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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**2011**

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation PROSPECT CREEK FOUNDATION		A Employer identification number 41-1736420
Number and street (or P O box number if mail is not delivered to street address) 4900 IDS CENTER 80 SOUTH 8TH STREET	Room/suite	B Telephone number 612-672-9603
City or town, state, and ZIP code MINNEAPOLIS, MN 55402		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☐ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☒ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 44,538,506.	J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____	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))		(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		1,000,000.			
2 Check ☐ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		160,392.	160,392.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		1,829,904.			
b Gross sales price for all assets on line 6a					
7 Capital gain net income (from Part IV, line 2)			1,829,904.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Cost of goods sold					
c Gross profit or (loss)					
11 Other income		-511,702.	28,148.	0.	STATEMENT 2
12 Total. Add lines 1 through 11		2,478,594.	2,018,444.	0.	
13 Compensation of officers, directors, trustees, etc		0.	0.	0.	0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		12,995.	0.	0.	12,995.
c Other professional fees STMT 4		26,560.	26,560.	0.	0.
17 Interest					
18 Taxes STMT 5		91,724.	0.	0.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		131,279.	26,560.	0.	12,995.
25 Contributions, gifts, grants paid		2,448,367.			2,448,367.
26 Total expenses and disbursements. Add lines 24 and 25		2,579,646.	26,560.	0.	2,461,362.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-101,052.			
b Net investment income (if negative, enter -0-)			1,991,884.		
c Adjusted net income (if negative, enter -0-)				0.	

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	9,243.	18,189.	18,189.
	2 Savings and temporary cash investments	1,086,470.	161,630.	161,630.
	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	5,200,104.	4,924,365.	4,924,622.
	b Investments - corporate stock STMT 7	1,345,233.	1,612,507.	2,120,915.
	c Investments - corporate bonds STMT 8	57,340.	0.	0.
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	36,823,874.	37,704,402.	37,313,150.
	14 Land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	44,522,264.	44,421,093.	44,538,506.
	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 ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	44,522,264.	44,421,093.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 Total net assets or fund balances	44,522,264.	44,421,093.	
	31 Total liabilities and net assets/fund balances	44,522,264.	44,421,093.	

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	44,522,264.
2 Enter amount from Part I, line 27a	2	-101,052.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	44,421,212.
5 Decreases not included in line 2 (itemize) ▶ CARRYING VALUE ADJUSTMENT	5	119.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	44,421,093.

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 LTCG FROM INVESTMENTS - SEE STATEMENT 12			VARIOUS	VARIOUS
b STCG FROM INVESTMENTS - SEE STATEMENT 12			VARIOUS	VARIOUS
c LTCG FROM PARTNERSHIPS - SEE STATEMENT 11			VARIOUS	VARIOUS
d STCG FROM PARTNERSHIPS - SEE STATEMENT 11			VARIOUS	VARIOUS
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			53,568.
b			-3,031.
c			1,713,743.
d			65,624.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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	
a			53,568.
b			-3,031.
c			1,713,743.
d			65,624.
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	1,829,904.
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		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))
2010	1,839,557.	42,605,134.	.043177
2009	1,720,370.	37,255,787.	.046177
2008	1,707,559.	37,492,165.	.045544
2007	2,233,523.	42,064,449.	.053098
2006	1,602,623.	38,785,656.	.041320

2 Total of line 1, column (d)	2	.229316
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	.045863
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	44,022,431.
5 Multiply line 4 by line 3	5	2,019,001.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	19,919.
7 Add lines 5 and 6	7	2,038,920.
8 Enter qualifying distributions from Part XII, line 4	8	2,461,362.

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.

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 ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	19,919.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	19,919.
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	19,919.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	53,944.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	18,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	71,944.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	52,025.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☒ 52,025. Refunded ☐	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. ☒ \$ 0. (2) On foundation managers. ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☒ \$ 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?	X	
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) ☒ 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 2011 or the taxable year beginning in 2011 (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

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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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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 ► JULIE PIRAS Telephone no. ► 612-672-9603 Located at ► 4900 IDS CENTER, MINNEAPOLIS, MN ZIP+4 ► 55402			
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 N/A			
16	At any time during calendar year 2011, 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 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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ►	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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	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? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2011 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 2011.) N/A	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 2011?	4b	X

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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
MARTHA CLARK ATWATER 636 FERNDAL AVE WAYZATA, MN 55391	DIRECTOR 0.00	0.	0.	0.
H B ATWATER, JR 636 FERNDAL AVE WAYZATA, MN 55391	DIRECTOR 0.00	0.	0.	0.
ELIZABETH ATWATER CONNOLLY 2010 JAMES AVENUE SOUTH MINNEAPOLIS, MN 55405	DIRECTOR 0.00	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
NONE				

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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. 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

0

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

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 instructions.	
3 NONE	
	0.
	0.

Total. Add lines 1 through 3

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	7,116,708.
b Average of monthly cash balances	1b	507,604.
c Fair market value of all other assets	1c	37,068,511.
d Total (add lines 1a, b, and c)	1d	44,692,823.
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	44,692,823.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	670,392.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	44,022,431.
6 Minimum investment return. Enter 5% of line 5	6	2,201,122.

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	2,201,122.
2a Tax on investment income for 2011 from Part VI, line 5	2a	19,919.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	19,919.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	2,181,203.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	2,181,203.
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	2,181,203.

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	2,461,362.
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	2,461,362.
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	19,919.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,441,443.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				2,181,203.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			2,015,688.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 2,461,362.				
a Applied to 2010, but not more than line 2a			2,015,688.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				445,674.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				1,735,529.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

N/A

- 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 2011, 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)

	Prior 3 years				(e) Total
	Tax year (a) 2011	(b) 2010	(c) 2009	(d) 2008	
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					
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 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).)

H B ATWATER, JR

- 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 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:

MARTHA C. ATWATER, 612-672-9603
636 FERNDAL AVENUE, WAYZATA, MN 55391

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

IN WRITING WITH SUPPORTING MATERIALS INDICATING CHARITABLE PURPOSE

- c Any submission deadlines:**

N/A

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

N/A

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)				
a Paid during the year				
ABBOT NORTHWESTERN HOSPITAL 800 EAST 28TH STREET MINNEAPOLIS, MN 55407		PUBLIC CHARITY	OPERATIONAL	5,000.
ADMISSION POSSIBLE 450 NORTH SYNDICATE ST, SUITE 200 ST. PAUL, MN 55104		PUBLIC CHARITY	OPERATIONAL	3,000.
AMERICAN MUSEUM OF NATURAL HISTORY CENTRAL PARK WEST AT 79TH STREET NEW YORK, NY 10024		PUBLIC CHARITY	OPERATIONAL	500.
ANGEL BASKETS PO BOX 22000 TELLURIDE, CO 81435		PUBLIC CHARITY	OPERATIONAL	1,000.
BREAKTHROUGH COLABORATIVE 545 SANSOME STREET, SUITE 700 SAN FRANCISCO, CA 94111		PUBLIC CHARITY	OPERATIONAL	5,000.
Total	SEE CONTINUATION SHEET(S)			2,448,367.
b Approved for future payment				
NONE				STMT 10
Total				0.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization

