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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

OMB No 1545-0052

2012

Open to public inspection

For calendar year 2012 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		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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 46,111,258.	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		1,600,000.			
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		278,500.	278,500.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		5,576,479.			
b Gross sales price for all assets on line 6a					
7 Capital gain net income (from Part IV, line 2)			5,576,479.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	STMT 2	-4,269,261.	108,595.	STMT 4	0. STATEMENT 2
12 Total. Add lines 1 through 11		3,185,718.	5,963,574.		0.
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees	STMT 3	495.	0.	0.	495.
b Accounting fees	STMT 3	9,803.	0.	0.	9,803.
c Other professional fees	STMT 5	28,192.	28,192.	0.	0.
17 Interest					
18 Taxes	STMT 6	18,221.	0.	0.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 7	5,959.	0.	0.	5,959.
24 Total operating and administrative expenses. Add lines 13 through 23		62,670.	28,192.	0.	16,257.
25 Contributions, gifts, grants paid		1,796,860.			1,796,860.
26 Total expenses and disbursements. Add lines 24 and 25		1,859,530.	28,192.	0.	1,813,117.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		1,326,188.			
b Net investment income (if negative, enter -0-)			5,935,382.		
c Adjusted net income (if negative, enter -0-)				0.	

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LHA For Paperwork Reduction Act Notice, see instructions.

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SCANNED NOV 20 2013

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	18,189.	18,934.	18,934.
	2 Savings and temporary cash investments	161,630.	834,473.	833,051.
	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 8	4,924,365.	5,261,035.	5,261,344.
	b Investments - corporate stock STMT 9	1,612,507.	1,675,686.	2,374,164.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 10	37,704,402.	37,956,843.	37,623,765.	
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		44,421,093.	45,746,971.	46,111,258.
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			
	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. ▶ ☐			
	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	44,421,093.	45,746,971.	
	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	44,421,093.	45,746,971.		
31 Total liabilities and net assets/fund balances	44,421,093.	45,746,971.		

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	44,421,093.
2 Enter amount from Part I, line 27a	2	1,326,188.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	45,747,281.
5 Decreases not included in line 2 (itemize) ▶ CARRYING VALUE ADJUSTMENT	5	310.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	45,746,971.

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 13			VARIOUS	VARIOUS
b STCG FROM INVESTMENTS - SEE STATEMENT 13			VARIOUS	VARIOUS
c LTCG FROM PARTNERSHIPS - SEE STATEMENT 12			VARIOUS	VARIOUS
d STCG FROM PARTNERSHIPS - SEE STATEMENT 12			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			39,425.
b			-3,302.
c			5,377,490.
d			162,866.
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			39,425.
b			-3,302.
c			5,377,490.
d			162,866.
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	5,576,479.
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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	2,441,443.	44,022,431.	.055459
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

2 Total of line 1, column (d)	2	.243455
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	.048691
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	44,145,897.
5 Multiply line 4 by line 3	5	2,149,508.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	59,354.
7 Add lines 5 and 6	7	2,208,862.
8 Enter qualifying distributions from Part XII, line 4	8	1,813,117.

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	118,708.
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	118,708.
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	118,708.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	52,025.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	120,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	172,025.	
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	53,317.	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax ☐ 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
b 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 2012 or the taxable year beginning in 2012 (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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>JULIE PIRAS</u> Telephone no. ► <u>612-672-9603</u> Located at ► <u>4900 IDS CENTER, MINNEAPOLIS, MN</u> ZIP+4 ► <u>55402</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
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 ►	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)? <u>N/A</u>	1b	
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?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ 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.) <u>N/A</u>	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
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.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	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	DIRECTOR			
636 FERNDAL AVENUE				
WAYZATA, MN 55391	0.00	0.	0.	0.
H B ATWATER, JR	DIRECTOR			
636 FERNDAL AVENUE				
WAYZATA, MN 55391	0.00	0.	0.	0.
ELIZABETH ATWATER CONNOLLY	DIRECTOR			
2010 JAMES AVENUE SOUTH				
MINNEAPOLIS, MN 55405	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.
Total. Add lines 1 through 3	0.

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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	6,785,248.
b	Average of monthly cash balances	1b	368,838.
c	Fair market value of all other assets	1c	37,664,084.
d	Total (add lines 1a, b, and c)	1d	44,818,170.
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	44,818,170.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	672,273.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	44,145,897.
6	Minimum investment return. Enter 5% of line 5	6	2,207,295.

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	2,207,295.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	118,708.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	118,708.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,088,587.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,088,587.
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	2,088,587.

