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

2012

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year **2012** or tax year beginning _____, **2012**, and ending _____, **20**

Name of foundation Pattee Foundation, Inc.		A Employer identification number 37-1138998
Number and street (or P O box number if mail is not delivered to street address) 51 Public Square PO Box 647		B Telephone number (see instructions) (309) 734-5105
City or town, state, and ZIP code Monmouth, IL 61462		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply:	Initial return <input type="checkbox"/> / Final return <input type="checkbox"/> / Address change <input type="checkbox"/>	D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 28,592,315	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	17,503	17,503		
4 Dividends and interest from securities	638,533	638,533		
5a Gross rents	1,805,742	1,805,742		
b Net rental income or (loss) 1,197,674				
6a Net gain or (loss) from sale of assets not on line 10	33,332			
b Gross sales price for all assets on line 6a 199,841				
7 Capital gain net income (from Part IV, line 2)		33,332		
8 Net short-term capital gain			22,478	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule) STM106	(22,365)	(22,365)		
12 Total. Add lines 1 through 11	2,472,745	2,472,745	22,478	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	163,800	98,800		65,000
14 Other employee salaries and wages	26,200	15,700		10,500
15 Pension plans, employee benefits	2,004	1,200		804
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions) STM110	23,586	23,586		
19 Depreciation (attach schedule) and depletion STM126	10,156			
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) STM103	607,279	607,279		
24 Total operating and administrative expenses. Add lines 13 through 23	833,025	746,565		76,304
25 Contributions, gifts, grants paid	1,350,000			1,350,000
26 Total expenses and disbursements. Add lines 24 and 25	2,183,025	746,565		1,426,304
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	289,720			
b Net investment income (if negative, enter -0-)		1,726,180		
c Adjusted net income (if negative, enter -0-)			22,478	

For Paperwork Reduction Act Notice, see instructions.

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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		
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		506,036	489,483	489,483
	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 instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) STM137		12,708,075	12,932,956	19,025,878
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment STM117 ▶ 8,128,753				
	Less: accumulated depreciation (attach schedule) ▶ 167,384		7,972,003	7,961,369	9,076,954	
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)		21,186,114	21,383,808	28,592,315	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>					
	24	Unrestricted		21,186,114	21,383,808	
	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 instructions)		21,186,114	21,383,808		
31	Total liabilities and net assets/fund balances (see instructions)		21,186,114	21,383,808		

Part III Analysis of Changes in Net Assets or Fund Balances			
1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	21,186,114
2	Enter amount from Part I, line 27a	2	289,720
3	Other increases not included in line 2 (itemize) ▶ STM115	3	(92,026)
4	Add lines 1, 2, and 3	4	21,383,808
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	21,383,808

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (yr, mo, day)	(d) Date sold (yr, mo, day)
1a	9000 shares of Olin Corp	P	2012-05-21	2012-11-27
b	.33 Fractional Share of Duke Energy	P	2006-05-30	2012-07-06
c	.666 Fractional Share of Kraft	P	2007-04-20	2012-10-02
d	Adams Express CG Distribution	P	2006-06-06	2012-12-31
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	188,987		166,509	22,478
b	23			23
c	31			31
d	10,800			10,800
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
a			22,478
b			23
c			31
d			10,800
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	33,332
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 instructions). If (loss), enter -0- in Part I, line 8	3	22,478

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.

(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))
2011	1,271,771	27,347,424	0.046504
2010	1,206,388	24,710,505	0.048821
2009	1,206,387	23,957,419	0.050355
2008	1,295,091	24,684,350	0.052466
2007	1,297,046	26,526,060	0.048897
2	Total of line 1, column (d)		0.247044
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		0.049409
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5		28,067,170
5	Multiply line 4 by line 3		1,386,771
6	Enter 1% of net investment income (1% of Part I, line 27b)		17,262
7	Add lines 5 and 6		1,404,033
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions		1,426,304

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

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits. Total tax due is 4,338, with 4,338 refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity statements. Columns for Yes/No. Includes questions about political campaigns, unrelated business income, and substantial contributors.

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)
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address N/A
14 The books are in care of Larry Lee Spears Telephone no 309-734-5105
Located at 51 Public Square PO Box 647 Monmouth, IL ZIP+4 61462
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here and enter the amount of tax-exempt interest received or accrued during the year 15
16 At any time during calendar year 2012, 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

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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.)
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
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 2012?
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? 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.)
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?
b If "Yes," did it have excess business holdings in 2012 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 2012.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2012?