PROSPECT CREEK FOUNDATION

Employer identification number

41-1736420

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 foundation

Check 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, total 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 total 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 Part I, 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) (2011)

Name of organization	Employer identification number
PROSPECT CREEK FOUNDATION	41-1736420

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	H B ATWATER, JR 636 FERNDAL AVENUE WAYZATA, MN 55391	\$ 1,000,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

PROSPECT CREEK FOUNDATION

41-1736420

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

PROSPECT CREEK FOUNDATION

41-1736420

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total 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) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(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

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
BRENTWOOD SCHOOL 100 SOUTH BARRINGTON PLACE LOS ANGELES, CA 90049		PUBLIC CHARITY	OPERATIONAL	4,000.
CARMEL AUTHORS & IDEAS FESTIVAL 601 CARLSON PARKWAY, SUITE 1050 MINNETONKA, MN 55305		PUBLIC CHARITY	OPERATIONAL	1,000.
CITIZENS LEAGUE 555 N WABASHA ST, SUITE 240 ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	500.
CLINIC OLE 1141 PEAR TREE LANE, SUITE 260 NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	10,000.
COTTAGEWOOD COMMUNITY FOUNDATION 20280 COTTAGEWOOD ROAD EXCELSIOR, MN 55331		PUBLIC CHARITY	OPERATIONAL	300.
GALAPAGOS CONSERVANCY 11150 FAIRFAX BLVD., SUITE 408 FAIRFAX, VA 22040		PUBLIC CHARITY	OPERATIONAL	500.
GENTRY COUNTY SOIL & WATER CONSERVATION 512 EAST HIGHWAY 136 ALBANY, MO 64402		PUBLIC CHARITY	OPERATIONAL	500.
GRAYWOLF PRESS 2402 UNIVERSITY AVE, SUITE 203 ST. PAUL, MN 55114		PUBLIC CHARITY	OPERATIONAL	2,500.
GREATER MINNEAPOLIS COUNCIL OF CHURCHES 1001 EAST LAKE ST MINNEAPOLIS, MN 55407		PUBLIC CHARITY	OPERATIONAL	1,000.
GUTHRIE THEATER 818 2ND STREET SO MINNEAPOLIS, MN 55415		PUBLIC CHARITY	OPERATIONAL	375,000.
Total from continuation sheets				2,433,867.

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
HABITAT FOR HUMANITY 3001 4TH STREET SE MINNEAPOLIS, MN 55414		PUBLIC CHARITY	OPERATIONAL	2,000.
HIGHPOINT CENTER FOR PRINTMAKING 2638 LYNDAL AVE SO MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	1,000.
HOOVER INSTITUTION STANFORD UNIVERSITY, 326 GALVEZ STEET STANFORD, CA 94305		PUBLIC CHARITY	OPERATIONAL	10,000.
INNER CITY TENNIS PO BOX 29677 MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	500.
INTERFAITH OUTREACH 110 GRAND AVENUE SOUTH WAYZATA, MN 55391		PUBLIC CHARITY	OPERATIONAL	2,000.
LIBRARY FOUNDATION OF HENNEPIN COUNTY 300 NICOLLET MALL MINNEAPOLIS, MN 55401		PUBLIC CHARITY	OPERATIONAL	2,000.
MACPHAIL CENTER FOR MUSIC 1128 LASALLE AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	1,000.
MARIN ACADEMY 1600 MISSION AVENUE SAN RAFAEL, CA 94901		PUBLIC CHARITY	OPERATIONAL	2,000.
MARIN COUNTRY DAY SCHOOL 5221 PARADISE DRIVE CORTE MADERA, CA 94925		PUBLIC CHARITY	OPERATIONAL	2,000.
MENTORING PARTNERSHIP OF MINNESOTA 81 SOUTH 9TH STREET, SUITE 200 MINNEAPOLIS, MN 55402		PUBLIC CHARITY	OPERATIONAL	1,500.
Total from continuation sheets				

Part XV Supplementary Information**3** Grants and Contributions Paid During the Year (Continuation)

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
MINNEAPOLIS CHESS 807 BROADWAY STREET, NE MINNEAPOLIS, MN 55413		PUBLIC CHARITY	OPERATIONAL	1,000.
MINNEAPOLIS COLLEGE OF ART & DESIGN 2501 STEVENS AVENUE MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	1,000.
MINNEAPOLIS INSTITUTE OF ARTS 2400 3RD AVENUE SOUTH MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	20,000.
MINNESOTA CHILDREN'S MUSEUM 10 WEST SEVENTH STREET ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	1,500.
MINNESOTA HISTORICAL SOCIETY 345 KELLOGG BLVD ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	2,500.
MINNESOTA INTERNATIONAL CENTER 711 EAST RIVER ROAD MINNEAPOLIS, MN 55455		PUBLIC CHARITY	OPERATIONAL	1,000.
MINNESOTA LANDSCAPE ARBORETUM 3675 ARBORETUM DRIVE CHASKA, MN 55318		PUBLIC CHARITY	OPERATIONAL	3,000.
MINNESOTA OPERA 620 NORTH 1ST ST MINNEAPOLIS, MN 55401		PUBLIC CHARITY	OPERATIONAL	5,000.
MINNESOTA ORCHESTRA 1111 NICOLLET MALL MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	15,000.
MINNESOTA PUBLIC RADIO 480 CEDAR STREET ST. PAUL, MN 55101		PUBLIC CHARITY	OPERATIONAL	4,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

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Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
MINNESOTA ZOO 13000 ZOO BLVD APPLE VALLEY, MN 55124		PUBLIC CHARITY	OPERATIONAL	2,000.
MINNETONKA CENTER FOR THE ARTS 2240 NORTH SHORE DRIVE WAYZATA, MN 55391		PUBLIC CHARITY	OPERATIONAL	2,000.
MIXED BLOOD THEATRE 1501 SOUTH FOURTH STREET MINNEAPOLIS, MN 55454		PUBLIC CHARITY	OPERATIONAL	1,000.
NAPA VALLEY OPERA HOUSE 1000 MAIN STREET, SUITE 150 NAPA, CA 94459		PUBLIC CHARITY	OPERATIONAL	10,000.
NAPA VALLEY WRITERS CONFERENCE 2277 NAPA-VALLEJO HIGHWAY NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	1,000.
NORTHERN CLAY CENTER 2424 FRANKLIN AVENUE EAST MINNEAPOLIS, MN 55405		PUBLIC CHARITY	OPERATIONAL	7,000.
ORWAY CENTER FOR PERFORMING ARTS 345 WASHINGTON STREET ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	2,000.
PAGE EDUCATION FOUNDATION PO BOX 581254 MINNEAPOLIS, MN 55458		PUBLIC CHARITY	OPERATIONAL	1,000.
PARKS & TRAILS COUNCIL OF MINNESOTA 275 EAST 4TH STREET, SUITE 642 ST. PAUL, MN 55101		PUBLIC CHARITY	OPERATIONAL	1,000.
PATHWAYS 3115 HENNEPIN AVENUE SOUTH MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	5,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

