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For calendar year 2010, or tax year beginning

04/01, 2010, and ending

03/31, 2011

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

SCHOTT FOUNDATION

A Employer identification number

41-1392014

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

Room/suite

B Telephone number (see page 10 of the instructions)

9350 FOXFORD RD

City or town, state, and ZIP code

CHANHASSEN, MN 55317

H Check type of organization Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 4,116,828.J Accounting method Cash Accrual Other (specify) _____

(Part I, column (d) must be on cash basis)

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 ► **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)	0			
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	138,117	138,117		ATCH 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	41,821			RECEIVED
b Gross sales price for all assets on line 6a	295,071			
7 Capital gain net income (from Part IV, line 2)		41,821		
8 Net short-term capital gain				31
9 Income modifications				AUG 18 2011
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	179,938	179,938		
13 Compensation of officers, directors, trustees, etc	6,955			6,955
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) ATCH 2	1,500	150	0	1,350
c Other professional fees (attach schedule) *	19,313	19,313		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) **	1,551	214		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 5	510			510
24 Total operating and administrative expenses.				
Add lines 13 through 23	29,829	19,677	0	8,815
25 Contributions, gifts, grants paid	180,500			180,500
26 Total expenses and disbursements. Add lines 24 and 25	210,329	19,677	0	189,315
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-30,391			
b Net investment income (if negative, enter -0)		160,261		
c Adjusted net income (if negative, enter -0)				

For Paperwork Reduction Act Notice, see page 30 of the instructions.

* ATCH 3 JSA

** ATCH 4

Form 990-PF (2010)

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	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
	1. Cash + non-interest-bearing		44,303.	216,709.	216,709.
	2. Savings and temporary cash investments				
	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				
Assets	10. a. Investments - U.S. and state government obligations (attach schedule)				
	b. Investments - corporate stock (attach schedule) ATCH 6		1,597,434.	1,483,300.	2,569,497.
	c. Investments - corporate bonds (attach schedule) ATCH 7		1,336,981.	1,248,318.	1,330,622.
	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 ►				
	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)		2,978,718.	2,948,327.	4,116,828.
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)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24. Unrestricted		2,978,718.	2,948,327.	
	25. Temporarily restricted				
	26. Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input type="checkbox"/>				
	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)		2,978,718.	2,948,327.	
	31. Total liabilities and net assets/fund balances (see page 17 of the instructions)		2,978,718.	2,948,327.	

Part III Analysis of Changes in Net Assets or Fund Balances

1. Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,978,718.
2. Enter amount from Part I, line 27a	2	-30,391.
3. Other increases not included in line 2 (itemize) ►	3	
4. Add lines 1, 2, and 3	4	2,948,327.
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	2,948,327.

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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 SEE PART IV SCHEDULE				
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) FMV 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	41,821.
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	202,048.	3,562,428.	0.056716
2008	213,345.	3,850,892.	0.055401
2007	232,983.	4,499,033.	0.051785
2006	224,221.	4,310,254.	0.052020
2005	247,309.	4,269,129.	0.057930
2 Total of line 1, column (d)			2 0.273852
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 0.054770
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 3,814,197.
5 Multiply line 4 by line 3			5 208,904.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,603.
7 Add lines 5 and 6			7 210,507.
8 Enter qualifying distributions from Part XII, line 4			8 189,315.
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 ► <input type="checkbox"/> and enter "N/A" on line 1 . . .	Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)	1	3,205.
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 . . .			
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	3,205.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . .		4	0.
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- . . .		5	3,205.
6	Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 . . .	6a	2,000.	
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	2,000.
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	1,205.
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 ► 0. Refunded ► 11			

Part VII-A Statements Regarding Activities

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? . . .	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . .	X	
1c	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	
d	Did the foundation file Form 1120-POL for this year? . . .		
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? . . .	X	
3	If "Yes," attach a detailed description of the activities		
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? . . .		
b	If "Yes," has it filed a tax return on Form 990-T for this year? . . .	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . .	X	
5	If "Yes," attach the statement required by General Instruction T		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either		
6	• By language in the governing instrument, or		
6	• 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 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 . . .	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 . . .	X	
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . .	X	

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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)	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 ► N/A	13	X	
14	The books are in care of ► WENDELL SCHOTT Located at ► 9350 FOXFORD ROAD CHANHASSEN, MN	Telephone no ► 952-496-2213 ZIP + 4 ► 55317		
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? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-221. If "Yes," enter the name of the foreign country ►	16	Yes	No

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 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 ► <input type="checkbox"/>	1b	X		
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? If "Yes," list the years ►	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions)	2b	N/A		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►				
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)	3b	N/A		
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.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5b	N/A
	Organizations relying on a current notice regarding disaster assistance check here ►	<input type="checkbox"/>			
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<i>If "Yes," attach the statement required by Regulations section 53.4945-5(d)</i>				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	X
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<i>If "Yes" to 6b, file Form 8870.</i>				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7b	N/A
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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 8		6,955.	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 ►	

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	3,780,883.
b	Average of monthly cash balances	1b	91,398.
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	3,872,281.
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	3,872,281.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	58,084.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,814,197.
6	Minimum investment return. Enter 5% of line 5	6	190,710.

