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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2010

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

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

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

Name of foundation Pattae Foundation, Inc.		A Employer identification number 37-1138998
Number and street (or P.O. box number if mail is not delivered to street address) 51 Public Square PO Box 647		B Telephone number (see page 10 of the instructions)
City or town, state, and ZIP code Monmouth, IL 61462		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 28,499,038	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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)
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	29,888	29,888		
4 Dividends and interest from securities	433,707	433,707		
5a Gross rents	1,062,229	1,062,229		
b Net rental income or (loss)	580,859			
6a Net gain or (loss) from sale of assets not on line 10	(125,230)			
b Gross sales price for all assets on line 6a	256,839			
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) STM106	(22,662)	(22,662)		
12 Total. Add lines 1 through 11	1,377,932	1,503,162		
13 Compensation of officers, directors, trustees, etc.	150,800	100,000		50,800
14 Other employee salaries and wages	25,200	20,000		5,200
15 Pension plans, employee benefits	1,928	1,540		388
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest STM110				
18 Taxes (attach schedule) (see page 14 of the instructions) STM126	12,745	12,745		
19 Depreciation (attach schedule) and depletion	11,112	11,112		
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) STM103	481,370	481,370		
24 Total operating and administrative expenses. Add lines 13 through 23	683,155	626,767		56,388
25 Contributions, gifts, grants paid	1,150,000			1,150,000
26 Total expenses and disbursements. Add lines 24 and 25	1,833,155	626,767		1,206,388
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	(455,223)			
b Net investment income (if negative, enter -0-)		876,395		
c Adjusted net income (if negative, enter -0-)				0

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ADMINISTRATIVE EXPENSES

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Part III

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	
A S S E T S	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	3,361,344	1,665,880	1,665,880
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule)			
		Less: allowance for doubtful accounts			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)	9,909,836	11,312,670	15,288,684
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule)				
14	Land, buildings, and equipment basis	8,128,753			
	Less accumulated depreciation (attach schedule)	146,594			
15	Other assets (describe)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item i)	21,264,443	20,960,709	28,499,038	
L I A B I L I T I E S	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	
N E T A S S E L A N C E S E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	21,264,443	20,960,709		
30	Total net assets or fund balances (see page 17 of the instructions)	21,264,443	20,960,709		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	21,264,443	20,960,709		

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	21,264,443
2	Enter amount from Part I, line 27a	2	(455,223)
3	Other increases not included in line 2 (itemize) <input type="checkbox"/> STM115	3	151,489
4	Add lines 1, 2, and 3	4	20,960,709
5	Decreases not included in line 2 (itemize) <input type="checkbox"/>	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	20,960,709

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 (yr, mo, day)	(d) Date sold (yr, mo, day)
1a 5000 share of Sunoco	D	1997-07-25	2010-06-24
b 6000 shares of Wilmington Trust	P	2003-06-01	2010-12-27
c 4000 shares of Alcoa	P	2003-06-02	2010-12-01
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 177,538		95,625	81,913
b 25,671		188,892	(163,221)
c 53,630		97,552	(43,922)
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			81,913
b			(163,221)
c			(43,922)
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	(125,230)
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) . . . If (loss), enter -0- in Part I, line 8 }	3	

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	1,206,387	23,957,419	0.050355
2008	1,295,091	24,684,350	0.052466
2007	1,297,046	26,526,060	0.048897
2006	1,185,000	24,922,061	0.047548
2005	890,500	23,353,786	0.038131

2 Total of line 1, column (d)	2	0.237398
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.04748
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	24,710,505
5 Multiply line 4 by line 3	5	1,173,255
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	8,764
7 Add lines 5 and 6	7	1,182,019
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18	8	1,206,388

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

Table with 11 rows for excise tax calculations. Includes categories like 'Exempt operating foundations', 'Domestic foundations', and 'Tax based on investment income'. Total tax due is 2,736.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Questions include 'Did the foundation attempt to influence any national, state, or local legislation?' and 'Did the foundation have at least \$5,000 in assets at any time during the year?'. Responses are marked with 'X' in the 'Yes' or 'No' columns.