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Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)				
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)				
PLANNED PARENTHOOD 1200 LAGOON AVENUE MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	5,000.
POMOMA COLLEGE 333 NORTH COLLEGE WAY CLAREMONT, CA 91711		PUBLIC CHARITY	OPERATIONAL	12,000.
PRINCETON UNIVERSITY PRINCETON, NJ 08544		PUBLIC CHARITY	OPERATIONAL	65,110.
PROJECT FOR PRICE IN LIVING 1035 EAST FRANKLIN AVENUE MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	2,000.
PROJECT SUCCESS 2124 DUPONT AVE SO MINNEAPOLIS, MN 55405		PUBLIC CHARITY	OPERATIONAL	1,000.
SAN FRANCISCO MUSEUM OF MODERN ART 151 THIRD STREET SAN FRANCISCO, CA 94103		PUBLIC CHARITY	OPERATIONAL	202,500.
SAN FRANCISCO OPERA 301 VAN NESS AVENUE SAN FRANCISCO, CA 94102		PUBLIC CHARITY	OPERATIONAL	3,000.
SAVE THE LAKE 18338 MINNETONKA BLVD DEEPHAVEN, MN 55391		PUBLIC CHARITY	OPERATIONAL	1,000.
SCIENCE MUSEUM OF MINNESOTA 120 KELLOGG BLVD ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	5,000.
ST. HELENA FARMER'S MARKET PO BOX 70 ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	500.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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)				
ST. HELENA HOSPITAL FOUNDATION 10 WOODLAND ROAD ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	30,000.
STANFORD GRADUATE SCHOOL OF BUSINESS 326 GALVEZ STREET STANFORD, CA 94305		PUBLIC CHARITY	OPERATIONAL	10,000.
STORE TO DOOR 1821 UNVERSTY AVE WEST, SUITE 112 ST. PAUL, MN 55104		PUBLIC CHARITY	OPERATIONAL	1,000.
SUMMER SEARCH 625 2ND STREET, SUITE 209 PETALUMA, CA 94952		PUBLIC CHARITY	OPERATIONAL	1,000.
TELLURIDE EMT ASSOCIATION PO BOX 1645 TELLURIDE, CO 81435		PUBLIC CHARITY	OPERATIONAL	1,000.
TELLURIDE FILM FESTIVAL 800 JONES STREET BERKELEY, CA 94710		PUBLIC CHARITY	OPERATIONAL	12,545.
THE BLAKE SCHOOL 110 BLAKE ROAD SOUTH HOPKINS, MN 55343		PUBLIC CHARITY	OPERATIONAL	15,000.
THE BRIDGE 2200 EMERSON AVENUE SO MINNEAPOLIS, MN 55405		PUBLIC CHARITY	OPERATIONAL	1,000.
THE JUNGLE THEATER 2951 LYNDAL AVE SOUTH MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	1,000.
THE NATURE CONSERVANCY 1101 WEST RIVER PARKWAY, SUITE 200 MINNEAPOLIS, MN 55415		PUBLIC CHARITY	OPERATIONAL	29,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
THE PLAYWRIGHTS' CENTER 2301 FRANKLIN AVENUE EAST MINNEAPOLIS, MN 55406		PUBLIC CHARITY	OPERATIONAL	1,000.
THE TRUST FOR PUBLIC LAND 2610 UNIVERSITY AVENUE, SUITE 300 ST. PAUL, MN 55114		PUBLIC CHARITY	OPERATIONAL	1,000.
TUBMAN FAMILY ALLIANCE 3111 FIRST AVE SO MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	1,000.
TWIN CITIES PUBLIC TELEVISION 172 EAST 4TH STREET ST. PAUL, MN 55101		PUBLIC CHARITY	OPERATIONAL	2,000.
UNITED WAY 404 SOUTH 8TH STREET MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	35,000.
WALKER ART CENTER 1750 HENNEPIN AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	203,342.
WEISMAN ART MUSEUM 333 EAST RIVER ROAD MINNEAPOLIS, MN 55455		PUBLIC CHARITY	OPERATIONAL	1,500.
WILDERNESS INQUIRY 808 14TH AVE SE MINNEAPOLIS, MN 55414		PUBLIC CHARITY	OPERATIONAL	2,000.
ALLIANCE FOR SCHOOL CHOICE 146 MONROE STREET NW, SUITE 1303 GRAND RAPIDS, MI 49503		PUBLIC CHARITY	OPERATIONAL	5,000.
BERKELEY REPERTORY THEATER 999 HARRISON STREET BERKELEY, CA 94710		PUBLIC CHARITY	OPERATIONAL	1,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3** Grants and Contributions Paid During the Year (Continuation)

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
CALIFORNIA INSTITUTE OF TECHNOLOGY MC210-41 PASADENA, CA 91125		PUBLIC CHARITY	OPERATIONAL	180,000.
CAMEO CINEMA 1041 JEFFERSON ST, SUITE 4 NAPA, CA 94559		PUBLIC CHARITY	OPERATIONAL	1,000.
CHAMBER MUSIC IN NAPA VALLEY 4050 SPRING MOUNTAIN ROAD ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	1,500.
CHILDREN'S THEATER COMPANY 2400 3RD AVENUE SOUTH MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	3,000.
CURE PSP 30 EAST PADONIA ROAD, SUITE 201 TIMONIUM, MD 21093		PUBLIC CHARITY	OPERATIONAL	2,000.
EVANS SCHOLARS FOUNDATION 721 UNIVERSITY PLACE EVANSTON, IL 60201		PUBLIC CHARITY	OPERATIONAL	250.
GREATER MINNEAPOLIS CRISIS NURSERY 5400 GLENWOOD AVEUNE MINNEAPOLIS, MN 55422		PUBLIC CHARITY	OPERATIONAL	1,000.
HEIFER INTERNATIONAL 1 WORLD AVENUE LITTLE ROCK, AR 72202		PUBLIC CHARITY	OPERATIONAL	120.
IF GIVEN A CHANCE PO BOX 2607 NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	2,500.
IRAQ AND AFGANISTAN VETERANS OF AMERICA 292 MADISON AVENUE NEW YORK, NY 10017		PUBLIC CHARITY	OPERATIONAL	2,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
LAND TRUST OF NAPA VALLEY 1700 SOSCOL AVENUE, SUITE 20 NAPA, CA 94559		PUBLIC CHARITY	OPERATIONAL	2,500.
MADISON SQUARE PARK CONSERVANCY 11 MADISON AVENUE, 28TH FLOOR NEW YORK, NY 10010		PUBLIC CHARITY	OPERATIONAL	5,000.
METROPOLITAN STATE UNIVERSITY FOUNDATION 700 EAST 7TH STREET ST. PAUL, MN 55106		PUBLIC CHARITY	OPERATIONAL	2,000.
MIDWEST ART CONSERVATION CENTER 2400 3RD AVENUE SOUTH MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	1,000.
MINNESOTA LAND TRUST 2356 UNIVERSITY AVENUE WEST, SUITE 240 ST. PAUL, MN 55114		PUBLIC CHARITY	OPERATIONAL	1,000.
NAPA VALLEY HERITAGE FUND PO BOX 162 ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	1,000.
NAPA VALLEY MUSEUM 55 PRESIDENTS CIRCLE YOUNTVILLE, CA 94599		PUBLIC CHARITY	OPERATIONAL	1,000.
OCEAN EXPLORATION TRUST PO BOX 42 OLD LYME, CT 06371		PUBLIC CHARITY	OPERATIONAL	25,000.
OREGON HEALTH & SCIENCE UNIVERSITY FUND MS 45, PO BOX 4000 PORTLAND, OR 97208		PUBLIC CHARITY	OPERATIONAL	150,000.
PHILANTHROPY ROUNDTABLE 1730 M STREET NW, SUITE 601 WASHINGTON, DC 20036		PUBLIC CHARITY	OPERATIONAL	1,000.
Total from continuation sheets				

