods in order to preserve access to affordable and high quality care options in low-income neighborhoods.

Funding process:
The Foundation will invite proposals from selected organizations.

3. Better connections between youth and post-secondary education

We will support programs that promote the educational and career success of youth from low- income families through strategies such as:

> **enabling these youth to begin earning college credits prior to their high school graduation;
>
> **providing customized supports that enhance college and/or training completion rates; and
>
> **providing stronger vocational orientation and career exposure to low-income high school students, thereby increasing post-secondary participation and completion.

Funding process:
The Foundation will invite proposals from selected organizations.

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The Jay and Rose Phillips Family Foundation of Minnesota 27-4196509
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The Jay and Rose Phillips Family Foundation of Minnesota 27-4196509
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THE JAY & ROSE
PHILLIPS FAMILY FOUNDATION
OF MINNESOTA

Transit

Within this area, funding will be directed at policy efforts to ensure a sustainable and highly accessible public transit system in the Twin Cities, and support community organizing efforts that engage those most affected by public transit corridors and other tranportation expansions.

Affordable housing may be concentrated in the core cities, but most new jobs in this region are in the suburbs or exurbs. For low-income workers, it's not just a matter of finding a *job* but finding an affordable way to *get to that job* if they don't own a car—which is often beyond their means. To progress toward economic stability, they need a fully functioning and accessible public transportation system on which to rely.

There's excitement about the construction of a second light rail line in the Twin Cities—and there should be. But as important as light rail is, it's only one piece of a larger, multi-modal transitways system that our region desperately needs to stay competitive and to provide options for people to get from place to place. For people with low incomes, that system is nothing short of a lifeline. They need it not only to get to work, but to get to schools, health clinics, hospitals, churches, and stores.

Growing our existing transit system requires a dedicated funding source that's adequate to meet the need. The region's existing bus and rail system is projected to run a $62 million deficit over the 2011-2012 biennium. Such shortfalls have historically been covered through the state's general fund. The state, however, has a fiscal crisis of its own, projecting a $6 billion deficit over the same biennium. That bodes service route cuts and fare increases that would have an enormous effect on the lives of people living in poverty. To serve the region, we need the transit system to expand not contract.

As our region plans future light rail, high speed bus lines, and high speed commuter rail systems for the next 20 years, it's essential that the voices of those who most depend on transit—those with low incomes or disabilities and the elderly—are clearly heard. Otherwise we run the risk of creating a system that serves distance commuters who have other transportation options, and adding yet another obstacle for those struggling toward economic stability.

Here are a few statistics that compel us to address the transportation needs of people with low incomes:

- Twin Cities households spend an average of 20% of their annual income on transportation—making transportation the second highest household expense behind the cost of housing. This number goes up the farther one lives from the central cities of Minneapolis and St. Paul. A well-oiled public transportation system can cut these household costs significantly.
- Since 1995, transit ridership has been growing at nearly triple the rate of the population, and almost twice as fast as the number of miles driven. In 2008, transit ridership rose 4%, while the total number of miles driven fell by 3.6%. There were a record 95 million transit rides in 2008 in the seven-county metro area.

- The Met Council's Transit Vision plan forecasts doubling transit ridership by the year 2030 from 73 million rides in 2003 to 145-150 million. It will accomplish this by expanding the bus system—including improved coverage and frequency, additional express routes, and improvements that give transit a travel-time advantage over the single occupant car—and developing a network of bus and rail transitways that include LRTS, BRT, commuter rail, and express buses.
- The three biggest funding sources for the transit system are motor vehicle sales tax (30%), fares (26%), and the state general fund (22%). Due in part to lagging car sales, these revenues have dropped. A new quarter-cent sales tax was passed by Anoka, Dakota, Hennepin, Ramsey, and Washington Counties to fund transit projects. However, these funds cannot be used to maintain or expand the regular-route bus system, and will likely not provide the resources necessary to build-out the transitways system over the next 20-30 years. More dedicated funding is needed to keep our system operating optimally and grow it to meet demand.

Our response

Our transit funding will help ensure that people with low incomes have reasonable access to affordable transportation to get to work and meet their daily needs.

1. Advocacy for a permanent and sustainable transit funding source

We will support advocacy and policy change efforts to ensure a new dedicated funding mechanism that will sustain and grow the Twin Cities' public transit system.

Metro Transit relies on the state's general fund to cover expenses, and that fund continues to fall several billion dollars short of revenue. We need a new, permanent funding source that can support not only the current transit system's full operation, but its growth.