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address N/A
14 The books are in care of Larry Lee Spears Telephone no. 309-734-5105
Located at 51 Public Square PO Box 647 Monmouth, IL ZIP+4 61462
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here and enter the amount of tax-exempt interest received or accrued during the year 15
16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? Yes No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.
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 X
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No X
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No X
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? X 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 X
(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 X
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 X
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 X
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
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 VIII 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)? Yes No
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? Yes No
If "Yes" to 6b, file Form 8870.
- 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No
- b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
Larry Lee Spears 51 Public Square PO Box 647, IL 61462	Secretary/Treas 20	55,000	0	0
Raymond E Defenbaugh 51 Public Square PO Box 647, IL 61462	President 20	55,000	0	0
Marcum A Spears 51 Public Square PO Box 647, IL 61462	Vice President 20	33,000	0	0
Alice J Defenbaugh 51 Public Square PO Box 647, IL 61462	Asst Secretary/ 20	7,800	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 2

Part VII 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		▶

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 NONE	0
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	0	
2		
All other program-related investments See page 24 of the instructions		
3		
Total. Add lines 1 through 3		▶

Part XI **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	13,056,008
b	Average of monthly cash balances	1b	2,767,025
c	Fair market value of all other assets (see page 25 of the instructions)	1c	9,263,774
d	Total (add lines 1a, b, and c)	1d	25,086,807
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	25,086,807
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	376,302
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	24,710,505
6	Minimum investment return. Enter 5% of line 5	6	1,235,525

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

1	Minimum investment return from Part X, line 6	1	1,235,525
2a	Tax on investment income for 2010 from Part VI, line 5	2a	8,764
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	8,764
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,226,761
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,226,761
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,226,761

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	1,206,388
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,206,388
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	8,764
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,197,624

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,226,761
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			1,097,484	
b Total for prior years _____, _____, _____				
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: ▶ \$ <u>1,206,388</u>				
a Applied to 2009, but not more than line 2a			1,097,484	
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				108,904
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 .				
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				1,117,857
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				
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling

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

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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).)

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

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
990APP

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Monmouth College 900 East Broadway Monmouth IL 61462	None	501c3	Unrestricted	400,000
Monmouth Roseville Educ Found 300 West 1st Ave Monmouth IL 61462	None	501c3	Unrestricted	150,000
Warren County YMCA Foundation 201 W Broadway Monmouth IL 61462	None	501c3	Unrestricted	100,000
Rainbow Riders North 11th Street Monmouth IL 61462	None	501c3	Unrestricted	5,000
Jamieson Center 900 South 3rd Street Monmouth IL 61462	None	501c3	Unrestricted	68,000
Warren Achievement Center Inc 1200 East 2nd Ave Monmouth IL 61462	None	501c3	Unrestricted	20,000
Monmouth Park District 201 East Broadway Monmouth IL 61462	None	501c3	Unrestricted	75,000
Northwest Agric Education Foun 900 North Main St Monmouth IL 61462	None	501c3	Unrestricted	250,000
Total				3a
b Approved for future payment				
Total				3b

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				
City of Monmouth 100 East Broadway Monmouth IL 61462	None	501c3	Unrestricted	75,000
Warren Regional Supert of Sch 200 West Broadway Monmouth IL 61462	None	501c3	Unrestricted	1,000
Monmouth Evening Lions Club 900 East Broadway Monmouth IL 61462	None	501c3	Unrestricted	6,000
Total				3a 1,150,000
b Approved for future payment				
Total				3b

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

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
(2) Other assets
b Other transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities, equipment, or other assets
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(6) Performance of services or membership or fundraising solicitations
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees
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.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?
b If "Yes," complete the following schedule.