PROSPECT CREEK FOUNDATION

41-1736420

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
PUBLIC RADIO INTERNATIONAL 100 NORTH SIXTH STREET MINNEAPOLIS, MN 55414		PUBLIC CHARITY	OPERATIONAL	1,000.
RELAY FOR LIFE 2500 UNIVERSITY AVENUE SE MINNEAPOLIS, MN 55414		PUBLIC CHARITY	OPERATIONAL	500.
NORTHERN JAPAN EARTHQUAKE RELIEF FUND 1840 SUTTER SAN FRANCISCO, CA 94115		PUBLIC CHARITY	OPERATIONAL	3,000.
ST. PAUL CHAMBER ORCHESTRA 408 ST. PETER ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	5,000.
THE CALIFORNIA ACADEMY OF SCIENCES 55 MUSIC CONCOURSE DRIVE, GG PARK SAN FRANCISCO, CA 94118		PUBLIC CHARITY	OPERATIONAL	22,000.
THE COWLES CENTER 528 HENNEPIN AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	1,700.
THE WHOLE LEARNING CENTER 12325 STATE HIGHWAY 5 PLYMOUTH, MN 55441		PUBLIC CHARITY	OPERATIONAL	1,000.
TIPPING POINT COMMUNITY 703 MARKET STREET, SUITE 708 SAN FRANCISCO, CA 93103		PUBLIC CHARITY	OPERATIONAL	3,000.
UCSF 1450 4RD STREET, MC0128, BOX 489001 SAN FRANCISCO, CA 94158		PUBLIC CHARITY	OPERATIONAL	235,000.
UNITED WORLD COLLEGE PO BOX 248 MONTEZUMA, NM 87731		PUBLIC CHARITY	OPERATIONAL	200,000.
Total from continuation sheets				

41-1736420

3 Grants and Contributions Paid During the Year (Continuation)

Total from continuation sheets

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS	140,976.	0.	140,976.
INTEREST	24,787.	0.	24,787.
PURCHASED INTEREST	-5,371.	0.	-5,371.
TOTAL TO FM 990-PF, PART I, LN 4	160,392.	0.	160,392.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP K-1 INCOME SEE STATEMENT 13	-611,774.	25,651.	0.
TAX REFUND	97,693.	0.	0.
MISCELLANEOUS	-118.	0.	0.
ROYALTY INCOME	2,497.	2,497.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	-511,702.	28,148.	0.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	12,995.	0.	0.	12,995.
TO FORM 990-PF, PG 1, LN 16B	12,995.	0.	0.	12,995.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	26,560.	26,560.	0.	0.
FO FORM 990-PF, PG 1, LN 16C	26,560.	26,560.	0.	0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990-PF TAXES	91,500.	0.	0.	0.
MINNESOTA FILING FEE	25.	0.	0.	0.
OTHER TAXES	199.	0.	0.	0.
FO FORM 990-PF, PG 1, LN 18	91,724.	0.	0.	0.

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
SEE STATEMENT 14	X		4,924,365.	4,924,622.
TOTAL U.S. GOVERNMENT OBLIGATIONS			4,924,365.	4,924,622.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			4,924,365.	4,924,622.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT 14	1,612,507.	2,120,915.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,612,507.	2,120,915.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT 14	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10C	0.	0.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
PARTNERSHIPS - SEE STATEMENT 14	COST	37,704,402.	37,313,150.
TOTAL TO FORM 990-PF, PART II, LINE 13		37,704,402.	37,313,150.

NAME	ADDRESS	PURPOSE	AMOUNT
Hoover Institution	Stanford University, 326 Galvez Steet, Stanford, CA 94305	Operational	10,000.00
If Given a Chance	PO Box 2607, Napa, CA 94558	Operational	2,500.00
Inner City Tennis	PO Box 29677, Minneapolis, MN 55408	Operational	500.00
Interfaith Outreach	110 Grand Avenue South, Wayzata, MN 55391	Operational	2,000.00
Iraq and Afganistan Veterans of America	292 Madison Avenue, 10th Floor, New York, NY 10017	Operational	2,000.00
Land Trust of Napa Valley	1700 Soscol Avenue, Suite 20, Napa, CA 94559	Operational	2,500.00
Library Foundation of Hennepin County	300 Nicollet Mall, Minneapolis, MN 55401	Operational	2,000.00
MacPhail Center for Music	1128 LaSalle Avenue, Minneapolis, MN 55403	Operational	1,000.00
Madison Square Park Conservancy	11 Madison Avenue, 28th Floor, New York, NY 10010	Operational	5,000.00
Marin Academy	1600 Mission Avenue, San Rafael, CA 94901	Operational	2,000.00
Marin Country Day School	5221 Paradise Drive, Corte Madera, CA 94925	Operational	2,000.00
Mentoring Partnership of Minnesota	81 South 9th Street, Suite 200, Minneapolis, MN 55402	Operational	1,500.00
Metropolitan State University Foundation	700 East 7th Street, St. Paul, MN 55106	Operational	2,000.00
Midwest Art Conservation Center	2400 3rd Avenue South, Minneapolis, MN 55404	Operational	1,000.00
Minneapolis Chess	807 Broadway Street, NE, Minneapolis, MN 55413	Operational	1,000.00
Minneapolis College of Art & Design	2501 Stevens Avenue, Minneapolis, MN 55404	Operational	1,000.00
Minneapolis Institute of Arts	2400 3rd Avenue South, Minneapolis, MN 55404	Operational	20,000.00
Minnesota Children's Museum	10 West Seventh Street, St. Paul, MN 55102	Operational	1,500.00
Minnesota Historical Society	345 Kellogg Blvd, St. Paul, MN 55102	Operational	2,500.00
Minnesota International Center	711 East River Road, Minneapolis, MN 55455	Operational	1,000.00
Minnesota Land Trust	2356 University Avenue West, Suite 240, St. Paul, MN 55114	Operational	1,000.00
Minnesota Landscape Arboretum	3675 Arboretum Drive, Chaska, MN 55318	Operational	3,000.00
Minnesota Opera	620 North 1st St, Minneapolis, MN 55401	Operational	5,000.00
Minnesota Orchestra	1111 Nicollet Mall, Minneapolis, MN 55403	Operational	15,000.00
Minnesota Public Radio	480 Cedar Street, St. Paul, MN 55101	Operational	4,000.00
Minnesota Zoo	13000 Zoo Blvd, Apple Valley, MN 55124	Operational	2,000.00
Minnetonka Center for the Arts	2240 North Shore Drive, Wayzata, MN 55391	Operational	2,000.00
Mixed Blood Theatre	1501 South Fourth Street, Minneapolis, MN 55454	Operational	1,000.00
Napa Valley Heritage Fund	PO Box 162, St. Helena, CA 94574	Operational	1,000.00
Napa Valley Museum	55 Presidents Circle, Yountville, CA 94599	Operational	1,000.00
Napa Valley Opera House	1000 Main Street, Suite 150 , Napa, CA 94559	Operational	10,000.00
Napa Valley Writers Conference	2277 Napa-Vallejo Highway, Napa, CA 94558	Operational	1,000.00
Northern Clay Center	2424 Franklin Avenue East, Minneapolis, MN 55405	Operational	7,000.00
Northern Japan Earthquake Relief Fund	1840 Sutter, San Francisco, CA 94115	Operational	3,000.00
Ocean Exploration Trust	PO Box 42, Old Lyme, CT 06371	Operational	25,000.00
Ordway Center for Performing Arts	345 Washington Street, St. Paul, MN 55102	Operational	1,000.00