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	1,813,117.
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	1,813,117.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,813,117.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				2,088,587.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			1,735,529.	
b Total for prior years:		0.		
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	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$ 1,813,117.				
a Applied to 2011, but not more than line 2a			1,735,529.	
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 2012 distributable amount				77,588.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (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:				
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 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				2,010,999.
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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
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				

N/A

▶

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49

4042(,VE)

(e) Total

(4) Gross investment income

14431029 131839 053-02190400 2012.04040 PROSPECT CREEK FOUNDATION 053-07U1

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				
ABBOT NORTHWESTERN HOSPITAL 800 EAST 28TH STREET MINNEAPOLIS, MN 55407		PUBLIC CHARITY	OPERATIONAL	5,000.
ALLIANCE FOR SCHOOL CHOICE 146 MONROE STREET NW, SUITE 1303 GRAND RAPIDS, MI 49503		PUBLIC CHARITY	OPERATIONAL	5,000.
AMERICAN MUSEUM OF NATURAL HISTORY CENTRAL PARK WEST AT 79TH STREET NEW YORK, NY 10024		PUBLIC CHARITY	OPERATIONAL	500.
ANGEL BASKETS P.O. BOX 22000 TELLURIDE, CO 81435		PUBLIC CHARITY	OPERATIONAL	1,000.
BERKELEY REPERTORY THEATER 999 HARRISON STREET BERKELEY, CA 94710		PUBLIC CHARITY	OPERATIONAL	1,500.
Total	SEE CONTINUATION SHEET(S)			1,796,860.
b Approved for future payment				
NONE				STMT II
Total				0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		Related or exempt function income
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities			14	278,500.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income	900099	7,809.	14	-4,277,070.		
8 Gain or (loss) from sales of assets other than inventory			18	5,576,479.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		7,809.		1,577,909.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	1,585,718.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

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

2012

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 foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, 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) (2012)

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	\$ 1,600,000.	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.)

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

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
BREAKTHROUGH COLABORATIVE 545 SANSOME STREET, SUITE 700 SAN FRANCISCO, CA 94111		PUBLIC CHARITY	OPERATIONAL	5,000.
CALIFORNIA INSTITUTE OF TECHNOLOGY MC210-41 PASADENA, CA 91125		PUBLIC CHARITY	OPERATIONAL	25,000.
CARMEL AUTHORS & IDEAS FESTIVAL 601 CARLSON PARKWAY, SUITE 1050 MINNETONKA, MN 55305		PUBLIC CHARITY	OPERATIONAL	1,000.
CHAMBER MUSIC IN NAPA VALLEY 4050 SPRING MOUNTAINROAD ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	1,500.
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	11,000.
COTTAGEWOOD COMMUNITY FOUNDATION 20280 COTTAGEWOOD ROAD, EXCELSIOR EXCELSIOR, MN 55331		PUBLIC CHARITY	OPERATIONAL	300.
EVANS SCHOLARS FOUNDATION 721 UNIVERSITY PLACE EVANSTON, IL 60201		PUBLIC CHARITY	OPERATIONAL	500.
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.
Total from continuation sheets				1,783,860.