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	190,710.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	3,205.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,205.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	187,505.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	187,505.
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	187,505.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	189,315.
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1b	0.
b	Program-related investments - total from Part IX-B	2	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	0.
3	Amounts set aside for specific charitable projects that satisfy the	3b	0.
a	Suitability test (prior IRS approval required)	4	189,315.
b	Cash distribution test (attach the required schedule)	5	N/A
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	189,315.
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)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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				187,505.
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	38,683.			
b From 2006	12,713.			
c From 2007	15,719.			
d From 2008	23,365.			
e From 2009	27,801.			
f Total of lines 3a through e	118,281.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 189,315.				
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				187,505.
e Remaining amount distributed out of corpus	1,810.			
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	120,091.			
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				
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)	38,683.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	81,408.			
10 Analysis of line 9				
a Excess from 2006	12,713.			
b Excess from 2007	15,719.			
c Excess from 2008	23,365.			
d Excess from 2009	27,801.			
e Excess from 2010	1,810.			

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

1 a	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)	
2 a	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
		(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)(ii)				
(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).)

NONE

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.

NONE

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:

N/A

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

ATTACHMENT 9

c Any submission deadlines:

NONE

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

AWARDS WILL BE BASED ON THE MERIT OF THE PROPOSAL.

Part XV Supplementary Information (continued)**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)				
<i>a Paid during the year</i>				
ATTACHMENT 10				
Total			► 3a	180,500.
<i>b Approved for future payment</i>				
Total			► 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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	
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			14	138,117.
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			18	41,821.
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)				179,938.
13	Total	13	13	13	13
					179,938

13 Total. Add line 12, columns (b), (d), and (e).
(See worksheet in line 13 instructions on page 29 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

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

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 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 Wendell O. Schott
Signature of officer or trustee

8-13-2011

Directions

Date

Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	MICHAEL J. SHIDELL	<i>Michael J. Shidell</i>	8/2/11		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			

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
295,071.		SEE ATTACHMENT 11 PROPERTY TYPE: SECURITIES 253,250.				P	VARIOUS 41,821.	VARIOUS
TOTAL GAIN(LOSS)							<u>41,821.</u>	

ATTACHMENT 1FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
STOCK DIVIDENDS	74,397.	74,397.
CORPORATE BOND INTEREST	63,700.	63,700.
MONEY MARKET INTEREST	20.	20.
TOTAL	<u><u>138,117.</u></u>	<u><u>138,117.</u></u>

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
TAX RETURN - CKSM	1,500.	150.	1,350.	
TOTALS	<u>1,500.</u>	<u>150.</u>	<u>0.</u>	<u>1,350.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MANAGEMENT FEES - FMG	19,313.	19,313.
TOTALS	<u><u>19,313.</u></u>	<u><u>19,313.</u></u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FOREIGN TAXES	214.	214.
EXCISE TAXES PAID	1,337.	
TOTALS	<u>1,551.</u>	<u>214.</u>

ATTACHMENT 4

ATTACHMENT 5FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>CHARITABLE PURPOSES</u>
BANQUET FEE	60.	60.
AG FILING FEE	25.	25.
OFFICE EXPENSES	425.	425.
TOTALS	<u><u>510.</u></u>	<u><u>510.</u></u>

FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING FMV</u>
FMG - SEE ATTACHMENT 12	1,483,300.	2,569,497.
TOTALS	<u>1,483,300.</u>	<u>2,569,497.</u>

ATTACHMENT 6

FORM 990PF, PART II - CORPORATE BONDS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
FMG - SEE ATTACHMENT 12	1,248,318.	1,330,622.
TOTALS	<u>1,248,318.</u>	<u>1,330,622.</u>

ATTACHMENT 7

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS	EXPENSE ACCT
			TO EMPLOYEE	AND OTHER ALLOWANCES
OWEN SCHOTT 4920 CHIMO ST EAST DEEPHAVEN, MN 55391	CEO & DIRECTOR .50	0.	0.	0.
WENDELL SCHOTT 9350 OXFORD ROAD CHANHASSEN, MN 55317	VP & DIRECTOR 2.00	6,955.	0.	0.
	GRAND TOTALS	<u><u>6,955.</u></u>	<u><u>0.</u></u>	<u><u>0.</u></u>

ATTACHMENT 9

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

APPLICATIONS ARE ACCEPTED IN THE FORM OF A LETTER REQUESTING A SPECIFIED CONTRIBUTION.