NAME	ADDRESS	PURPOSE	AMOUNT
Oregon Health & Science University Fdn	MS 45, PO Box 4000, Portland, OR 97208	Operational	150,000.00
Orway Center for Performing Arts	345 Washington Street, St. Paul, MN 55102	Operational	1,000.00
Page Education Foundation	PO Box 581254, Minneapolis, MN 55458	Operational	1,000.00
Parks & Trails Council of Minnesota	275 East 4th Street, Suite 642, St. Paul, MN 55101	Operational	1,000.00
Pathways	3115 Hennepin Avenue South, Minneapolis, MN 55408	Operational	5,000.00
Philanthropy Roundtable	1730 M Street NW, Suite 601, Washington, DC 20036	Operational	1,000.00
Planned Parenthood	1200 Lagoon Avenue, Minneapolis, MN 55408	Operational	5,000.00
Pomoma College	333 North College Way, Claremont, CA 91711	Operational	12,000.00
Princeton University	Princeton, NJ 08544	Operational	65,110.00
Project for Price in Living	1035 East Franklin Avenue, Minneapolis, MN 55404	Operational	2,000.00
Project Success	2124 Dupont Ave So, Minneapolis, MN 55405	Operational	1,000.00
Public Radio International	100 North Sixth Street, Minneapolis, MN 55414	Operational	1,000.00
Relay for Life	2500 University Avenue SE, Minneapolis, MN 55414	Operational	500.00
San Francisco Museum of Modern Art	151 Third Street, San Francisco, CA 94103	Operational	202,500.00
San Francisco Opera	301 Van Ness Avenue, San Francisco, CA 94102	Operational	3,000.00
Save the Lake	18338 Minnetonka Blvd, Deephaven, MN 55391	Operational	1,000.00
Science Museum of Minnesota	120 Kellogg Blvd, St. Paul, MN 55102	Operational	5,000.00
St. Helena Farmer's Market	PO Box 70, St. Helena, CA 94574	Operational	500.00
St. Helena Hospital Foundation	10 Woodland Road, St. Helena, CA 94574	Operational	30,000.00
St. Paul Chamber Orchestra	408 St. Peter St, St. Paul, MN 55102	Operational	5,000.00
Stanford Graduate School of Business	326 Galvez Street, Stanford, CA 94305	Operational	10,000.00
Store to Door	1821 Unversty Ave West, Suite 112, St. Paul, MN 55104	Operational	1,000.00
Summer Search	625 2nd Street, Suite 209, Petaluma, CA 94952	Operational	1,000.00
Telluride EMT Association	PO Box 1645, Telluride, CO 81435	Operational	1,000.00
Telluride Film Festival	800 Jones Street, Berkeley, CA 94710	Operational	12,545.00
The Blake School	1110 Blake Road South, Hopkins, MN 55343	Operational	15,000.00
The Bridge	2200 Emerson Avenue So, Minneapolis, MN 55405	Operational	1,000.00
The California Academy of Sciences	55 Music Concourse Drive, GG Park, San Francisco, CA 94118	Operational	22,000.00
The Cowles Center	528 Hennepin Avenue, Minneapolis, MN 55403	Operational	1,700.00
The Jungle Theater	2951 Lyndale Avenue South, Minneapolis, MN 55408	Operational	1,000.00
The Nature Conservancy	1101 West River parkway, Suite 200, Minneapolis, MN 55415	Operational	29,000.00
The Playwrights' Center	2301 Franklin Avenue East, Minneapolis, MN 55406	Operational	1,000.00
The Trust for Public Land	2610 University Avenue, Suite 300, St. Paul, MN 55114	Operational	1,000.00
The Whole Learning Center	12325 State Highway 5, Plymouth, MN 55441	Operational	1,000.00
Tipping Point Community	703 Market St, Suite 708, San Francisco, CA 94103	Operational	3,000.00
Tubman Family Alliance	3111 First Ave So, Minneapolis, MN 55408	Operational	1,000.00

NAME	ADDRESS	PURPOSE	AMOUNT
Twin Cities Public Television	172 East 4th Street, St. Paul, MN 55101	Operational	2,000.00
UCSF	1450 3rd St, MC0128, Box 489001, San Francisco, CA 94158	Operational	235,000.00
United Way	404 South 8th Street, Minneapolis, MN 55404	Operational	35,000.00
United World College	PO Box 248, Montezuma, NM 87731	Operational	200,000.00
University of Minnesota Cancer Research	420 Delaware Street SE, Minneapolis, MN 55455	Operational	420,000.00
Walker Art Center	1750 Hennepin Avenue, Minneapolis, MN 55403	Operational	203,341.80
Weisman Art Museum	333 East River Road, Minneapolis, MN 55455	Operational	1,500.00
Wilderness Inquiry	808 14th Ave SE, Minneapolis, MN 55414	Operational	2,000.00
Women Candidate Development Coalition	550 Rice Street, St. Paul, MN 55103	Operational	1,000.00
Women Venture	2324 University Ave, St. Paul, MN 55114	Operational	1,000.00
TOTAL			\$ 2,448,366.80