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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 instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Larry Lee Spears 51 Public Square PO Box 647, IL 61462	Secretary/Treas 20	0	0	0
Raymond E Defenbaugh 51 Public Square PO Box 647, IL 61462	President 20	0	0	0
Marcum A Spears 51 Public Square PO Box 647, IL 61462	Vice President 20	0	0	0
Alice J Defenbaugh 51 Public Square PO Box 647, IL 61462	Asst Secretary/ 20	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 - see 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 0

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 instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	0
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	0
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	

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	18,704,792
b	Average of monthly cash balances	1b	654,778
c	Fair market value of all other assets (see instructions)	1c	9,135,019
d	Total (add lines 1a, b, and c)	1d	28,494,589
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	28,494,589
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	427,419
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	28,067,170
6	Minimum investment return. Enter 5% of line 5	6	1,403,359

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	1,403,359
2a	Tax on investment income for 2012 from Part VI, line 5	2a	17,262
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	17,262
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,386,097
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,386,097
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,386,097

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	1,426,304
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,426,304
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 instructions)	5	17,262
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,409,042

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				1,386,097
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			1,192,098	
b Total for prior years: _____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 1,426,304				
a Applied to 2011, but not more than line 2a			1,192,098	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2012 distributable amount				234,206
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount - see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				1,151,891
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

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

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

	Tax year				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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))

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

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

990APP

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year Monmouth Roseville Educ Foudat 300 West 1st Ave Monmouth IL 61462	Stranger	501c3	Unrestricted	35,000
Warren County YMCA Foundation 600 West Harlem Monmouth IL 61462	Stranger	501c3	Unrestricted	135,000
Jamieson Community Center 900 South 3rd Street Monmouth IL 61462	Strander	501c3	Building Construction	750,000
Monmouth Park District 200 East Broadway Monmouth IL 61462	Stranger	Government	Park Improvements	250,000
Western Illinois Special Olymp 100 South Main St Monmouth IL 61462	Stranger	501c3	Unrestricted	30,000
Central Warren County Fire Dis General Delivery Cameron IL 61423	Stranger	Govenment	Tanker Truck	50,000
Maple Leaf Concert Series 220 East Broadway Monmouth IL 61462	Stranger	501c3	Unrestricted	100,000
Total				1,350,000
b Approved for future payment				
Total				3b

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... 1a(1) Cash... 1a(2) Other assets... 1b(1) Sales of assets... 1b(2) Purchases of assets... 1b(3) Rental of facilities... 1b(4) Reimbursement arrangements... 1b(5) Loans or loan guarantees... 1b(6) Performance of services... 1c Sharing of facilities...

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code... [] Yes [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Raymond E Defenbaugh, 5/9/13, President.

Paid Preparer Use Only Pnnt/Type preparer's name: Marcum A Spears, Preparer's signature: [Signature], Date: 04-30-2013, Check [X] if self-employed, PTIN: P00849489, Firm's name: Spears and Spears, Firm's address: 201 W Broadway PO Box 377 Monmouth IL 61462, Firm's EIN: [Blank], Phone no: 309-734-5105.

Schedule K-1
(Form 1065)

2012

For calendar year 2012, or tax

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Your Social Security Number

Pattee Foundation, Inc.

37-1138998

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

990APP

Grant Program

Pattee Fdtn Grant

Applicant Name

Marcum A Spears

Address

51 Public Square PO Box 647 Monmouth IL 61462

Telephone

309-734-5105

Email Address**Form & Content**

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

Submission Deadline

Not Applicable

Restrictions on Award

NONE

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

FEIN

Pattee Foundation, Inc.

37-1138998

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

Statement #115

Unrealized Gains (Losses) (92,026)

Total (92,026)

STM137

Form 990PF, Part II, Line 10(b)
Investments: Corporate Stock SchedulePG 01
Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Stocks	12,522,575	12,732,956	18,826,378
Bonds	185,500	200,000	199,500
Totals	12,708,075	12,932,956	19,025,878

Federal Supporting Statements

2012 PG 01

Your Social Security Number
37-1138998

Name(s) as shown on return

Pattee Foundation, Inc.

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

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
See Attached	<u>607,279</u>	<u>607,279</u>	<u>0</u>	<u>0</u>
Totals	<u><u>607,279</u></u>	<u><u>607,279</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

PG 01
Statement #106

Form 990PF, Part I, Line 11 - Other Income Schedule

Description	Revenue and expenses	Net investment	Adjusted net income
BRR LLC Attached K-1	<u>(22,365)</u>	<u>(22,365)</u>	<u>0</u>
Totals	<u><u>(22,365)</u></u>	<u><u>(22,365)</u></u>	<u><u>0</u></u>

Federal Supporting Statements

2012 PG 01

Your Social Security Number

37-1138998

Name(s) as shown on return

Pattee Foundation, Inc.