THE SCHOTT FOUNDATION GIVES PREFERENCE TO INDIVIDUALS, INSTITUTIONS, & OTHER CHARITABLE ORGANIZATIONS DEDICATED TO OBTAINING AND/OR DISSEMINATING EDUCATION, KNOWLEDGE AND LEARNING FOR THE PRESERVATION OF NATURAL HERITAGE AND THE HUMANITIES.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT		
JUNIOR ACHIEVEMENT 1800 WHITE BEAR AVE N MAPLEWOOD, MN 55109	NONE PUBLIC	CONTRIBUTION	1,000	
BUSINESS ECONOMICS EDUCATION FOUNDATION- BEST PREP 7100 NORTHLAND CIRCLE N SUITE 402 BROOKLYN PARK, MN 55428	NONE PUBLIC	CONTRIBUTION	9,000	
NATURE CONSERVANCY 1101 W RIVER PARKWAY SUITE 200 MINNEAPOLIS, MN 55415	NONE PUBLIC	CONTRIBUTION	40,000.	
TWIN CITIES PUBLIC TV - KTCA 172 EAST FOURTH STREET SAINT PAUL, MN 55101	NONE PUBLIC	CONTRIBUTION	30,000.	
UMD ENGINEERING SCHOLARSHIP 140 ENGINEERING BUILDING 1303 ORDEAN COURT DULUTH, MN 55812	NONE PUBLIC	CONTRIBUTION	4,500.	
ECO EDUCATION 1295 BANDANA BLVD SUITE 118 SAINT PAUL, MN 55108	NONE PUBLIC	CONTRIBUTION	14,000.	

ATTACHMENT 10

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

<u>RECIPIENT NAME AND ADDRESS</u>		<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
DIABETES INSTITUTE	420 DELAWARE STREET SE SUITE 195	NONE PUBLIC	CONTRIBUTION	25,000.
MINNEAPOLIS, MN 55455				
MINNESOTA PROFESSIONAL ENGINEERS - MATHCOUNTS	20 EAST THOMPSON AVENUE SUITE 206	NONE PUBLIC	CONTRIBUTION	2,000.
SAIN T PAUL, MN 55118				
PARK NICOLLET INSTITUTE	3800 PARK NICOLLET BLVD	NONE PUBLIC	CONTRIBUTION	50,000.
ST. LOUIS PARK, MN 55416				
THE WORKS	5701 NORMANDALE RD, SUITE 303	NONE PUBLIC	CONTRIBUTION	5,000.
EDINA, MN 55424				
			TOTAL CONTRIBUTIONS PAID	<u>180,500.</u>

ATTACHMENT 10 (CONT'D)

Schott Foundation
3/31/11 41-13920
Part IV

FIDUCIARY MANAGEMENT GROUP, LTD.
REALIZED GAINS AND LOSSES

SCHOTT FOUNDATION

ATTN OWEN SCHOTT Account Number 633-296350
From 03-31-10 Through 03-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
03-12-09	07-08-10	0	FRONTIER COMM CORP	114,133.80	5.54	1.45	-4.09
08-14-95	01-19-11	0	AMERICAN INTERNATIONAL GROUP WARRANTS	114,133.80	18.31	0.70	-17.61
08-08-06	02-22-11	5,000	UNILEVER N V NY SHARES	114,109.95	148,789.19		34,679.24
08-13-08	03-15-11	400.00	IBOXX INVESTMENT GRADE BOND FUND	40,463.96	43,567.16		3,103.20
08-13-08	03-15-11	500.00	IBOXX INVESTMENT GRADE BOND FUND	139,116.16	50,565.00	54,458.95	146,279.79
02-18-10	03-24-11	600.00	VANGUARD ST BOND ETF	48,087.20	48,253.68		166.48
TOTAL GAINS						0.00	41,842.87
TOTAL LOSSES						0.00	-21.70
TOTAL REALIZED GAIN/LOSS				253,249.96	295,071.13	0.00	41,821.17

TOTAL REALIZED GAIN/LOSS 41,821.17

	<u>cost</u>	<u>Proceeds</u>
Corporate bonds -	139,116.16	146,279.79
Corporate STOCKS -	114,133.80	148,791.34