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
GRAYWOLF PRESS 2402 UNIVERSITY AVE, SUITE 203 ST. PAUL, MN 55114		PUBLIC CHARITY	OPERATIONAL	100,000.
GREATER MINNEAPOLIS CRISIS NURSERY 5400 GLENWOOD AVENUE MINNEAPOLIS, MN 55422		PUBLIC CHARITY	OPERATIONAL	1,000.
GUTHRIE THEATER 818 2ND STREET SO MINNEAPOLIS, MN 55415		PUBLIC CHARITY	OPERATIONAL	77,000.
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.
IF GIVEN A CHANCE PO BOX 2607 NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	2,500.
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.
LAND TRUST OF NAPA VALLEY 1700 SOSCOL AVENUE, SUITE 20 NAPA, CA 94559		PUBLIC CHARITY	OPERATIONAL	27,500.
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
MACPHAIL CENTER FOR MUSIC 1128 LASALLE AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONA	1,000.
MADISON SQUARE PARK CONSERVANCY 11 MADISON AVENUE, 28TH FLOOR NEW YORK, NY 10010		PUBLIC CHARITY	OPERATIONAL	10,000.
MARIN ACADEMY 1600 MISSION AVENUE SAN RAFAEL, MN 94901		PUBLIC CHARITY	OPERATIONAL	2,000.
MENTORING PARTNERSHIP OF MINNESOTA 81 SOUTH 9TH STREET, SUITE 200 MINNEAPOLIS, MN 55402		PUBLIC CHARITY	OPERATIONAL	1,500.
MIDWEST ART CONSERVATION CENTER 2400 3RD AVENUE SOUTH MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	1,000.
MINNEAPOLIS CHESS 807 BROADWAY STREET, NE MINNEAPOLIS, MN 55413		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.
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
MINNESOTA LAND TRUST 2356 UNIVERSITY AVENUE WEST ST. PAUL, MN 554114		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	30,000.
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.
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 94559		PUBLIC CHARITY	OPERATIONAL	475,000.
NORTHERN CLAY CENTER 2424 FRANKLIN AVENUE EAST MINNEAPOLIS, MN 55405		PUBLIC CHARITY	OPERATIONAL	2,000.
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
ORDWAY CENTER FOR PERFORMING ARTS 345 WASHINGTON STREET ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	1,000.
OREGON HEALTH & SCIENCES UNIVERSITY FDN MS 45, PO BOX 4000 PORTLAND, OR 97208		PUBLIC CHARITY	OPERATIONAL	250,000.
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.
PHILANTHROPY ROUNDTABLE 1730 M STREET NW, SUITE 601 WASHINGTON, DC 20036		PUBLIC CHARITY	OPERATIONAL	1,500.
PLANNED PARENTHOOD 1200 LAGOON AVENUE MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	5,000.
PRINCETON UNIVERSITY PRINCETON, NJ 08544		PUBLIC CHARITY	OPERATIONAL	100,000.
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.
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
PUBLIC RADIO INTENATIONAL 100 NORTH SIXTH STREET MINNEAPOLIS, MN 55414		PUBLIC CHARITY	OPERATIONAL	1,000.
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	1,000.
ST. HELENA HOSPITAL FOUNDATION 10 WOODLAND ROAD ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	25,000.
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 FILM FESTIVAL 800 JONES STREET BERKELEY, CA 94710		PUBLIC CHARITY	OPERATIONAL	8,720.
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
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 COWLES CENTER 528 HENNEPIN AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	2,000.
THE JUNGLE THEATER 2951 LYNDAL AVENUE SOUTH MINNEAPOLIS, MN 55408		PUBLIC CHARITY	OPERATIONAL	1,000.
THE NATURE CONSERVANCY 1101 WEST RIVER PARKWAY, SUITE 200 MINNEAPOLIS, MN 55415		PUBLIC CHARITY	OPERATIONAL	54,000.
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	32,000.
UNITED WAY 404 SOUTH 8TH STREET MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	35,000.
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
WALKER ART CENTER 1750 HENNEPIN AVENUE MINNEAPOLIS, MN 55403		PUBLIC CHARITY	OPERATIONAL	160,000.
WEISMAN ART MUSEUM 333 EAST RIVER ROAD MINNEAPOLIS, MN 55455		PUBLIC CHARITY	OPERATIONAL	2,000.
WOMEN VENTURE 2324 UNIVERSITY AVE ST. PAUL, MN 55114		PUBLIC CHARITY	OPERATIONAL	1,000.
ARTS COUNCIL NAPA VALLEY/CAMEO PROGRAM 3299 CLAREMONT WAY NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	1,500.
ARTS INITIATIVE 1250 BROADWAY AVENUE MINNEAPOLIS, MN 55411		PUBLIC CHARITY	OPERATIONAL	5,000.
CARE 601 CARLSON PARKWAY, SUITE 1050 MINNETONKA, MN 55305		PUBLIC CHARITY	OPERATIONAL	1,000.
CONSERVATION MINNESOTA 1101 WEST RIVER PARKWAY, SUITE 200 MINNEAPOLIS, MN 55415		PUBLIC CHARITY	OPERATIONAL	1,000.
FINE ARTS MUSEUM OF SAN FRANCISCO 233 POST STREET SAN FRANCISCO, CA 94108		PUBLIC CHARITY	OPERATIONAL	15,000.
FRIENDS OF THE HENNEPIN COUNTY LIBRARY 300 NICOLLET MALL MINNEAPOLIS, MN 55401		PUBLIC CHARITY	OPERATIONAL	2,000.
KIPP FOUNDATION 1601 LAUREL AVENUE MINNEAPOLIS, MN 55424		PUBLIC CHARITY	OPERATIONAL	55,000.
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
MAYO FOUNDATION 200 1ST STREET SW ROCHESTER, MN 55905		PUBLIC CHARITY	OPERATIONAL	30,000.
MINNEAPOLIS PARKS FOUNDATION 4800 MINNEHAHA AVENUE SO MINNEAPOLIS, MN 55417		PUBLIC CHARITY	OPERATIONAL	500.
MINNESOTANS UNITED FOR ALL FAMILIES PO BOX 582841 MINNEAPOLIS, MN 55458		PUBLIC CHARITY	OPERATIONAL	500.
MOMA 11 WEST 53RD STREET NEW YORK, NY 10019		PUBLIC CHARITY	OPERATIONAL	640.
MUSIC IN THE VINEYARDS PO BOX 6297 NAPA, CA 94581		PUBLIC CHARITY	OPERATIONAL	1,500.
NAPA LEARNS PO BOX 7057 NAPA, CA 94558		PUBLIC CHARITY	OPERATIONAL	15,000.
NORTHSIDE ACHIEVEMENT ZONE 2123 WEST BROADWAY MINNEAPOLIS, MN 55411		PUBLIC CHARITY	OPERATIONAL	15,000.
PEOPLE INCORPORATED 2060 CENTRE POINT BLVD ST. PAUL, MN 55120		PUBLIC CHARITY	OPERATIONAL	1,000.
PLAY FOR P.I.N.K 175 EAST 74TH STREET NEW YORK, MN 10021		PUBLIC CHARITY	OPERATIONAL	1,000.
RUTHERFORD VOLUNTEER FIRE DEPARTMENT 1199 BIG TREE ROAD ST. HELENA, CA 94574		PUBLIC CHARITY	OPERATIONAL	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
SUMMIT ACADEMY 935 OLSON MEMORIAL HIGHWAY MINNEAPOLIS, MN 55405		PUBLIC CHARITY	OPERATIONAL	3,500.
TEACH FOR AMERICA 401 2ND AVENUE NORTH MINNEAPOLIS, MN 55401		PUBLIC CHARITY	OPERATIONAL	25,000.
THE ARTS PARTNERSHIP 620 NORTH 1ST ST MINNEAPOLIS, MN 55401		PUBLIC CHARITY	OPERATIONAL	20,000.
THE CHILDRENS THEATER COMPANY 2400 3RD AVENUE SOUTH MINNEAPOLIS, MN 55404		PUBLIC CHARITY	OPERATIONAL	3,000.
THE DAWN REDWOODS CHARITABLE TRUST 1 BLACKFIELD DRIVE TIBURON, CA 94920		PUBLIC CHARITY	OPERATIONAL	2,000.
THE NAVY SEAL FOUNDATION 360 POST STREET SAN FRANCISCO, CA 94108		PUBLIC CHARITY	OPERATIONAL	1,000.
THE OXBOW SCHOOL 503 3RD AVENUE NAPA, CA 94559		PUBLIC CHARITY	OPERATIONAL	1,000.
ST. PAUL CHAMBER ORCHESTRA 408 ST. PETER STREET ST. PAUL, MN 55102		PUBLIC CHARITY	OPERATIONAL	5,000.
WATCH 608 2ND AVENUE SOUTH MINNEAPOLIS, MN 55402		PUBLIC CHARITY	OPERATIONAL	1,000.
WAYZATA FIRE DEPARTMENT 600 RICE STREET WAYZATA, MN 55391		PUBLIC CHARITY	OPERATIONAL	200.
Total from continuation sheets				