PROSPECT CREEK FOUNDATION
41-1736420
2011 FORM-PF

<u>PARTNERSHIP</u>	<u>STCG</u>	<u>LTCG</u>
BAUPOST VALUE LP - I	45,251	696,919
FARALLON CAPITAL PARTERNS, L.P.	-	(17,362)
FCOI II HOLDINGS, LP	-	11
PRIME-SCRC LP	2	40
VALUEACT CAPITAL PARTNERS II, L.P	19,734	280,794
SPO PARTNERS II, L.P.	(6,751)	753,518
HCP WPPE X INVESTORS, LLC	<u>7,388</u>	<u>(177)</u>
TOTALS FROM PARTNERSHIPS	<u><u>65,624</u></u>	<u><u>1,713,743</u></u>

PROSPECT CREEK FOUNDATION
41-1736420
2011 FORM 990-PF

	<u>STCG</u>	<u>LTCG</u>
McDonald Capital Management	-	53,568
Charles Schwab #4346	(3,031)	-
	<u>(3,031)</u>	<u>53,568</u>

McDonald Capital Investors
REALIZED GAINS AND LOSSES

Prospect Creek Foundation

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
11-20-08	01-03-11	50	Fastenal Co	1,628 24	3,049.31		1,421.07
12-03-08	01-03-11	150	Fastenal Co	4,629 18	9,147 94		4,518 76
12-03-08	01-18-11	150	Fastenal Co	4,629 18	9,145.29		4,516 11
07-09-03	07-15-11	375	Clorox	16,107 95	27,886 90		11,778 95
07-09-03	07-20-11	125	Clorox	5,369 32	9,358 31		3,988 99
10-04-07	07-21-11	100	Cardinal Health Inc	4,435 43	4,630 59		195 16
11-20-07	07-21-11	50	Cardinal Health Inc	2,031 16	2,315 29		284 13
09-25-08	08-08-11	15,000	CapitalSource 7 250% Due 07-15-37	10,862 50	15,403 78		4,541 28
09-26-08	08-08-11	5,000	CapitalSource 7 250% Due 07-15-37	3,725 00	5,134 59		1,409 59
09-30-08	08-08-11	10,000	CapitalSource 7 250% Due 07-15-37	7,425 00	10,269 19		2,844 19
10-02-08	08-08-11	13,000	CapitalSource 7 250% Due 07-15-37	9,417 50	13,349.94		3,932 44
10-07-08	08-10-11	7,000	CapitalSource 7 250% Due 07-15-37	4,820 00	7,188 01		2,368 01
10-09-08	08-10-11	9,000	CapitalSource 7 250% Due 07-15-37	6,145 00	9,241 73		3,096 73
10-15-08	08-10-11	13,000	CapitalSource 7 250% Due 07-15-37	8,670 00	13,349 17		4,679 17
10-22-08	08-10-11	10,000	CapitalSource 7 250% Due 07-15-37	6,275 00	10,268 59		3,993 59
TOTAL GAINS						0 00	53,568 17
TOTAL LOSSES						0 00	0 00
				96,170.46	149,738.63	0.00	53,568.17
TOTAL REALIZED GAIN/LOSS				53,568 17			

Gurtin Fixed Income

REALIZED GAINS AND LOSSES BY SECURITY TYPE

PROSPECT CREEK FOUNDATION

Charles Schwab 55314346

vs314346
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	CUSIP	Security	Original Cost	YTD Amort. or Accretion	Total Amort. or Accretion	Adjusted Cost Basis	Proceeds	Gain Or Loss	
										Short Term	Long Term
SHORT TERM REALIZED GAINS OR LOSS											
TREASURY BILLS											
01-03-11	03-01-11	500,000	9127952d2	TREASURY BILL NONE 0 000% Due 03-03-11	499,898 90	99 39	99 39	499,998 29	499,998 19	(0 10)	
12-16-10	02-04-11	100,000	912795v40	TREASURY BILL NONE 0 000% Due 02-10-11	99,981 18	11 76	17 14	99,998 32	99,998 17	(0 15)	
01-13-11	03-03-11	100,000	912795v99	TREASURY BILL NONE 0 000% Due 03-10-11	99,977 75	19 86	19 86	99,997 62	99,998 93	1 31	
01-13-11	03-08-11	100,000	912795v99	TREASURY BILL NONE 0 000% Due 03-10-11	99,977 75	21 85	21 85	99,999 60	99,999 71	0 11	
04-15-11	05-02-11	100,000	912795ve8	TREASURY BILL NONE 0 000% Due 05-05-11	199,955 51	41 71	41 71	199,997 22	199,998 64	1 42	0 00
TREASURY BILLS Total											
					899,833 64	154 61	159 99	899,993 63	899,994 90	1 27	0 00
FED HOME LOAN BK DISCOUNT NOTE											
05-18-11	07-06-11	500,000	313384jd2	FED HOME LN DISCOUNT NT COUPON 0 000% Due 07-15-11	499,967 78	27 78	27 78	499,995 56	499,999 38	3 82	
06-22-11	08-10-11	300,000	313384kh1	FED HOME LN DISCOUNT NT COUPON 0 000% Due 08-12-11	299,989 38	10 41	10 41	299,999 79	299,999 98	0 19	
09-21-11	11-21-11	200,000	313384pz6	FED HOME LN DISCOUNT NT COUPON 0 000% Due 12-02-11	199,992 00	6 89	6 89	199,998 89	199,999 39	0 50	

Gurtin Fixed Income

REALIZED GAINS AND LOSSES BY SECURITY TYPE

PROSPECT CREEK FOUNDATION

Charles Schwab 55314346

vs314346

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	CUSIP	Security	Original Cost	YTD Amort. or Accretion	Total Amort. or Accretion	Adjusted Cost Basis	Proceeds	Gain Or Loss	
										Short Term	Long Term
09-23-11	11-30-11	100,000	313384qe2	FED HOME LN DISCOUNT NT COUPON 0 000% Due 12-07-11	99,996 25	3 45	3 45	99,999 70	100,000 00	0 30	
12-06-11	12-07-11	100,000	313384qm4	FED HOME LN DISCOUNT NT COUPON 0 000% Due 12-14-11	99,999 78	0 05	0 05	99,999 83	99,999 98	0 15	
FED HOME LOAN BK DISCOUNT NOTE Total											
					1,199,945 19	48 58	48 58	1,199,993 77	1,199,998 73	4 96	0 00
09-20-11	11-30-11	200,000	313396qc0	FREDDIE MAC DISCOUNT NT COUPON 0 000% Due 12-05-11	199,989 45	10 00	10 00	199,999 44	199,999 72	0 28	
FED HOME LOAN MTG CORP DISCOUNT NOTE Total											
					199,989 45	10 00	10 00	199,999 44	199,999 72	0 28	0 00
05-26-11	07-06-11	396,000	313588jp1	FANNIE DISCOUNT NOTE ZERO COUPON 0 000% Due 07-25-11	395,973 60	18 48	18 48	395,992 08	395,997 91	5 83	
09-22-11	11-15-11	200,000	313588qe8	FANNIE DISCOUNT NOTE ZERO COUPON 0 000% Due 12-07-11	199,991 56	6 11	6 11	199,997 67	199,999 88	2 21	
10-13-11	11-15-11	100,000	313588qe8	FANNIE DISCOUNT NOTE ZERO COUPON 0 000% Due 12-07-11	99,995 41	2 83	2 83	99,998 25	99,999 94	1 69	
FED NATL MTG ASSN DISCOUNT NOTE Total											
					299,986 97	8 94	8 94	299,995 92	299,999 82	3 90	0 00
					695,960 57	27 42	27 42	695,988 00	695,997 73	9 73	0 00