Table with 3 columns: (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: Raymond E. Spears
Date: 4-18-11
Title: President

Paid Preparer Use Only Print/Type preparer's name: Marcum A Spears
Preparer's signature: [Signature]
Date: 04-16-2011
Check [X] if self-employed
Firm's name: Spears and Spears
Firm's address: 201 W Broadway - PO Box 377, Monmouth IL 61462
Firm's EIN:
Phone no: 309-734-5105

Federal Supporting Statements

2010 PG 01

Name(s) as shown on return

FEIN

Pattee Foundation, Inc.

37-1138998

Form 990PF, Part III, Line 3
Other Increases Schedule

Statement #115

Unrealized Gains	151,489
Total	<u>151,489</u>

Form 990PF, Part II, Line 10(b)
Investments: Corporate Stock Schedule

PG 01
Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Stocks	<u>9,909,836</u>	<u>11,312,670</u>	<u>15,288,684</u>
Totals	<u>9,909,836</u>	<u>11,312,670</u>	<u>15,288,684</u>

Federal Supporting Statements

2010 PG 01

Your Social Security Number

37-1138998

Name(s) as shown on return
Pattee Foundation, Inc.

Form 990PF, Part I, Line 23 - Other Expenses Schedule Statement #103

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
See Attached	481,370	481,370	0	0
Totals	<u>481,370</u>	<u>481,370</u>	<u>0</u>	<u>0</u>

Form 990PF, Part I, Line 11 - Other Income Schedule PG 01
Statement #106

Description	Revenue and expenses	Net investment	Adjusted net income
BRR LLC Attached K-1	(22,662)	(22,662)	0
Totals	<u>(22,662)</u>	<u>(22,662)</u>	<u>0</u>

Federal Supporting Statements

2010 PG 01

Your Social Security Number
37-1138998

Statement #110

Form 990PF, Part I, Line 18 - Taxes Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Excise Tax	11,500	11,500	0	0
Foreign Tax Paid	1,245	1,245	0	0
Totals	<u>12,745</u>	<u>12,745</u>	<u>0</u>	<u>0</u>

Form 990PF, Part I, Line 19 - Depreciation Schedule

PG 01
Statement #126

Description See Attached	Date Acquired	Cost or Other basis	Prior Year Depreciation	Computation Method	Rate	Life	Current Year Depreciation	Net Investment Adjusted Net Income
Totals							<u>11,112</u>	<u>11,112</u>

Federal Supporting Statements

2010 PG 01

Name(s) as shown on return

Your Social Security Number

Pattee Foundation, Inc.

37-1138998

Form 990PF, Part XV, Line 2
Application Submission Information

990APP

Grant Program

Pattee Fdtn Grant

Applicant Name

Marcum A Spears

Address

51 Public Square PO Box 647 Monmouth IL 61462

Telephone

309-734-5105

Form & Content

Grant applicants must be 501c3 organizations or otherwise tax exempt to qualify for grants (i.e. a governmental entity).

Submission Deadline

Not Applicable

Restrictions on Award

NONE

Schedule K-1
(Form 1065)

2010

For calendar year 2010, or tax

Final K-1

Amended K-1

651110
OMB No. 1545-0099

Cl
lr

LINE 23, Form 990PF
FARM EXPENSES

Chemicals	\$152,254.17
Fertilizer	\$85,959.95
Seed	\$101,701.25
Real Estate Taxes	\$76,326.18
Insurance	\$20,470.98
Trucking	\$3,594.45
Utilities	\$0.00
Repairs	\$13,870.00
Fuel - LP Gas Drying	\$4,575.85
Storage and Drying	\$5,056.69
Miscellaneous	\$1,860.50
TOTAL FARM EXP	\$465,670.02