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT	
DIVIDENDS	271,118.	0.	271,118.	
INTEREST	11,391.	0.	11,391.	
PURCHASED INTEREST	-4,009.	0.	-4,009.	
TOTAL TO FM 990-PF, PART I, LN 4	278,500.	0.	278,500.	

FORM 990-PF	OTHER INCOME		STATEMENT	2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
PARTNERSHIP K-1 INCOME SEE STATEMENT 14	-4,269,261.	108,595.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-4,269,261.	108,595.	0.	

FORM 990-PF	LEGAL FEES		STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	495.	0.	0.	495.
TO FM 990-PF, PG 1, LN 16A	495.	0.	0.	495.

FORM 990-PF	ACCOUNTING FEES		STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	9,803.	0.	0.	9,803.
TO FORM 990-PF, PG 1, LN 16B	9,803.	0.	0.	9,803.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT MANAGEMENT FEES	28,192.	28,192.	0.	0.	
TO FORM 990-PF, PG 1, LN 16C	28,192.	28,192.	0.	0.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FORM 990-PF TAXES	18,000.	0.	0.	0.	
MINNESOTA FILING FEE	25.	0.	0.	0.	
OTHER TAXES	196.	0.	0.	0.	
TO FORM 990-PF, PG 1, LN 18	18,221.	0.	0.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
WIRE TRANSFER FEES	300.	0.	0.	300.	
MISCELLANEOUS	5,659.	0.	0.	5,659.	
TO FORM 990-PF, PG 1, LN 23	5,959.	0.	0.	5,959.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS		STATEMENT	8
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT 15	X		5,261,035.	5,261,344.
TOTAL U.S. GOVERNMENT OBLIGATIONS			5,261,035.	5,261,344.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			5,261,035.	5,261,344.

FORM 990-PF	CORPORATE STOCK		STATEMENT	9
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT 15			1,675,686.	2,374,164.
TOTAL TO FORM 990-PF, PART II, LINE 10B			1,675,686.	2,374,164.

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	10
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
PARTNERSHIPS - SEE STATEMENT 15	COST	37,956,843.	37,623,765.	
TOTAL TO FORM 990-PF, PART II, LINE 13		37,956,843.	37,623,765.	