Gurtin Fixed Income

REALIZED GAINS AND LOSSES BY SECURITY TYPE

PROSPECT CREEK FOUNDATION

Charles Schwab 55314346
vs314346
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	CUSIP	Security	Original Cost	YTD Amort. or Accretion	Total Amort. or Accretion	Adjusted Cost Basis	Gain Or Loss				
									Proceeds	Short Term	Long Term		
VARIABLE RATE FFCB BONDS													
10-27-11	12-07-11	100,000	31331g5v7	FEDERAL FARM CREDIT BANK FLOATING 0 131% Due 12-07-11	100,000 10	(0 10)	(0 10)	100,000 00	100,000 00	0 00	0 00		
VARIABLE RATE FFCB BONDS Total													
					100,000 10	(0 10)	(0 10)	100,000 00	100,000 00	0 00	0 00		
VARIABLE RATE FHLMC BONDS													
07-22-10	01-27-11	150,000	3134g1mp6	FREDDIE MAC STEP CPN 1 500% Due 07-27-12	150,000 00	0 00	0 00	150,000 00	150,000 00	0 00	0 00		
VARIABLE RATE FHLMC BONDS Total													
					150,000 00	0 00	0 00	150,000 00	150,000 00	0 00	0 00		
FEDERAL HOME LOAN BANK BONDS													
11-24-10	01-14-11	175,000	313371xw1	FEDERAL HOME LOAN BANK FIXED 0 500% Due 12-23-11	175,000 00	0 00	0 00	175,000 00	175,000 00	0 00	0 00		
11-29-10	03-15-11	175,000	313371yn0	FEDERAL HOME LOAN BANK FIXED 0 500% Due 12-30-11	175,000 00	0 00	0 00	175,000 00	175,000 00	0 00	0 00		
01-06-11	02-14-11	200,000	313372dy7	FEDERAL HOME LOAN BANK FIXED 0 500% Due 02-06-12	200,000 00	0 00	0 00	200,000 00	200,000 00	0 00	0 00		
02-07-11	03-25-11	200,000	313372p40	FEDERAL HOME LOAN BANK FIXED 0 500% Due 03-09-12	200,000 00	0 00	0 00	200,000 00	200,000 00	0 00	0 00		
03-30-11	05-25-11	200,000	313373d82	FEDERAL HOME LOAN BANK FIXED 1 125% Due 04-25-13	200,000 00	0 00	0 00	200,000 00	200,000 00	0 00	0 00		
08-22-11	10-12-11	425,000	313375gu5	FEDERAL HOME LOAN BANK FIXED 0 425% Due 09-21-12	425,000 00	0 00	0 00	425,000 00	425,000 00	0 00	0 00		

Gurtin Fixed Income

REALIZED GAINS AND LOSSES BY SECURITY TYPE

PROSPECT CREEK FOUNDATION

Charles Schwab 55314346

vs314346

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	CUSIP	Security	Original Cost	YTD Amort. or Accretion	Total Amort. or Accretion	Adjusted Cost Basis	Proceeds	Gain Or Loss	
										Short Term	Long Term
08-22-11	10-06-11	300,000	313375ha8	FEDERAL HOME LOAN BANK FIXED 0.450% Due 09-21-12	300,000.00	0.00	0.00	300,000.00	300,000.00	0.00	0.00
FEDERAL HOME LOAN BANK BONDS Total											
03-02-11	04-29-11	200,000	3128x8yk2	FREDDIE MAC FIXED 2.750% Due 04-29-14	200,760.00	(37.36)	(37.36)	200,722.64	200,000.00	(722.64)	
06-08-11	09-21-11	175,000	3134g17g3	FREDDIE MAC FIXED 1.625% Due 03-21-14	175,630.00	(64.45)	(64.45)	175,565.55	175,000.00	(565.55)	
FEDERAL HOME LOAN MTG CORP BONDS Total											
02-03-11	03-18-11	175,000	3136fjxx4	FANNIE MAE FIXED 1.740% Due 03-18-13	175,304.15	(17.01)	(17.01)	175,287.14	175,000.00	(287.14)	
11-24-10	04-15-11	175,000	31398am25	FANNIE MAE FIXED 2.000% Due 04-15-13	176,050.00	(124.22)	(169.02)	175,880.98	175,000.00	(880.98)	
02-22-11	04-21-11	200,000	31398am74	FANNIE MAE FIXED 2.250% Due 10-21-13	200,628.00	(37.12)	(37.12)	200,590.88	200,000.00	(590.88)	
FEDERAL NATL MTG ASSN BONDS Total											
					551,982.15	(178.34)	(223.15)	551,759.00	550,000.00	(1,759.00)	0.00
SHORT TERM REALIZED GAINS											
SHORT TERM REALIZED LOSSES											
SHORT TERM REALIZED GAINS OR LOSS Total											
					5,849,101.10	(39.64)	(79.07)	5,849,022.04	5,845,991.08	16.48	0.00
										(3,047.44)	0.00
										(3,030.96)	0.00

