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

2010

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

, and ending

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 <b>THE PATCH FOUNDATION</b>		A Employer identification number <b>41-1873951</b>
Number and street (or P O box number if mail is not delivered to street address) <b>3201 RANKIN ROAD</b>	Room/suite	B Telephone number <b>612-781-7677</b>
City or town, state, and ZIP code <b>MINNEAPOLIS, MN 55418</b>		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) \$ <b>6,856,622.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <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).)		(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	416,816.		N/A	
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	160,764.	127,673.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	77,786.			STATEMENT 1
	b Gross sales price for all assets on line 6a <b>438,441.</b>				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	655,366.	127,673.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees <b>STMT 3</b>	1,800.	1,800.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes <b>STMT 4</b>	4,825.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses <b>STMT 5</b>	43.	0.		25.
	24 Total operating and administrative expenses. Add lines 13 through 23	6,668.	1,800.		25.
	25 Contributions, gifts, grants paid	420,200.			420,200.
26 Total expenses and disbursements. Add lines 24 and 25	426,868.	1,800.		420,225.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	228,498.				
b Net investment income (if negative, enter -0-)		125,873.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	55,840.	91,236.	91,236.
	2 Savings and temporary cash investments	35,013.	234,199.	234,199.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 6	995,000.	795,000.	813,022.
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 7	4,305,608.	4,499,524.	5,718,165.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	5,391,461.	5,619,959.	6,856,622.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	5,391,461.	5,619,959.	
	30 Total net assets or fund balances	5,391,461.	5,619,959.	
31 Total liabilities and net assets/fund balances		5,391,461.	5,619,959.	

## 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	5,391,461.
2 Enter amount from Part I, line 27a	2	228,498.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	5,619,959.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,619,959.

**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>MEDTRONIC, INC.</b>	D	VARIOUS	01/19/10
b <b>3 RIVERS MUNI</b>	P	12/23/08	02/01/10
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 238,441.		249,672.	<11,231.>
b 200,000.		214,435.	<14,435.>
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			<11,231.>
b			<14,435.>
c			
d			
e			

  

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	<25,666.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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	353,125.	6,380,069.	.055348
2008	959,585.	1,974,911.	.485888
2007	119,325.	1,259,839.	.094714
2006	120,875.	1,288,992.	.093775
2005	134,825.	1,419,212.	.095000

  

2 Total of line 1, column (d)	2	.824725
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	.164945
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	6,583,022.
5 Multiply line 4 by line 3	5	1,085,837.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,259.
7 Add lines 5 and 6	7	1,087,096.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	420,225.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	2,517.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).	3	2,517.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3	Add lines 1 and 2	5	2,517.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	3,200.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	3,200.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	683.
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 683. Refunded <input type="checkbox"/> 0.	11	0.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> 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	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)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation 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? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>THE FOUNDATION</u> Telephone no. ► <u>612-781-7677</u> Located at ► <u>3201 RANKIN ROAD, MINNEAPOLIS, MN</u> ZIP+4 ► <u>55418</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► <u>15</u> <u>N/A</u>			
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? 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 ►	16	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.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> ► <input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? <u>N/A</u>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <u>N/A</u>	2b	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

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?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WILLIAM C. PETERSON 1245 NORTH COURT NEW BRIGHTON, MN 55112	DIRECTOR 0.50	0.	0.	0.
CAROLYN SAMPLE 3201 RANKIN RD MINNEAPOLIS, MN 55418	PRESIDENT 2.00	0.	0.	0.
ERNEST LINDSTROM; LINDSTROM LAW OFFICE 7600 PARKLAWN AVE, #444 EDINA, MI 554	DIRECTOR 0.50	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
N/A	0.00	0.	0.	0.

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



0





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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	6,390,770.
b	Average of monthly cash balances	1b	292,501.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,683,271.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	6,683,271.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	100,249.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,583,022.
6	Minimum investment return. Enter 5% of line 5	6	329,151.

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

1	Minimum investment return from Part X, line 6	1	329,151.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,517.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,517.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	326,634.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	326,634.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	326,634.

**Part XII** Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	420,225.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	420,225.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	420,225.

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

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				326,634.
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005	66,112.			
<b>b</b> From 2006	58,739.			
<b>c</b> From 2007	56,531.			
<b>d</b> From 2008	862,119.			
<b>e</b> From 2009	37,229.			
<b>f</b> Total of lines 3a through e	1,080,730.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ▶ \$	420,225.			
<b>a</b> Applied to 2009, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				326,634.
<b>e</b> Remaining amount distributed out of corpus	93,591.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,174,321.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	66,112.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	1,108,209.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006	58,739.			
<b>b</b> Excess from 2007	56,531.			
<b>c</b> Excess from 2008	862,119.			
<b>d</b> Excess from 2009	37,229.			
<b>e</b> Excess from 2010	93,591.			