Funding Process:

We will be working with key transit policy partners to support policy work that addresses the funding needs of the public transportation system, and will invite proposals from selected organizations that show the greatest promise to move this agenda forward.

2. Community engagement in transit decision making

We will support grassroots community organizing that engages those with low incomes and those who rely on public transit in the development of future transit corridors.

Transit planning efforts must include the ideas and opinions of those who use and rely on the system. Engaging these groups in planning routes, station areas, and surrounding development will ensure this system is accessible to the very populations that need it the most.

Funding Process:

Applications for community engagement in transit decision making were due March 31st. The application process for this area is now closed.

3. Community-based development around the new light rail line

As a founding member, we will continue to support the Central Corridor Funders Collaborative.

The Central Corridor Funders Collaborative (CCFC) is a group of local and national funders working with others to unlock the transformative potential of the new light rail transit line along the Central Corridor, between the downtowns of Saint Paul and Minneapolis.

The CCFC strongly supports the light

strengthen the regional economy and make surrounding neighborhoods better places to live and work. Everyone involved has a stake in making decisions about the Corridor to ensure benefit to both the region and the neighborhoods. We envision stable, thriving neighborhoods throughout the Central Corridor that reflect community identities and link all people to regional opportunities and local amenities.

Learn more about the Central Corridor Funders Collaborative or you can watch a recently released video about the Corridor.

Please click here to learn more about how you can support businesses in the Central Corridor during the construction phase. They need the support of our entire community.

Funding Process:
The Foundation makes an annual grant to the CCFC for operations. Unsolicited applications are not accepted.

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The Jay and Rose Phillips Family
Foundation of Minnesota 27-4196509
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The Jay and Rose Phillips Family Foundation of MN
TIN: 27-4196509
December 31, 2010

Form 990-PF, Part III, Line 3

During 2010, the Jay and Rose Phillips Family Foundation made various distributions of assets from sources other than current income to three separate private foundations which are under common control. These distributions represented approximately 75% of the Foundation's net assets of $176,700,000 (as measured by fair market value) at the beginning of 2010. Information related to the distributions received by the The Jay and Rose Phillips Family Foundation of Minnesota is as follows:

Name and Address of Distributees	Assets Distributed	Date of Distribution	Distributions at Cost	Fair Market Value of Distributions
The Jay and Rose Phillips Family Foundation of Minnesota **10 Second Street NE, Suite 200** **Minneapolis, MN 55413**	Cash	12/23/2010	576,668	576,668
	Stocks	12/23/2010	19,663,325	27,754,965
	Cash	12/31/2010	7,788	7,788
	1,486,699.6 shrs of Pimco Total Return Fd	12/23/2010	15,384,255	16,026,622
		Total	**35,632,036**	**44,366,043**

The distributions are part of a transfer of all of the assets of The Jay and Rose Phillips Family Foundation pursuant to IRC Sec. 507(b)(2) to other private foundations, which will be completed in 2011. The Jay and Rose Phillips Family Foundation has complied with all of the requirements of IRC Sec. 507(b)(2) as well as the provisions of IRC Sec. 507(a)(2). The purpose of the transfer is to allow the newly created foundations to serve the different geographical regions more effectively.

Once the transfer of assets is complete in 2011, The Jay and Rose Phillips Family Foundation of Minnesota will report on its 990-PF the attributes of The Jay and Rose Phillips Family Foundation.

Form **8868**
(Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . ▶ ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization THE JAY AND ROSE PHILLIPS FAMILY FOUNDATION OF MINNESOTA	**Employer identification number** 27-4196509
	Number, street, and room or suite no If a P O box, see instructions 10 SECOND STREET NE	
	City, town or post office, state, and ZIP code For a foreign address, see instructions MINNEAPOLIS, MN 55413	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	**Return Code**	**Application Is For**	**Return Code**
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ PATRICK TROSKA

Telephone No ▶ 612 623-1654 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ________ . If this is for the whole group, check this box . . . . . . ▶ ☐ . If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15 , 20 11 , to file the exempt organization return for the organization named above. The extension is for the organization's return for.

▶ ☒ calendar year 20 10 or

▶ ☐ tax year beginning ________, 20___, and ending ________, 20___.

2 If the tax year entered in line 1 is for less than 12 months, check reason ☒ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Paperwork Reduction Act Notice, see Instructions. Form **8868** (Rev 1-2011)