PROSPECT CREEK FOUNDATION

41-1736420

2012 FORM-PF

NAME	ADDRESS	PURPOSE	AMOUNT
Abbot Northwestern Hospital	800 East 28th Street, Minneapolis, MN 55407	Operational	5,000.00
Alliance for School Choice	146 Monroe Street NW, Suite 1303, Grand Rapids, MI 49503	Operational	5,000.00
American Museum of Natural History	Central Park West at 79th Street, New York, NY 10024	Operational	500.00
Angel Baskets	PO Box 22000, Telluride, CO 81435	Operational	1,000.00
Berkeley Repertory Theater	999 Harrison Street, Berkeley, CA 94710	Operational	1,500.00
Breakthrough Collaborative	545 Sansome Street, Suite 700, San Francisco, CA 94111	Operational	5,000.00
California Institute of Technology	MC210-41, Pasadena, CA 91125	Operational	25,000.00
Carmel Authors & Ideas Festival	601 Carlson Parkway, Suite 1050, Minnetonka, MN 55305	Operational	1,000.00
Chamber Music in Napa Valley	4050 Spring Mountain Road, St. Helena, CA 94574	Operational	1,500.00
Citizens League	555 N Wabasha St, Suite 240, St. Paul, MN 55102	Operational	500.00
Clinic Ole	1141 Pear Tree Lane, Suite 260, Napa, CA 94558	Operational	11,000.00
Cottagewood Community Foundation	20280 Cottagewood Road, Excelsior, MN 55331	Operational	300.00
Evans Scholars Foundation	721 University Place, Evanston, IL 60201	Operational	500.00
Galapagos Conservancy	11150 Fairfax Blvd., Suite 408, Fairfax, VA 22040	Operational	500.00
Gentry County Soil & Water Conservation	512 East Highway 136, Albany, MO 64402	Operational	500.00
Graywolf Press	2402 University Ave, Suite 203, St. Paul, MN 55114	Operational	100,000.00
Greater Minneapolis Crisis Nursery	5400 Glenwood Avenue, Minneapolis, MN 55422	Operational	1,000.00
Guthrie Theater	818 2nd Street So, Minneapolis, MN 55415	Operational	77,000.00
Habitat for Humanity	3001 4th Street SE, Minneapolis, MN 55414	Operational	2,000.00
Highpoint Center for Printmaking	2638 Lyndale Ave So, Minneapolis, MN 55408	Operational	1,000.00
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
Land Trust of Napa Valley	1700 Soscol Avenue, Suite 20, Napa, CA 94559	Operational	27,500.00
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	10,000.00
Marin Academy	1600 Mission Avenue, San Rafael, CA 94901	Operational	2,000.00
Mentoring Partnership of Minnesota	81 South 9th Street, Suite 200, Minneapolis, MN 55402	Operational	1,500.00
Midwest Art Conservation Center	2400 3rd Avenue South, Minneapolis, MN 55404	Operational	1,000.00

NAME	ADDRESS	PURPOSE	AMOUNT
Minneapolis Chess	807 Broadway Street, NE, Minneapolis, MN 55413	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	30,000.00
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 Opera House	1000 Main Street, Suite 150 , Napa, CA 94559	Operational	475,000.00
Northern Clay Center	2424 Franklin Avenue East, Minneapolis, MN 55405	Operational	2,000.00
Orway Center for Performing Arts	345 Washington Street, St. Paul, MN 55102	Operational	1,000.00
Oregon Health & Sciences University Fdn	MS 45, PO Box 4000, Portland, OR 97208	Operational	250,000.00
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	1,500.00
Planned Parenthood	1200 Lagoon Avenue, Minneapolis, MN 55408	Operational	5,000.00
Princeton University	Princeton, NJ 08544	Operational	100,000.00
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 Intenational	100 North Sixth Street, Minneapolis, MN 55414	Operational	1,000.00
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	1,000.00
St. Helena Hospital Foundation	10 Woodland Road, St. Helena, CA 94574	Operational	25,000.00
Stanford Graduate School of Business	326 Galvez Street, Stanford, CA 94305	Operational	10,000.00
Store to Door	1821 Unversity 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 Film Festival	800 Jones Street, Berkeley, CA 94710	Operational	8,720.00
The Blake School	110 Blake Road South, Hopkins, MN 55343	Operational	15,000.00