OFFICE BUILDING EXPENSES

Real Estate Taxes	\$3,604.16
Insurance	\$616.00
Utilities	\$2,049.00
Repairs	\$3,497.27
Office Supplies	\$257.37
Telephone	\$1,358.44
Miscellaneous	\$1,500.28
Dues	\$495.00
Postage	\$72.32
Bank Service Charges	\$50.00
D&O Insurance	\$2,200.00
TOTAL OFFICE EXP	\$15,699.84

GRAND TOTAL	\$481,369.86
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Statement 3

Form 990-PF, Part I, Line 19

12/31/2010

EIN: 37-1138998

2010 Federal Book Depreciation Schedule
PATTEE FOUNDATION

No.	Description	Date Acquired	Date Sold	Cost/Basis	Basis for Depreciation	Prior Yrs. Depreciation	Method	Life	Rate	Current Year Depreciation
3	Building	7/30/1997		\$78,000.00	\$78,000.00	\$26,910.52	S/L MM	39	0.02564	\$1,999.92
1	Office Equipment	7/30/1997		\$3,724.00	\$3,724.00	\$3,724.00	200DB HY	7	0	\$0.00
4	Office Equipment	6/30/2000		\$2,360.00	\$2,360.00	\$2,360.00	200DB HY	7	0	\$0.00
6	Furniture & Fixtures	6/30/1999		\$6,089.00	\$6,089.00	\$6,089.00	200DB HY	7	0	\$0.00
10	Misc. Furniture	1/1/2003		\$6,125.00	\$6,125.00	\$6,125.00	200DB HY	7	0	\$0.00
11	Misc. Carpets	1/1/2003		\$2,375.00	\$2,375.00	\$2,375.00	S/L HY	7	0	\$0.00
13	Carpeting	6/30/2002		\$5,934.00	\$5,934.00	\$5,934.00	S/L HY	7	0	\$0.00
14	Sign	6/30/2002		\$475.00	\$475.00	\$475.00	S/L HY	7	0	\$0.00
5	Farmland	7/30/1997		\$662,250.00	\$662,250.00	\$0.00	N/A	N/A	0	\$0.00
8	Farmland	1/1/2003		\$7,207,245.00	\$7,207,245.00	\$0.00	N/A	N/A	0	\$0.00
2	Field Tiling Farm	7/30/1997		\$16,167.00	\$16,167.00	\$15,689.26	150DB HY	15	0.0591	\$955.47
7	Tiling	3/31/2003		\$28,254.00	\$28,254.00	\$15,745.95	150DB HY	15	0.0591	\$1,669.81
9	Tiling	1/1/2003		\$109,755.00	\$109,755.00	\$61,166.46	150DB HY	15	0.0591	\$6,486.52
				\$8,128,753.00						
				TOTAL DEPRECIATION		\$146,594.19				\$11,111.72

PATTEE FOUNDATION

37-1138998

Statement 1**Form 990-PF, Part I, Line 11; Part II, Line 15****Other Income; Other Assets**

	(a) Expenses per Books	(b) Net Investment Income	Adjusted Net Income	(d) Charitable Purposes
Big River Resources (Ethanol) See K-1 Attached	<u>-\$22,662 00</u>	<u>-\$22,662 00</u>	<u>\$0 00</u>	<u>\$0 00</u>
Total	<u>-\$22,662 00</u>	<u>-\$22,662 00</u>	<u>\$0 00</u>	<u>\$0 00</u>
	Book Value	Fair Market Value		
Big River Resources (Ethanol)	<u>\$250,000 00</u>	<u>\$147,500 00</u>		
Total	<u>\$250,000 00</u>	<u>\$147,500 00</u>		

Statement 2**Form 990-PF, Part I, Line 18****Taxes**

	(a) Expenses per Books	(b) Net Investment Income	Adjusted Net Income	(d) Charitable Purposes
Excises Taxes - 2010	<u>\$11,500 00</u>	<u>\$11,500 00</u>	<u>\$11,500 00</u>	<u>\$0 00</u>
Foreign Taxes Paid	<u>\$1,245 00</u>	<u>\$1,245 00</u>	<u>\$1,245 00</u>	<u>\$0 00</u>
Total	<u>\$12,745 00</u>	<u>\$12,745 00</u>	<u>\$12,745 00</u>	<u>\$0 00</u>