Gurtin Fixed Income
REALIZED GAINS AND LOSSES BY SECURITY TYPE
PROSPECT CREEK FOUNDATION

Charles Schwab 55314346

vs314346

From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	CUSIP	Security	Original Cost	YTD Amort. or Accretion	Total Amort. or Accretion	Adjusted Cost Basis	Proceeds	Gain Or Loss	
										Short Term	Long Term
LONG TERM REALIZED GAINS OR LOSS											
VARIABLE RATE FHLB BONDS											
02-04-10	08-01-11	125,000	3133xwz4	FEDERAL HOME LOAN BANK FLOATING 0 091% Due 08-01-11	124,962.50	14.71	37.50	125,000.00	125,000.00	0.00	0.00
VARIABLE RATE FHLB BONDS Total											
					124,962.50	14.71	37.50	125,000.00	125,000.00	0.00	0.00
VARIABLE RATE PFCB BONDS											
08-26-10	12-07-11	175,000	31331g5v7	FEDERAL FARM CREDIT BANK FLOATING 0 131% Due 12-07-11	174,933.50	48.31	66.50	175,000.00	175,000.00	0.00	0.00
VARIABLE RATE PFCB BONDS Total											
					174,933.50	48.31	66.50	175,000.00	175,000.00	0.00	0.00
03-16-09	03-24-11	100,000	31331gpy9	FEDERAL FARM CREDIT BANK FLOATING 0 751% Due 03-24-11	100,000.00	0.00	0.00	100,000.00	100,000.00	0.00	0.00
VARIABLE RATE PFCB BONDS Total											
					274,933.50	48.31	66.50	275,000.00	275,000.00	0.00	0.00
LONG TERM REALIZED GAINS											
LONG TERM REALIZED LOSSES											
LONG TERM REALIZED GAINS OR LOSS Total											
					399,896.00	63.02	104.00	400,000.00	400,000.00	0.00	0.00
TOTAL GAINS											
TOTAL LOSSES											
TOTAL REALIZED GAIN/LOSS (3,030.96)											
					6,248,997.10	23.38	24.93	6,249,022.04	6,245,991.08	16.48	0.00
										(3,047.44)	0.00
										(3,030.96)	0.00

This document has been prepared for informational purposes only and is not an official account statement. To the extent there are any discrepancies between your custodial statement and this document, the terms on your custodial statement will control. The information in this report has been calculated from a third party software and its formulas were not developed by Gurtin Fixed Income Management, LLC ("GFI"). As such, all calculations included in this report constitute our best judgment as of this date and upon the information you have provided us and may be subject to change. GFI is not responsible for any clerical, computational or other errors. It is your responsibility to do your own evaluation and check the calculations to determine the accuracy of the information contained in this report. We recommend that you contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return. The gain and loss information contained in this report is not a substitute 1099 form (or any other appropriate tax form) and should not be filed with your taxes. GFI does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

This is not an official account statement. Prior performance does not guarantee nor is it indicative of future results. Therefore, you should not assume that the future performance of any specific investment or investment strategy (including those undertaken or recommended by GFI) will be profitable or equal to corresponding performance levels.

PROSPECT CREEK FOUNDATION
41-1736420
2011 FORM-PF

PARTNERSHIP	ORDINARY INCOME(LOSS)	RENTAL INCOME(LOSS)	INTEREST	DIVIDENDS	OTHER INCOME	PORTFOLIO DEDUCTIONS	INTEREST EXPENSE	TOTALS
BAUPOST VALUE LP - I	14,570	(28,034)	134,739	181,027	(177,996)	(77,634)	(4,348)	42,324
FARALLON CAPITAL PARTERNS, L P	(28,264)	(1,003)	199	2	24,515	(64)	-	(4,595)
HCP WPPE X INVESTORS, LLC	(242)	-	6,589	13,843	5,005	(45,044)	-	(19,849)
PRIME FINANCE	-	-	-	103,409	-	-	-	103,409
PRIME-SCRC LP	1	780	35	6	21	(25)	(17)	801
VALUEACT CAPITAL PARTNERS II, L P	-	-	11	23,275	(270)	(25,757)	-	(2,741)
SPO PARTNERS II, L P	(112,313)	-	6,537	32,049	112,313	(145,103)	(1,174)	(107,691)
FCOI II - WATERSHED CAPITAL PARTNERS								-
FCOI II - FLATIRON RE								-
FCOI II - COMPUTERSHARE TRUST CO OF CANADA								-
FCOI II - FCOI II INVESTMENTS, LTD								-
FCOI II - LEBLON EQUITIES PARTNERS FUND LTD								-
FCOI II - LEBLON VALUE HEDGE FUND LTD								-
FCOI II - CRCM INSTITUTIONAL FUND (BVI), LTD								-
MARATHON FUND LIMITED PARTNERSHIP	-	-	6,022	8,288	-	(317)	-	13,993
TOTALS FROM PARTNERSHIPS	<u>(126,248)</u>	<u>(28,257)</u>	<u>154,132</u>	<u>361,899</u>	<u>(36,392)</u>	<u>(293,944)</u>	<u>(5,539)</u>	<u>25,651</u>

Prospect Creek Foundation
Asset Summary - Cost & FMV
at 12/31/2011

	LOWRY HILL	SCHWAB #4346	SCHWAB #5313	MCDONALD CAPITAL	CHKING	PRTNRSHPS	RECEIVABLE NAPA VALLEY	TOTALS
<u>AT COST - 2010</u>								
Cash	-				9,243			9,243
Money Market		885,166	-	201,304				1,086,470
Equities				1,345,233				1,345,233
Corporate Bonds				57,340				57,340
Government Securities		5,200,104				36,823,874		5,200,104
Other	-	6,085,270	-	1,603,877	9,243	36,823,874	-	36,823,874
								44,522,264

<u>AT COST - 2011</u>								
Cash					18,189			18,189
Money Market	-	69,475	22,200	69,955				161,630
Equities				1,612,507				1,612,507
Corporate Bonds				-				-
Government Securities		4,924,365				37,704,402		4,924,365
Other	-	4,993,840	22,200	1,682,462	18,189	37,704,402	-	37,704,402
								44,421,093

<u>AT FMV - 2011</u>								
Cash					18,189			18,189
Money Market		69,475	22,200	69,955				161,630
Equities				2,120,915				2,120,915
Corporate Bonds				-				-
Government Securities		4,924,622				37,313,150		4,924,622
Other	-	4,994,097	22,200	2,190,870	18,189	37,313,150	-	37,313,150
								44,538,506

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

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

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

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

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

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	PROSPECT CREEK FOUNDATION	☒ 41-1736420
	Number, street, and room or suite no. If a P O box, see instructions.	Social security number (SSN)
File by the due date for filing your return. See instructions.	4900 IDS CENTER 80 SOUTH 8TH STREET	☐
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	MINNEAPOLIS, MN 55402	

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

0 4

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

JULIE PIRAS

- The books are in the care of ► **4900 IDS CENTER - MINNEAPOLIS, MN 55402**
Telephone No. ► **612-672-9603** FAX No. ►

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

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► ☒ calendar year **2011** or
► ☐ tax year beginning , and ending .

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	71,944.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	53,944.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	18,000.

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2012)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions	
Type or print Name of exempt organization or other filer, see instructions PROSPECT CREEK FOUNDATION	Employer identification number (EIN) or ☒ 41-1736420
Number, street, and room or suite no. If a P.O. box, see instructions. 4900 IDS CENTER 80 SOUTH 8TH STREET	Social security number (SSN) ☐
City, town or post office, state, and ZIP code. For a foreign address, see instructions. MINNEAPOLIS, MN 55402	

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

04

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

JULIE PIRAS

- The books are in the care of **4900 IDS CENTER - MINNEAPOLIS, MN 55402**

Telephone No. **612-672-9603**

FAX No. ☐

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2012.**

5 For calendar year **2011**, or other tax year beginning ☐, and ending ☐.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$ 53,944.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$ 53,944.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ☐

Title ☐

Date ☐