NAME	ADDRESS	PURPOSE	AMOUNT
The Bridge	2200 Emerson Avenue So, Minneapolis, MN 55405	Operational	1,000.00
The Cowles Center	528 Hennepin Avenue, Minneapolis, MN 55403	Operational	2,000.00
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	54,000.00
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
Tubman Family Alliance	3111 First Ave So, Minneapolis, MN 55408	Operational	1,000.00
Twin Cities Public Television	172 East 4th Street, St. Paul, MN 55101	Operational	32,000.00
United Way	404 South 8th Street, Minneapolis, MN 55404	Operational	35,000.00
Walker Art Center	1750 Hennepin Avenue, Minneapolis, MN 55403	Operational	160,000.00
Weisman Art Museum	333 East River Road, Minneapolis, MN 55455	Operational	2,000.00
Women Venture	2324 University Ave, St. Paul, MN 55114	Operational	1,000.00
Arts Council Napa Valley/Cameo Program	3299 Claremont Way, Napa, CA 94558	Operational	1,500.00
Arts Initiative	1250 Broadway Avenue, Minneapolis, MN 55411	Operational	5,000.00
CARE	601 Carlson Parkway, Suite 1050, Minnetonka, MN 55305	Operational	1,000.00
Conservation Minnesota	1101 West River Parkway, Suite 200, Minneapolis, MN 55415	Operational	1,000.00
Fine Arts Museum of San Francisco	233 Post Street, San Francisco, CA 94108	Operational	15,000.00
Friends of The Hennepin County Library	300 Nicollet Mall, Minneapolis, MN 55401	Operational	2,000.00
KIPP Foundation	1601 Laurel Avenue, Minneapolis, MN 55424	Operational	55,000.00
Mayo Foundation	200 1st Street SW, Rochester, MN 55905	Operational	30,000.00
Minneapolis Parks Foundation	4800 Minnehaha Avenue So, Minneapolis, MN 55417	Operational	500.00
Minnesotans United for All Families	PO Box 582841, Minneapolis, MN 55458	Operational	500.00
MOMA	11 West 53rd Street, New York, NY 10019	Operational	640.00
Music in the Vineyards	PO Box 6297, Napa, CA 94581	Operational	1,500.00
Napa Learns	PO Box 7057, Napa, CA 94558	Operational	15,000.00
Northside Achievement Zone	2123 West Broadway, Minneapolis, MN 55411	Operational	15,000.00
People Incorporated	2060 Centre Point Blvd, St. Paul, MN 55120	Operational	1,000.00
Play for P.I.N.K	175 East 74th Street, New York, NY 10021	Operational	1,000.00
Rutherford Volunteer Fire Department	1199 Big Tree Road, St. Helena, CA 94574	Operational	500.00
Summit Academy	935 Olson Memorial Highway, Minneapolis, MN 55405	Operational	3,500.00
Teach for America	401 2nd Avenue North, Minneapolis, MN 55401	Operational	25,000.00
The Arts Partnership	620 North 1st St, Minneapolis, MN 55401	Operational	20,000.00
The Childrens Theater Company	2400 3rd Avenue South, Minneapolis, MN 55404	Operational	3,000.00
The Dawn Redwoods Charitable Trust	1 Blackfield Drive, Tiburon, CA 94920	Operational	2,000.00
The Navy Seal Foundation	360 Post Street, San Francisco, CA 94108	Operational	1,000.00
The Oxbow School	503 3rd Avenue, Napa, CA 94559	Operational	1,000.00

NAME	ADDRESS	PURPOSE	AMOUNT
St. Paul Chamber Orchestra	408 St. Peter Street, St. Paul, MN 55102	Operational	5,000.00
W/ATCH	608 2nd Avenue South, Minneapolis, MN 55402	Operational	1,000.00
Wayzata Fire Department	600 Rice Street, Wayzata, MN 55391	Operational	200.00
TOTAL			1,796,860.00

PROSPECT CREEK FOUNDATION
41-1736420 FORM-PF
YEAR ENDING 12/31/12

PARTNERSHIP	STCG	LTCG
BAUPOST VALUE LP - I	143,499	993,455
FARALLON CAPITAL PARTERNS, L.P.	-	2,149
FCOI II HOLDINGS, LP	-	102,204
PRIME-SCRC LP	14	133
VALUEACT CAPITAL PARTNERS II, L.P.	19,223	150,494
SPO PARTNERS II, L.P.	-	3,821,861
Marathon Fund Limited Partnership V		197,318
HCP WPPE X INVESTORS, LLC	130	109,876
TOTALS FROM PARTNERSHIPS	162,866	5,377,490

PROSPECT CREEK FOUNDATION
41-1736420 FORM 990-PF
YEAR ENDING 12/31/12

	<u>STCG</u>	<u>LTCG</u>
McDonald Capital Management	-	39,078
Charles Schwab #4346	(3,302)	347
	<u>\$ (3,302)</u>	<u>\$ 39,425</u>

McDonald Capital Investors
REALIZED GAINS AND LOSSES
Prospect Creek Foundation
From 01-01-12 Through 12-31-12

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
07-16-03	05-04-12	50	Nike Inc Class B	1,320.96	5,640.97		4,320.01
07-09-03	05-09-12	425	Clorox	18,255.68	29,117.11		10,861.43
07-09-03	05-11-12	350	Clorox	15,034.09	24,010.39		8,976.30
07-09-03	07-11-12	350	Clorox	15,034.09	25,252.89		10,218.80
07-09-03	10-15-12	150	Clorox	6,443.18	11,144.45		4,701.27
TOTAL GAINS						0.00	39,077.80
TOTAL LOSSES						0.00	0.00
				56,088.01	95,165.81	0.00	39,077.80
TOTAL REALIZED GAIN/LOSS				39,077.80			

2012 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out [FIFO]

Realized Gain or (Loss)