<b>Part XV</b>	<b>Supplementary Information</b> (continued)
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### 3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
<div style="position: absolute; bottom: 20px; left: 20px;">SEE STATEMENT 8</div>				
<b>Total</b>			▶ 3a	420,200.
<b>b Approved for future payment</b>				
<div style="position: absolute; top: 50px; left: 50px;">NONE</div>				
<b>Total</b>			▶ 3b	0.



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

		Yes	No
<b>1</b>	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?		
<b>a</b>	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
<b>b</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
<b>c</b>	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
<b>d</b>	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

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

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

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.

**Sign Here** Carolyn P. Sample | 4/29/11 | President  
 Signature of officer or trustee | Date | Title

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	COLLIN F. BUZZELL	<i>[Signature]</i>	4/26/11		P00092679
	Firm's name ▶ RSM MCGLADREY, INC. 801 NICOLLET MALL, SUITE 1100			Firm's EIN ▶ 41-1944416	
	Firm's address ▶ MINNEAPOLIS, MN 55402			Phone no. 612-573-8750	

**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

**2010**

Name of the organization

Employer identification number

**THE PATCH FOUNDATION****41-1873951**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

THE PATCH FOUNDATION

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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ESTATE OF EARL PATCH 3201 RANKIN ROAD MINNEAPOLIS, MN 55418-2505	\$ 415,816.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



Name of organization

Employer identification number

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**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	STOCK - 1,950 SHARES 3M, 1,901 SHARES TECO, 2,000 SHARES CHEVRON	\$ 380,174.	10/27/10
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

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**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT	1
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(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
MEDTRONIC, INC.	238,441.	160,655.	0.	0.	77,786.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
3 RIVERS MUNI	200,000.	200,000.	0.	0.	0.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	77,786.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
O N EQUITY DIVIDEND INCOME	127,587.	0.	127,587.
O N EQUITY INTEREST INCOME	33,177.	0.	33,177.
TOTAL TO FM 990-PF, PART I, LN 4	160,764.	0.	160,764.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,800.	1,800.		0.
TO FORM 990-PF, PG 1, LN 16B	1,800.	1,800.		0.

FORM 990-PF	TAXES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL TAXES	4,825.	0.		0.
TO FORM 990-PF, PG 1, LN 18	4,825.	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE OF MN FILING FEE	25.	0.		25.
MISCELLANEOUS	18.	0.		0.
TO FORM 990-PF, PG 1, LN 23	43.	0.		25.

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FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	6
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
O.N. EQUITY - MUNICIPAL BONDS		X	795,000.	813,022.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			795,000.	813,022.
TOTAL TO FORM 990-PF, PART II, LINE 10A			795,000.	813,022.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	7
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
O.N. EQUITY - MEDTRONIC STOCK	COST	4,144,953.	5,718,165.
O.N.E. EQUITY - OTHER	COST	354,571.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,499,524.	5,718,165.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AMERICAN HEART ASSOCIATION 4701 WEST 77TH STREET MINNEAPOLIS, MN 55435	NONE GENERAL EXPENSE FUND	EXEMPT	1,000.
AMERICAN LUNG ASSOCIATION PO BOX 7000 ALBERT LEA, MN 56007	NONE GENERAL EXPENSE FUND	EXEMPT	1,000.
ARC OF HENNEPIN COUNTY 106 NORTH CHESTNUT STREET CHASKA, MN 55318	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
CAMP KNUTSON 11169 WHITE FISH AVENUE CROSSLAKE, MN 56442	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
CAMPUS CRUSADE FOR CHRIST PO BOX 628222 ORLANDO, FL 32862	NONE GENERAL EXPENSE FUND	EXEMPT	2,000.
CARE 151 ELLIS STREET NE ATLANTA, GA 30303	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
CATHOLIC CHARITIES 1200 SECOND AVENUE SO MINNEAPOLIS, MN 55403	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
CHILDREN'S HOME SOCIETY 1605 EUSTIS STREET ST PAUL, MN 55108	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.

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COURAGE CENTER 3915 GOLDEN VALLEY ROAD MINNEAPOLIS, MN 55422	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
COVENANT WORLD RELIEF 5101 NORTH FRANCISCO AVENUE CHICAGO, IL 60625	NONE GENERAL EXPENSE FUND	EXEMPT	75,000.
DISABLED AMERICAN VETS PO BOX 14301 CINCINNATI, OH 45250	NONE GENERAL EXPENSE FUND	EXEMPT	2,000.
EAST SIDE NEIGHBORHOOD 1700 SECOND STREET NE MINNEAPOLIS, MN 55413	NONE GENERAL EXPENSE FUND	EXEMPT	2,000.
EVANGELICAL COVENANT CHURCH 5101 NORTH FRANCISCO AVENUE CHICAGO, IL 60625	NONE GENERAL EXPENSE FUND	EXEMPT	75,000.
FRIENDSHIP VENTURES 10509 108TH STREET NW ANNANDALE, MN 55302	NONE GENERAL EXPENSE FUND	EXEMPT	7,000.
GREATER MINNEAPOLIS CRISIS NURSERY 5400 GLENWOOD AVE GOLDEN VALLEY, MN 55422	NONE GENERAL EXPENSE FUND	EXEMPT	2,000.
HABITAT FOR HUMANITY 121 HABITAT STREET AMERICUS, GA 31709	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
HOMEWARD BOUND 13895 INDUSTRIAL PARK BLVD., #100 PLYMOUTH, MN 55441	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
HOUSE OF CHARITY 510 SOUTH EIGHTH STREET MINNEAPOLIS, MN 55404	NONE GENERAL EXPENSE FUND	EXEMPT	7,000.