FIDUCIARY MANAGEMENT GROUP, LTD.
PORTFOLIO APPRAISAL
SCHOTT FOUNDATION
ATTN OWEN SCHOTT Account Number 633-296350
March 31, 2011

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
COMMON STOCK							
75	AMERICAN INTL GROUP INC COM	1,158.48	86,886.10	35.14	2,635.50	0.1	0.0
1,000	AUTOMATIC DATA PROCESSING INC COM	41.40	41,396.30	51.31	51,310.00	1.2	2.8
1,500	COLGATE PALMOLIVE CO COM	53.88	80,823.95	80.76	121,140.00	2.9	2.9
2,000	DOVER CORP COM	53.75	107,499.00	65.74	131,480.00	3.2	1.6
3,000	DU PONT E 1 DE NEMOURS & CO COM	43.09	129,259.00	54.97	164,910.00	4.0	3.0
4,000	DUKE ENERGY HOLDINGS CORP COM	17.39	69,551.83	18.15	72,600.00	1.7	5.5
2,000	EXXON MOBIL CORPORATION COM	11.62	23,240.00	84.13	168,260.00	4.0	2.1
1,200	FRONTIER COMM CORP	28.24	33,891.52	8.22	9,864.00	0.2	12.2
4,000	GENERAL ELECTRIC CO COM	27.22	108,880.00	20.05	80,200.00	1.9	2.8
1,500	GLAXO SMITHKLINE PLC ADR	52.95	79,419.95	38.41	57,615.00	1.4	5.0
4,000	HALLIBURTON CO COM	9.82	39,285.00	49.84	199,360.00	4.8	0.7
3,000	JOHNSON + JOHNSON COM	11.09	33,258.75	59.25	177,750.00	4.3	3.6
2,500	JP MORGAN CHASE & CO COM	40.23	100,584.95	46.10	115,250.00	2.8	2.2
2,400	MERCK & CO INC COM	9.11	21,872.26	33.01	79,224.00	1.9	4.6
8,000	MURPHY OIL CORP COM	10.16	81,244.09	73.42	587,360.00	14.1	1.5
6,962	PFIZER INC COM	17.96	125,022.72	20.31	141,398.22	3.4	3.9
6,000	TECO ENERGY INC COM	15.85	95,096.95	18.76	112,560.00	2.7	4.6
5,000	VERIZON COMMUNICATIONS COM	21.46	107,317.34	38.54	192,700.00	4.6	5.1
1,500	WEST PHARMACEUTICALS SERVICES COM	46.77	70,155.00	44.77	67,155.00	1.6	1.5
			1,434,684.71		2,532,771.72	60.8	2.8

Schott Foundation
3/31/11 41-1392014

FIDUCIARY MANAGEMENT GROUP, LTD.
PORTFOLIO APPRAISAL
SCHOTT FOUNDATION
ATTN OWEN SCHOTT Account Number 633-296350
March 31, 2011

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
EXCHANGE TRADED BONDS							
3,100.00	IBOXX INVESTMENT GRADE BOND FUND	101.68	315,207.04	108.20	335,420.00	8.0	5.2
4,000.00	ISHARES INT CREDIT BOND FUND	98.30	393,203.43	105.29	421,160.00	10.1	4.6
2,400.00	PIMCO CORPORATE OPPORTUNITY FUND	21.02	50,452.83	20.77	49,848.00	1.2	6.6
1,000.00	SPDR BARCLAYS CONVERTIBLE BOND ETF	34.90	34,898.00	42.15	42,150.00	1.0	3.8
5,000.00	VANGUARD INT TERM BOND ETF	76.49	382,425.80	81.98	409,900.00	9.8	4.5
900.00	VANGUARD ST BOND ETF	80.15	72,130.80	80.16	72,144.00	1.7	2.5
Corporate bonds				1,248,317.90	1,330,622.00	31.9	4.6
CASH AND EQUIVALENTS							
	CASH & EQUIVALENTS		216,708.86		216,708.86	6.4	0.2
			216,708.86		216,708.86	6.4	0.2
WARRANT							
40	AMERICAN INTERNATIONAL GROUP WARRANTS	396.19	15,847.63	11.13	445.20	0.0	2.2
			(1) 15,847.63		445.20	0.0	2.2
PREFERRED STOCK							
2,000	POWERSHARES EXCHANGE	16.38	32,768.00	18.14	36,280.00	0.9	6.9
			(1) 32,768.00		36,280.00	0.9	6.9
TOTAL PORTFOLIO				2,998,327.10	4,166,827.78	100.0	3.2

$\Sigma (1)$ Corporate Stocks \$ 1,483,300.34

\$ 2,569,496.92