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

2014

Department of the Treasury
Internal Revenue Service

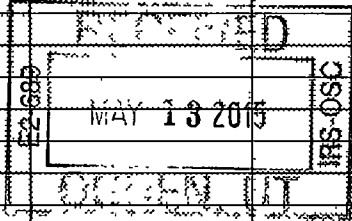
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Open to Public Inspection

For calendar year 2014 or tax year beginning _____, 2014, 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 or province, country, and ZIP or foreign postal code Monmouth, IL 61462		C If exemption application is pending, check here <input type="checkbox"/>						
G Check all that apply: <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity							
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return							
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change							
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) ▶ \$ 40,215,191	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>						

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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	1,370	1,370		
4 Dividends and interest from securities	710,862	710,862		
5a Gross rents	704,189	704,189		
b Net rental income or (loss) 162,264				
6a Net gain or (loss) from sale of assets not on line 10	(519,849)			
b Gross sales price for all assets on line 6a 665,319				
7 Capital gain net income (from Part IV, line 2)				
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) (attach schedule)				
11 Other income (attach schedule) STM106	238,236	238,236		
12 Total. Add lines 1 through 11	1,134,808	1,654,657		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	175,800	96,690		79,110
14 Other employee salaries and wages	26,200	14,300		11,900
15 Pension plans, employee benefits	2,004	1,102		902
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	16,218	16,218		
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	541,925	541,925		
24 Total operating and administrative expenses. Add lines 13 through 23	772,303	670,235		91,912
25 Contributions, gifts, grants paid	1,650,000			1,650,000
26 Total expenses and disbursements. Add lines 24 and 25	2,422,303	670,235		1,741,912
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	(1,287,495)			
b Net investment income (if negative, enter -0-)		984,422		
c Adjusted net income (if negative, enter -0-)				0



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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	516,681	67,345	67,345	
	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	12,496,203	11,857,836	23,300,665	
	c	Investments - corporate bonds (attach schedule)				
	Assets	11	Investments - land, buildings, and equipment STM117	8,128,753		
		Less: accumulated depreciation (attach schedule)	187,697			
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)	20,964,096	19,866,237	40,215,191	
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	20,964,096	19,866,237		
	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)	20,964,096	19,866,237			
31	Total liabilities and net assets/fund balances (see instructions)	20,964,096	19,866,237			

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	20,964,096
2	Enter amount from Part I, line 27a	2	(1,287,495)
3	Other increases not included in line 2 (itemize) STM115	3	189,636
4	Add lines 1, 2, and 3	4	19,866,237
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	19,866,237

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	700 shares of Norfolk Southern	P	05-30-2006	11-10-2014
b	1000 sh of Union Pacific	P	05-30-2006	10-08-2014
c	4450 sh of Arlington Asset New	P	07-26-2005	09-05-2014
d	4800 sh of Conagra Food	P	05-30-2006	10-06-2014
e	5000 sh of Exelon Corporation	P	05-30-2006	11-10-2014
(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	82,089	33,330	48,759	
b	90,133	17,395	72,738	
c	138,094	649,493	(511,399)	
d	167,991	166,900	1,091	
e	187,012	318,050	(131,038)	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
a			48,759	
b			72,738	
c			(511,399)	
d			1,091	
e			(131,038)	
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	(519,849)
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	

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))
2013	1,536,305	30,541,309	0.050303
2012	1,426,304	28,067,170	0.050818
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
2	Total of line 1, column (d)		2 0.246801
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		3 0.04936
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5		4 35,974,399
5	Multiply line 4 by line 3		5 1,775,696
6	Enter 1% of net investment income (1% of Part I, line 27b)		6 9,844
7	Add lines 5 and 6		7 1,785,540
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.		8 1,741,912

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	19,688
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	19,688
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	19,688
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	11,850
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	11,850
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	7,838
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2015 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
b		X
c		X
d		
e		
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
b	X	
9		X
10		X

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?
14 The books are in care of Larry Lee Spears Telephone no. 309-734-5105
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 2014, 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?

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?
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)?
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 2014?
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?
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?
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 2014 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?
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 2014?

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 4945(d)(4)(A)? (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 <i>See 990 OFOV</i>	(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 20.00	60,000	0	0
Raymond E Defenbaugh 51 Public Square PO Box 647, IL 61462	President 20.00	60,000	0	0
Marcum A Spears 51 Public Square PO Box 647, IL 61462	Vice President 20.00	35,000	0	0
Alice J Defenbaugh 51 Public Square PO Box 647, IL 61462	Asst Secretary/ 10.00	8,800	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 Yes No 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	23,591,293
b	Average of monthly cash balances	1b	597,090
c	Fair market value of all other assets (see instructions)	1c	12,333,849
d	Total (add lines 1a, b, and c)	1d	36,522,232
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	36,522,232
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	547,833
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	35,974,399
6	Minimum investment return. Enter 5% of line 5	6	1,798,720

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	1,798,720
2a	Tax on investment income for 2014 from Part VI, line 5	2a	19,688
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	19,688
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,779,032
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,779,032
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	1,779,032

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	1,741,912
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	1,741,912
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,741,912