Short-Term		Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FED HM LN MTG 0%12NOTES DUE 02/14/12 313396TB9		100,000.0000	12/16/11	01/19/12	\$99,998.56	\$99,998.42	\$0.14
Security Subtotal					\$99,998.56	\$99,998.42	\$0.14
FED HM LN MTG 0%13NOTES DUE 01/14/13 313397AP6		100,000.0000	10/17/12	12/18/12	\$99,995.50	\$99,967.86	\$27.64
Security Subtotal					\$99,995.50	\$99,967.86	\$27.64
FED HM LN MTG 0.5XXX** CALLED **DUE 02/15/13@ PAR EFF 02: 3134G2VG4		175,000.0000	10/07/11	02/15/12	\$175,000.00	\$174,982.50	\$17.50
Security Subtotal					\$175,000.00	\$174,982.50	\$17.50
FED HM LN MTG 0.6XXX** CALLED **DUE 12/27/13@ PAR EFF 12 3134G3EU0		150,000.0000	10/18/12	12/27/12	\$150,000.00	\$150,112.50	(\$112.50)
Security Subtotal					\$150,000.00	\$150,112.50	(\$112.50)
FED HM LN MTG 0.55XXX** CALLED **DUE 12/27/13@ PAR EFF 12 3134G3DT4		125,000.0000	10/25/12	12/27/12	\$125,000.00	\$125,076.25	(\$76.25)
Security Subtotal					\$125,000.00	\$125,076.25	(\$76.25)
FED HOME LN BK 0%12NOTES DUE 02/08/12 313384SV2		400,000.0000	11/10/11	01/10/12	\$399,998.39	\$399,975.00	\$23.39
Security Subtotal					\$399,998.39	\$399,975.00	\$23.39

2012 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method
Mutual Funds Average
All Other Investments, First In First Out (FIFO)



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Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FED HOME LN BK 0%12NOTES DUE 11/02/12: 313384M97	100,000 0000	08/02/12	10/19/12	\$99,995.22	\$99,969.67	\$25.55
FED HOME LN BK 0%12NOTES DUE 11/02/12: 313384M97	100,000 0000	08/02/12	10/26/12	\$99,998.06	\$99,969.66	\$28.40
Security Subtotal				\$199,993.28	\$199,939.33	\$53.95
FED HOME LN BK 0%12NOTES DUE 11/09/12: 313384N88	100,000 0000	09/10/12	10/26/12	\$99,994.59	\$99,978.33	\$16.26
Security Subtotal				\$99,994.59	\$99,978.33	\$16.26
FED HOME LN BK 0%12NOTES DUE 11/21/12: 313384Q44	200,000 0000	09/19/12	11/13/12	\$199,995.56	\$199,958.67	\$36.89
Security Subtotal				\$199,995.56	\$199,958.67	\$36.89
FED HOME LN BK 0%12NOTES DUE 12/05/12: 313384S26	200,000 0000	09/07/12	12/04/12	\$199,999.72	\$199,930.78	\$68.94
Security Subtotal				\$199,999.72	\$199,930.78	\$68.94
FED NATL MTG 2 5XXX** CALLED **DUE 06/25/15@ PAR EFF 06. 3136FMA38	150,000.0000	04/27/12	06/25/12	\$150,000.00	\$150,525.75	(\$525.75)
Security Subtotal				\$150,000.00	\$150,525.75	(\$525.75)

2012 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds Average
All Other Investments: First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FED NATL MTG 2 24XXX** CALLED **DUE 07/06/15@ PAR EFF 07: 31398AW57	175,000 0000	03/07/12	07/06/12	\$175,000 00	\$176,155 00	(\$1,155.00)
Security Subtotal				\$175,000.00	\$176,155.00	(\$1,155.00)
FED NATL MTG 3.63XXX** CALLED **DUE 09/06/16@ PAR EFF 09: 31398AZB1	150,000 0000	04/27/12	09/06/12	\$150,000 00	\$151,770.00	(\$1,770.00)
Security Subtotal				\$150,000.00	\$151,770.00	(\$1,770.00)
US TREAS BIL 12/13/12UST BILL DUE 12/13/12: 9127955Q0	200,000 0000	10/12/12	12/12/12	\$199,999 72	\$199,958.21	\$41 51
Security Subtotal				\$199,999.72	\$199,958.21	\$41.51
US TREAS BILL 0%12UST BILL DUE 05/10/12: 9127955M9	300,000 0000	03/01/12	04/30/12	\$299,995 83	\$299,960.90	\$34 93
Security Subtotal				\$299,995.83	\$299,960.90	\$34.93
US TREAS BILL 0%01/12UST BILL DUE 01/05/12 9127954A6	100,000 0000	12/07/11	01/03/12	\$100,000.01	\$99,997.67	\$2 34
Security Subtotal				\$100,000.01	\$99,997.67	\$2.34

Charles SCHWAB
INSTITUTIONAL

Schwab One® Account of
PROSPECT CREEK FOUNDATION

Report Period
January 1 - December 31,
2012
Account Number
5531-4346

2012 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out (FIFO)

Realized Gain or (Loss) (continued)



Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
US TREAS BILL 0%09/12JUST BILL DUE 09/06/12: 9127956G1	100,000 0000	06/07/12	08/14/12	\$99,994 25	\$99,980 00	\$14.25
Security Subtotal				\$99,994.25	\$99,980.00	\$14.25
Total Short-Term				\$2,924,965.41	\$2,928,267.17	(\$3,301.76)

Long-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FED FARM CR BK FLT 2XXX**MATURED** DUE 01/25/12: 31331JCH4	150,000 0000	03/02/10	01/25/12	\$150,000.00	\$149,828 03	\$171.97
Security Subtotal				\$150,000.00	\$149,828.03	\$171.97