Statement 3**Form 990-PF, Part I, Line 23****Other Expenses**

	(a) Expenses per Books	(b) Net Investment Income	Adjusted Net Income	(d) Charitable Purposes
Rental Expenses (Farm Inputs)	<u>\$465,970 02</u>	<u>\$465,670 02</u>	<u>\$465,670 02</u>	<u>\$0 00</u>
Rental Expenses - Office	<u>\$15,699 84</u>	<u>\$15,699 84</u>	<u>\$15,699 84</u>	<u>\$0 00</u>
	<u>\$481,669 86</u>	<u>\$481,369 86</u>	<u>\$481,369 86</u>	<u>\$0 00</u>

Statement 4**Form 990-PF, Part II, Line 24****Land, Buildings, and Equipment**

Category	Basis	Accumulated Depreciation	Book Value	Fair Market Value
Furniture and Fixtures	\$20,998 00	\$20,998 00	\$0 00	\$0 00
Buildings	\$78,000 00	\$26,911 00	\$51,089 00	\$85,000 00
Improvements	\$6,084 00	\$6,084 00	\$0 00	\$0 00
Land	\$7,869,495 00	\$0 00	\$7,869,495 00	\$11,428,577 00
Miscellaneous	<u>\$154,176 00</u>	<u>\$92,601 00</u>	<u>\$61,575 00</u>	<u>\$0 00</u>
	<u>\$8,128,753 00</u>	<u>\$146,594 00</u>	<u>\$7,982,159 00</u>	<u>\$11,513,577 00</u>

PATTEE FOUNDATION

37-1138998

Statement 5

Form 990-PF, Part III, Line 5
Other Increases/Accounting Fees

Capital Gain Reinvestments and Unrealized Market Gains (Losses)	Total	\$151,489 00 \$151,489 00
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Statement 6

Form 990-PF, Part IV, Line 1
Capital Gains and Losses fro Tax on Investment Income

(a) Item Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Pr	(f) Dep Allowed	(g) Cost	(h) Gain(Loss)	TOTALS
1 5000 share of SUNOCO	Purchased	07/25/97	06/24/10	\$177,538 04	\$0 00	\$95,625 00	\$81,913 04	\$81,913 04
2 6000 shares of Wilmington Trust	Purchased	06/01/03	12/27/10	\$25,671 00	\$0 00	\$188,892 00	(\$163,221 00)	(\$163,221 00)
3 4000 share of Alcoa	Purchased	06/02/03	12/01/10	\$53,630 14	\$0 00	\$97,551.74	(\$43,921 60)	(\$43,921.60)
TOTALS				\$203,209 04		\$284,517 00		(\$125,229.56)

Statement 7

Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees and Key Employees

NAME AND ADDRESS	TITLE and AVERAGE HOURS PER WEEK DEVOTED	COMPENSATION	CONTRIBUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
Raymond E Defenbaugh 51 Public Square Monmouth, IL 61462	President 20 hours	\$55,000.00	\$0 00	\$0 00
Marcum A Spears 51 Public Square Monmouth, IL 61462	Vice President 20 hours	\$33,000.00	\$0 00	\$0 00
Larry Lee Spears 51 Public Square Monmouth, IL 61462	Secretary/Treasurer 20 hours	\$55,000 00	\$0 00	\$0 00
Alice J Defenbaugh 51 Public Square Monmouth, IL 61462	Asst Sec./Treas 10 hours	\$7,800 00	\$0 00	\$0 00

Statement 8

Form 990-PF, Part XV, Line 2a
Name and Address of Person to Whom Applicants should be Addressed

Larry Lee Spears
Spears and Spears
51 Public Square
PO Box 647
Monmouth, IL 61462