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				1,779,032
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			1,130,801	
b Total for prior years: _____, _____				
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e				
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ <u>1,741,912</u>				
a Applied to 2013, but not more than line 2a			1,130,801	
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 2014 distributable amount				611,111
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (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 2013. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				1,167,921
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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 2014, 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) 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

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 address 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 City of Monmouth 100 East Broadway Monmouth, IL 61462	Stranger	GOV	Sidewalks and Ambulance	100,000
First Street Armoury 202 South 1st Street Monmouth, IL 61462	Stranger	PC	Food Program and Play Program	60,500
Roseville Kids Place Community Cent 265 West Penn Ave Roseville, IL 61473	Stranger	PC	Kitchin Remodel	20,000
Maple Leaf Concert Series 64 Public Square Monmouth, IL 61462	Stranger	PC	Endowment for Future	100,000
Central Warren Fire Protection Fire House Cameron, IL 61423	Stranger	GOV	Brush Truck	30,000
Roseville Community Center Inc 265 West Penn Ave Roseville, IL 61473	Stranger	PC	Building Upgrades	10,000
Village of Little York City Hall PO Boc 34 Little York, IL 61453	Stranger	GOV	Playground Equipment	75,000
Warren County Sheriff's Office Warren County Jail North A St Monmouth, IL 61462	Stranger	GOV	K9 Dog	10,000
Total ▶				3a
b Approved for future payment				
Total ▶				3b

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 Warren County Historical Society 300 South Sunnyslane Monmouth, IL 61462	Stranger	PC	Display Upgrades	10,500
Monmouth College 900 East Broadway Monmouth, IL 61462	Stranger	PC	Pledge for Naming Dormitory	300,000
Warren County YMCA Foundation 700 West Harlem Monmouth, IL 61462	Stranger	PC	Endowment for Warren County	150,000
Warren County YMCA 700 West Harlem Monmouth, IL 61462	Stranger	PC	Building and Pool Upgrades	85,000
Rainbow Rider North 11th Street Monmouth, IL 61462	Stranger	PC	Building Upgrades	60,000
Monmouth Roseville School District 500 West Broadway Monmouth, IL 61462	Stranger	GOV	Sound System and Track Upgrades	70,000
Jamieson Community Center 900 South 2nd Street Monmouth, IL 61462	Stranger	PC	Food Pantry and Building Upgrades	40,500
Buchanan Center for the Arts 64 Public Square Monmouth, IL 61462	Stranger	PC	Building Upgrades	528,500
Total			▶ 3a	1,650,000
b Approved for future payment				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include categories like Program service revenue, Membership dues, Interest on savings, Dividends, Net rental income, etc.

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

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

Table with 2 columns: Line No. (with a downward arrow) and Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes.

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... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash, (2) Other assets, b Other transactions: (1) Sales of assets, (2) Purchases of assets, (3) Rental of facilities, (4) Reimbursement arrangements, (5) Loans or loan guarantees, (6) Performance of services, c Sharing of facilities, equipment, mailing lists, other assets, or paid employees, d If the answer to any of the above is "Yes," complete the following schedule.

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

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... Signature of officer or trustee: [Signature], Date: 4/9/15, Title: President. Paid Preparer Use Only: Print/Type preparer's name: Marcum A Spears, Preparer's signature: [Signature], Date: 04-09-2015, Check self-employed: [X], PTIN: P00849489, Firm's name: Spears and Spears, Firm's address: 201 W Broadway PO Box 377 Monmouth IL 61462, Firm's EIN: [Redacted], Phone no: 309-734-5105.

Federal Supporting Statements

2014 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)	<u>189,636</u>
Total	<u><u>189,636</u></u>

**Form 990PF, Part II, Line 10(b)
Investments: Corporate Stock Schedule**

**PG 01
Statement #137**

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Stocks	<u>12,496,203</u>	<u>11,857,836</u>	<u>23,300,665</u>
Totals	<u><u>12,496,203</u></u>	<u><u>11,857,836</u></u>	<u><u>23,300,665</u></u>

Federal Supporting Statements

2014 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 Att - Farm and Ofc Expens	541,925	541,925	0	0
Totals	<u>541,925</u>	<u>541,925</u>	<u>0</u>	<u>0</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	238,236	238,236	0
Totals	<u>238,236</u>	<u>238,236</u>	<u>0</u>

Federal Supporting Statements

2014 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	11,850	11,850	0	0
Foreign Tax Paid	4,368	4,368	0	0
Totals	<u>16,218</u>	<u>16,218</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	187,697	7,941,056	16,847,181
Total	<u>8,128,753</u>	<u>187,697</u>	<u>7,941,056</u>	<u>16,847,181</u>

Federal Supporting Statements

2014 PG 01

Your Social Security Number

37-1138998

Name(s) as shown on return

Pattee Foundation, Inc.

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	30,468		5.76		10,156	0	0
Totals		<u>150,000</u>	<u>30,468</u>				<u>10,156</u>		

Federal Supporting Statements

2014 PG 01

Name(s) as shown on return

Pattee Foundation, Inc.