Statement #110

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

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Excise Tax	21,600	21,600	0	0
Foreign Tax Paid	1,986	1,986	0	0
Totals	<u>23,586</u>	<u>23,586</u>	<u>0</u>	<u>0</u>

PG01

Statement #117

Form 990PF, Part II, Line 11 - Investments: Land Schedule

Description	Cost or other basis	Accumulated depreciation	End of year book value	FMV
Land and Building	8,128,753	167,384	7,961,369	9,076,954
Total	<u>8,128,753</u>	<u>167,384</u>	<u>7,961,369</u>	<u>9,076,954</u>

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

Your Social Security Number

Pattee Foundation, Inc.

37-1138998

Statement #126

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

Description	Date Acquired	Cost or Other basis	Prior year Depreciation	Computation Method	Rate	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
See Attached	06-06-2009	150,000	10,156		11.52		10,156	0	0
Totals		<u>150,000</u>	<u>10,156</u>				<u>10,156</u>		

**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

(and on Investment Income for Private Foundations)

(Keep for your records. Do not send to the Internal Revenue Service.)

2013

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total. Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Balance Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8 Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	17,262
b	Enter the tax shown on the 2012 return (see instructions) Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	17,262
c	2013 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	17,262

		(a)	(b)	(c)	(d)	
11	Installment due dates (see instructions)	11	05-15-2013	06-17-2013	09-16-2013	12-16-2013
12	Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	4,316	4,316	4,316	4,314
13	2012 Overpayment (see instructions)	13				
14	Payment due. (Subtract line 13 from line 12.)	14	4,316	4,316	4,316	4,314

PATTEE FOUNDATION

37-1138998

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

	(a) Expenses per Books	(b) Net Investment Income (Loss)	Adjusted Net Income	(d) Charitable Purposes
Big River Resources (Ethanol) See K-1 Attached	\$0 00	\$(22,365 00)	\$0 00	\$0 00
Total	\$0 00	\$(22,365 00)	\$0 00	\$0 00
	Book Value	Fair Market Value		
Big River Resources (Ethanol)	\$250,000 00	\$147,500 00		
Total	\$250,000 00	\$147,500 00		

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

	(a) Expenses per Books	(b) Net Investment Income	Adjusted Net Income	(d) Charitable Purposes
Excises Taxes - 2012	\$21,600 00	\$21,600 00	\$21,600 00	\$0 00
Foreign Taxes Paid	\$1,985 53	\$1,985 53	\$1,985 53	\$0 00
Total	\$23,585 53	\$23,585 53	\$23,585 53	\$0 00

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

	(a) Expenses per Books	(b) Net Investment Income	Adjusted Net Income	(d) Charitable Purposes
Rental Expenses (Farm Inputs)	\$589,591 48	\$589,591 48	\$589,591 48	\$0 00
Rental Expenses - Office	\$17,687 99	\$17,687 99	\$17,687 99	\$0 00
Total	\$607,279 47	\$607,279 47	\$607,279 47	\$0 00

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

Category	Basis	Accumulated Depreciation	Book Value	Fair Market Value
Furniture and Fixtures	\$20,993 00	\$20,993 00	\$0 00	\$0 00
Buildings	\$78,000 00	\$30,910 36	\$47,089 64	\$85,000 00
Improvements	\$6,089 00	\$6,089 00	\$0 00	\$0 00
Land	\$7,869,495 00	\$0 00	\$7,869,495 00	\$11,428,577 00
Miscellaneous	\$154,176 00	\$109,392 07	\$44,783 93	\$0 00
Total	\$8,128,753 00	\$167,384 43	\$7,961,368 57	\$9,210,861 60

PATTEE FOUNDATION

37-1138998

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

Capital Gain Reinvestments and Unrealized Market Gains (Losses)	Total	(\$92,026 00)
		(\$92,026 00)

Statement 6
Form 990-PF, Part IV, Line 1
Capital Gains and Losses from Tax on Investment Income

(a) Item Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Pr	(f) Dep Allowed	(g) Cost	(h) Gain(Loss)	TOTALS
1 9000 shares of Olin Corp	Purchased	05/21/12	11/27/12	\$188,986 82	\$0 00	\$166,508 95	\$22,477 87	\$22,477 87
2 33 shares of Duke Energy	Purchased	05/30/06	07/06/12	\$22 57	\$0 00	\$0 00	\$22 57	\$22 57
3 66 shares of Kraft Foods	Purchased	04/20/07	10/02/12	\$30 57	\$0 00	\$0 00	\$30 57	\$30 57
TOTALS				\$189,009 39		\$166,508 95		\$22,531 01