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LITTLE BROTHERS, FRIENDS OF THE ELDERLY 1845 EAST LAKE STREET MINNEAPOLIS, MN 55407	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
LITTLE SISTERS OF THE POOR 330 EXCHANGE STREET S ST PAUL, MN 55102	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
LOAVES AND FISHES 1917 LOGAN AVENUE SOUTH MINNEAPOLIS, MN 55403	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
MARCH OF DIMES 1275 MAMARONECK AVENUE WHITE PLAINS, NY 10605	NONE GENERAL EXPENSE FUND	EXEMPT	1,000.
METRO HOPE MINISTRIES 2739 CEDAR AVENUE SOUTH MINNEAPOLIS, MN 55407	NONE GENERAL EXPENSE FUND	EXEMPT	20,000.
MINNEAPOLIS HEART INSTITUTE FOUNDATION 920 EAST 28TH STREET, #100 MINNEAPOLIS, MN 55407	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
MINNESOTA TEEN CHALLENGE 1619 PORTLAND AVENUE SOUTH MINNEAPOLIS, MN 55404	NONE GENERAL EXPENSE FUND	EXEMPT	10,000.
NORTHEAST SENIOR SERVICES 2510 CLEVELAND ST NE #206 MINNEAPOLIS, MN 55418	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
PEOPLE SERVING PEOPLE 614 SOUTH THIRD STREET MINNEAPOLIS, MN 55415	NONE GENERAL EXPENSE FUND	EXEMPT	10,000.
SALEM COVENANT CHURCH 2655 FIFTH STREET NW NEW BRIGHTON, MN 55112	NONE GENERAL EXPENSE FUND	EXEMPT	60,200.



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SECOND HARVEST FOOD BANK 1140 GERVAIS AVENUE ST PAUL, MN 55109	NONE GENERAL EXPENSE FUND	EXEMPT	10,000.
SIMPSON HOUSING SERVICES 2740 FIRST AVENUE SOUTH MINNEAPOLIS, MN 55408	NONE GENERAL EXPENSE FUND	EXEMPT	10,000.
SISTER KENNY INSTITUTE 800 EAST 28TH STREET MINNEAPOLIS, MN 55407	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
SUNSHINE ACRES 3405 NORTH HIGLEY ROAD MESA, AZ 85215	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
THE GIDEONS PO BOX 140800 NASHVILLE, TN 37214	NONE GENERAL EXPENSE FUND	EXEMPT	3,000.
THE SALVATION ARMY 2445 PRIOR AVENUE NORTH ROSEVILLE, MN 55113	NONE GENERAL EXPENSE FUND	EXEMPT	25,000.
UNION GOSPEL MISSION 77 NINTH STREET E ST PAUL, MN 55101	NONE GENERAL EXPENSE FUND	EXEMPT	5,000.
UNIVERSITY OF MINNESOTA FOUNDATION 200 OAK STREET SE, #500 MINNEAPOLIS, MN 55455	NONE GENERAL EXPENSE FUND	EXEMPT	15,000.
DUNWOODY COLLEGE OF TECHNOLOGY	NONE GENERAL EXPENSE FUND	EXEMPT	2,000.
KIWANIS CLUB OF NE MPLS - C/O WALT SENTYRZ 1612 SECOND ST NE MINNEAPOLIS, MN 55413-1138	NONE GENERAL EXPENSE FUND	EXEMPT	1,000.

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SUMMIT ACADEMY OIC  
935 OLSON MEMORIAL HIGHWAY  
MINNEAPOLIS, MN 55405

NONE  
GENERAL EXPENSE FUND

EXEMPT

1,000.

COVENANT RETIREMENT COMMUNITIES  
OF MN  
5800 ST. CROIX AVENUE N GOLDEN  
VALLEY, MN 55422

NONE  
GENERAL EXPENSE FUND

EXEMPT

2,000.

FEED MY STARVING CHILDREN  
401 93RD AVE NW COON RAPIDS, MN  
55433

NONE  
GENERAL EXPENSE FUND

EXEMPT

5,000.

HERE'S LIFE INNER CITY  
2112 BROADWAY ST NE  
MINNEAPOLIS, MN 55413

NONE  
GENERAL EXPENSE FUND

EXEMPT

3,000. \_\_\_\_\_

TOTAL TO FORM 990-PF, PART XV, LINE 3A

420,200.