Your Social Security Number

37-1138998

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

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

Name(s) as shown on return

FEIN

Pattee Foundation, Inc.

37-1138998

Dividends

<u>Description</u>	<u>Amount</u>
Mutual Fund CG Distribution	\$ 10,560
Publicly Traded Stocks	700,302
Total:	\$ 710,862

Gross Rents

<u>Description</u>	<u>Amount</u>
Office Rent and House Rents	\$ 19,375
Govt Farm Payments	2,594
Farm Crop Sales - Corn and Beans	670,477
Crop Insurance	11,743
Total:	\$ 704,189

Depreciation Detail Listing

2014

PAGE 1

990 PF

For your records only

Name(s) as shown on return Social security number/EIN

Pattee Foundation, Inc.

37-1138998

No	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current	
1	See Attached	06/06/2009	150,000		100.00		150,000	5		5.76	10,156	40,624			12,495	
Totals																
													150,000	40,624	10,156	12,495

Land Amount: 150,000
 Net Depreciable Cost: 150,000
 ST ADJ: 1,516

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	\$238,236 00	\$0 00	\$0 00
Total	\$0 00	\$238,236 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 - 2014	\$11,850 00	\$11,850 00	\$11,850 00	\$0 00
Foreign Taxes Paid	\$4,367 63	\$4,367 63	\$4,367 63	\$0 00
Total	\$16,217 63	\$16,217 63	\$16,217 63	\$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)	\$532,482 14	\$532,482 14	\$532,482 14	\$0 00
Rental Expenses - Office	\$9,442 78	\$9,442 78	\$9,442 78	\$0 00
Total	\$541,924 92	\$541,924 92	\$541,924 92	\$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	\$32,910 28	\$45,089 72	\$100,000 00
Improvements	\$6,089 00	\$6,089 00	\$0 00	\$0 00
Land	\$7,869,495 00	\$0 00	\$7,869,495 00	\$21,000,000 00
Miscellaneous	\$154,176 00	\$117,548 40	\$36,627 60	\$0 00
Total	\$8,128,753 00	\$177,540 68	\$7,951,212 32	\$16,880,000 00

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
1 700 shares of Norfolk Southern	Purchased	05/30/06	11/10/14	\$82,088 59	\$0 00	\$33,330 00	\$48,758 59	\$48,758 59
2 1000 shares of Union Pacific	Purchased	05/30/06	10/08/14	\$90,133 47	\$0 00	\$17,395 00	\$72,738 47	\$72,738 47
3 4450 shares of Arlington Asset New	Purchased	07/26/05	09/05/14	\$138,094 00	\$0 00	\$649,492 70	(\$511,398 70)	(\$511,398 70)
4 4800 shares of Conagr Foods	Purchased	05/30/06	10/06/14	\$167,990 95	\$0 00	\$166,900 00	\$1,090 95	\$1,090 95
5 5000 shares of Exelon Corporation	Purchased	05/30/06	11/10/14	\$187,011 51	\$0 00	\$318,050 00	(\$131,038 49)	(\$131,038 49)
TOTALS				\$665,318 52		\$1,185,167 70		(\$519,849 18)

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	\$8,800 00	\$0 00	\$0 00
Jennifer M Kinneer 51 Public Square Monmouth, IL 61462	Director 2 hours	\$6,000 00	\$0 00	\$0 00
Donald G Spears 51 Public Square Monmouth, IL 61462	Director 2 hours	\$6,000 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

Statement 3

Form 990-PF, Part I, Line 19
 12/31/2014
 EIN 37-1138998

2014 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	\$34,910.20	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	\$22,425.19	150DB HY	15	0.0591	\$1,669.81
9	Tiling	1/1/2003		\$109,755.00	\$109,755.00	\$87,112.54	150DB HY	15	0.0591	\$6,486.52
				\$8,128,753.00						
TOTAL DEPRECIATION						\$187,696.93				\$10,156.25

LINE 23, Form 990PF

FARM EXPENSES

Chemicals	\$80,023.33
Fertilizer	\$153,571.10
Seed	\$135,276.75
Real Estate Taxes	\$105,641.08
Insurance	\$11,743.40
Trucking & Aerial Application	\$4,619.07
Utilities	\$0.00
Repairs	\$10,165.06
Fuel - LP Gas Drying	\$2,929.81
Storage and Drying	\$11,795.49
Miscellaneous and Appraisal	\$16,717.05
TOTAL FARM EXP	\$532,482.14

OFFICE BUILDING EXPENSES

Real Estate Taxes	\$3,528.46
Insurance	\$686.00
Utilities	\$2,062.43
Repairs	\$110.78
Office Supplies	\$135.86
Telephone	\$1,554.30
Miscellaneous	\$1,197.95
Dues	\$118.00
Postage	\$49.00
Bank Service Charges	\$0.00
D&O Insurance	\$0.00
TOTAL OFFICE EXP	\$9,442.78

GRAND TOTAL	\$541,924.92
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Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at www.irs.gov/form4562.

2014

Attachment
Sequence No. **179**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Pattee Foundation, Inc.

FORM 990PF - 1

37-1138998

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 2013 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 2015. 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 2014	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 2014 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	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2014 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	