Statement 7
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees and Key Employees

NAME AND ADDRESS	TITLE and AVERAGE HOURS PER WEEK DEVOTED	COMPENSATION	CONTRIBUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
Raymond E Defenbaugh 51 Public Square Monmouth, IL 61462	President 20 hours	\$60,000 00	\$0 00	\$0 00
Marcum A Spears 51 Public Square Monmouth, IL 61462	Vice President 20 hours	\$35,000 00	\$0 00	\$0 00
Larry Lee Spears 51 Public Square Monmouth, IL 61462	Secretary/Treasurer 20 hours	\$60,000 00	\$0 00	\$0 00
Alice J Defenbaugh 51 Public Square Monmouth, IL 61462	Asst Sec /Treas 10 hours	\$7,800 00	\$0 00	\$0 00

Statement 8
Form 990-PF, Part XV, Line 2a
Name and Address of Person to Whom Applicants should be Addressed

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

2013 Federal Book Depreciation Schedule
PATTEE FOUNDATION

No.	Description	Date Acquired	Date Sold	Cost/Basis	Basis for Depreciation	Prior Yrs. Depreciation	Method	Life	Rate	Current Year Depreciation	
3	Building	7/30/1997		\$78,000.00	\$78,000.00	\$30,910.36	S/L MM	39	0 02564	\$1,999.92	
1	Office Equipment	7/30/1997		\$3,724.00	\$3,724.00	\$3,724.00	200DB HY	7	0	\$0.00	
4	Office Equipment	6/30/2000		\$2,360.00	\$2,360.00	\$2,360.00	200DB HY	7	0	\$0.00	
6	Furniture & Fixtures	6/30/1999		\$6,089.00	\$6,089.00	\$6,089.00	200DB HY	7	0	\$0.00	
10	Misc. Furniture	1/1/2003		\$6,125.00	\$6,125.00	\$6,125.00	200DB HY	7	0	\$0.00	
11	Misc Carpets	1/1/2003		\$2,375.00	\$2,375.00	\$2,375.00	S/L HY	7	0	\$0.00	
13	Carpeting	6/30/2002		\$5,934.00	\$5,934.00	\$5,934.00	S/L HY	7	0	\$0.00	
14	Sign	6/30/2002		\$475.00	\$475.00	\$475.00	S/L HY	7	0	\$0.00	
5	Farmland	7/30/1997		\$662,250.00	\$662,250.00	\$0.00	N/A	N/A	0	\$0.00	
8	Farmland	1/1/2003		\$7,207,245.00	\$7,207,245.00	\$0.00	N/A	N/A	0	\$0.00	
2	Field Tiling Farm	7/30/1997		\$16,167.00	\$16,167.00	\$16,167.00	150DB HY	15	0 0591	\$0.00	
7	Tiling	3/31/2003		\$28,254.00	\$28,254.00	\$19,085.57	150DB HY	15	0 0591	\$1,669.81	
9	Tiling	1/1/2003		\$109,755.00	\$109,755.00	\$74,139.50	150DB HY	15	0 0591	\$6,486.52	
\$8,128,753.00											
TOTAL DEPRECIATION						\$167,384.43					\$10,156.25

PATTEE FOUNDATION

37-1138998

LINE 23, Form 990PF

FARM EXPENSES

Chemicals	\$212,812.49
Fertilizer	\$135,965.53
Seed	\$101,471.09
Real Estate Taxes	\$91,813.70
Insurance	\$15,872.21
Trucking & Aerial Application	\$23,006.19
Utilities	\$0.00
Repairs	\$5,399.73
Fuel - LP Gas Drying	\$0.00
Storage and Drying	\$3,250.54
Miscellaneous Credits	\$0.00
TOTAL FARM EXP	\$589,591.48

OFFICE BUILDING EXPENSES

Real Estate Taxes	\$3,537.60
Insurance	\$650.00
Utilities	\$1,597.94
Repairs	\$2,766.70
Office Supplies	\$59.11
Telephone	\$1,456.94
Miscellaneous	\$4,677.70
Dues	\$695.00
Postage	\$45.00
Bank Service Charges	\$0.00
D&O Insurance	\$2,202.00
TOTAL OFFICE EXP	\$17,687.99

GRAND TOTAL	\$607,279.47
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Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

2012
Attachment
Sequence No **179**

Name(s) shown on return Pattee Foundation, Inc.	Business or activity to which this form relates FORM 990PF - 1	Identifying number 37-1138998
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Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	10,156

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	10,156
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.