FED FARM CR BK FLT 2XXX**MATURED** DUE 02/21/12: 31331JWJ8	150,000.0000	07/22/10	02/21/12	\$150,000.00	\$149,952.90	\$47 10
Security Subtotal				\$150,000.00	\$149,952.90	\$47.10
FED HM LN MTG FLT 2XXX**MATURED** DUE 02/10/12: 3128X9YV6	100,000.0000	02/18/10	02/10/12	\$100,000.00	\$99,981.00	\$19 00
Security Subtotal				\$100,000.00	\$99,981.00	\$19.00

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2012 Year-End Schwab Gain/Loss Report

Accounting Method
Mutual Funds: Average
All Other Investments: First In First Out [FIFO]

Realized Gain or (Loss) (continued)

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FED HMLN MTG FLT 2XXX**MATURED** DUE 05/11/12: 3134G1RQ9	125,000.0000	08/09/10	05/11/12	\$125,000.00	\$124,890.62	\$109.38
Security Subtotal				\$125,000.00	\$124,890.62	\$109.38
Total Long-Term				\$525,000.00	\$524,652.55	\$347.45
Total Realized Gain or (Loss)				\$3,449,965.41	\$3,452,919.72	(\$2,954.31)

Schwab has provided realized gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. See Terms and Conditions.
Option Customers: Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options. Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options.

PROSPECT CREEK FOUNDATION

41-1736420 FORM-PF

YEAR ENDING 12/31/12

PARTNERSHIP	ORDINARY INCOME/(LOSS)	RENTAL INCOME/(LOSS)	INTEREST	DIVIDENDS	OTHER INCOME	PORTFOLIO DEDUCTIONS	INTEREST EXPENSE	TOTALS
BAUPOST VALUE LP - I	420	(19,810)	99,601	140,423	(135,492)	(67,698)	(8,040)	9,404
FARALLON CAPITAL PARTERNS, L P	(3,553)	(46)	239	1	-	(35)	-	(3,394)
HCP WPPE X INVESTORS, LLC	(1,356)	-	8,446	24,016	2,582	(40,992)	(1,196)	(8,500)
PRIME FINANCE	-	-	-	189,733	15,786	-	-	205,519
PRIME-SCRC LP	-	2,293	48	9	27	(25)	(30)	2,322
VALUEACT CAPITAL PARTNERS II, L P	-	-	2	23,386	2,874	(31,551)	(9)	(5,298)
SPO PARTNERS II, L P	(15,268)	-	585	35,188	15,268	(142,980)	-	(107,207)
FCOI II - WATERSHED CAPITAL PARTNERS								-
FCOI II - FLATIRON RE	689							689
FCOI II - COMPUTERSHARE TRUST CO OF CANADA	682							682
FCOI II - FONDUL PROPRIETA S A	549							549
FCOI II - FCOI II INVESTMENTS, LTD								-
FCOI II - LEBLON EQUITIES PARTNERS FUND LTD								-
FCOI II - LEBLON VALUE HEDGE FUND LTD								-
FCOI II - CRGM INSTITUTIONAL FUND (BVI), LTD								-
MARATHON FUND LIMITED PARTNERSHIP	-	1,199	6,957	5,799	-	(126)	-	13,829
TOTALS FROM PARTNERSHIPS	<u>(17,837)</u>	<u>(16,364)</u>	<u>115,878</u>	<u>418,555</u>	<u>(98,955)</u>	<u>(283,407)</u>	<u>(9,275)</u>	<u>108,595</u>

Prospect Creek Foundation
Asset Summary - Cost & FMV
at 12/31/2012

	LOWRY HILL	SCHWAB #4346	SCHWAB #5313	MCDONALD CAPITAL	CHKING	PRTRNSHIPS	RECEIVABLE NAPA VALLEY	TOTALS
<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 COST - 2012</u>								
Cash					18,934			18,934
Money Market	-	79,547	668,688	86,238				834,473
Equities				1,675,686				1,675,686
Corporate Bonds				-				-
Government Securities		5,261,035				37,956,843		5,261,035
Other	-	5,340,582	668,688	1,761,924	18,934	37,956,843	-	37,956,843
								45,746,972

<u>AT FMV - 2012</u>								
Cash					18,934			18,934
Money Market		79,547	668,688	84,816				833,051
Equities				2,374,164				2,374,164
Corporate Bonds				-				-
Government Securities		5,261,344				37,623,765		5,261,344
Other	-	5,340,890	668,688	2,458,981	18,934	37,623,765	-	37,623,765
								46,111,259

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 File by the due date for filing your return. See instructions.	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 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	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, 2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2012** 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	\$	172,025.
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	\$	52,025.
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	\$	120,000.

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. 1-2013)

- 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).

Type or print	Enter filer's identifying number, see instructions	
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)	
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 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	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, 2013

5 For calendar year 2012, 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	\$	172,025.
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	\$	172,025.
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 ☐

Form 8868 (Rev. 1-2013)