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Form 990-PF

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

OMB No 1545-0052

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
 ► Do not enter social security numbers on this form as it may be made public.
 ► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

For calendar year 2016 or tax year beginning 04/01/16, and ending 03/31/17

Name of foundation

SCHOTT FOUNDATION

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

9350 FOXFORD RD

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

CHANHASSEN MN 55317

G Check all that apply

- | | |
|---|--|
| <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 Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at
end of year (from Part II, col (c),
line 16) ► \$ **4,807,313** (Part I, column (d) must be on cash basis)J Accounting method Cash Accrual
 Other (specify)

A Employer identification number

41-1392014

B Telephone number (see instructions)

952-496-2213C If exemption application is pending, check here ► D 1 Foreign organizations, check here ► 2 Foreign organizations meeting the
85% test, check here and attach computation ► E If private foundation status was terminated under
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ► **Part I Analysis of Revenue and Expenses** (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see instructions))(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities				
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	108,097			
b Gross sales price for all assets on line 6a	262,594			
7 Capital gain net income (from Part IV, line 2)		108,097		
8 Net short-term capital gain			0	
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)				
12 Total. Add lines 1 through 11	228,900	228,900	0	
13 Compensation of officers, directors, trustees, etc		6,541		6,541
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)	1,500			1,500
c Other professional fees (attach schedule)	23,330	23,330		
17 Interest				
18 Taxes (attach schedule) (see instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (att sch)	324			324
24 Total operating and administrative expenses.				
Add lines 13 through 23	42,860	23,330	0	8,365
25 Contributions, gifts, grants paid	214,000			214,000
26 Total expenses and disbursements Add lines 24 and 25	256,860	23,330	0	222,365
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-27,960			
b Net investment income (if negative, enter -0-)		205,570		
c Adjusted net income (if negative, enter -0-)			0	

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Operating and Administrative Expenses

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Assets	Part II Balance Sheets	Beginning of year			End of year		
		(a) Book Value		(b) Book Value		(c) Fair Market Value	
		1	17,209	1			
1	Cash – non-interest-bearing						
2	Savings and temporary cash investments						
3	Accounts receivable ►						
	Less allowance for doubtful accounts ►						
4	Pledges receivable ►						
	Less allowance for doubtful accounts ►						
5	Grants receivable						
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)						
7	Other notes and loans receivable (att schedule) ►	0					
	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)	SEE STMT 5	2,196,572	2,187,964	3,857,233		
c	Investments – corporate bonds (attach schedule)	SEE STMT 6	857,479	857,479	950,080		
11	Investments – land, buildings, and equipment basis ►						
	Less accumulated depreciation (attach sch) ►						
12	Investments – mortgage loans						
13	Investments – other (attach schedule)						
14	Land, buildings, and equipment basis ►						
	Less accumulated depreciation (attach sch) ►						
15	Other assets (describe ►))					
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		3,071,260	3,045,444	4,807,313		
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 ►)	SEE STATEMENT 7)		2,144			
23	Total liabilities (add lines 17 through 22)		0	2,144			
Liabilities	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	► <input checked="" type="checkbox"/>					
24	Unrestricted		3,071,260	3,043,300			
25	Temporarily restricted						
26	Permanently restricted						
Net Assets or Fund Balances	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)		3,071,260	3,043,300			
31	Total liabilities and net assets/fund balances (see instructions)		3,071,260	3,045,444			

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	3,071,260
2	Enter amount from Part I, line 27a	2	-27,960
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	3,043,300
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	3,043,300

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 FIDELITY INVESTMENTS		P	VARIOUS	VARIOUS
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 262,594		154,497	108,097	
b				
c				
d				
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			108,097	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	108,097
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

 Yes No

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

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))
2015	206,150	4,330,772	0.047601
2014	211,109	4,565,258	0.046243
2013	226,110	4,332,789	0.052186
2012	207,089	3,998,596	0.051790
2011	240,746	3,927,607	0.061296

- 2 Total of line 1, column (d) **2 0.259116**
- 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 0.051823**
- 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 **4 4,575,184**
- 5 Multiply line 4 by line 3 **5 237,100**
- 6 Enter 1% of net investment income (1% of Part I, line 27b) **6 2,056**
- 7 Add lines 5 and 6 **7 239,156**
- 8 Enter qualifying distributions from Part XII, line 4 **8 222,365**
- 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 ► <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	1	4,111		
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	2	0		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)	3	4,111		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0		
3	Add lines 1 and 2	5	4,111		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)				
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-				
6	Credits/Payments				
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	6,756		
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	6,756		
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			
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,645		
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ►	2,645	Refunded	11	

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>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</i>	Yes	No
1c	Did the foundation file Form 1120-POL for this year?	Yes	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	Yes	No
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? <i>If "Yes," attach a conformed copy of the changes</i>	Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	Yes	No
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?	Yes	No
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	No
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► MN	Yes	No
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? <i>If "No," attach explanation</i>	Yes	No
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	Yes	No

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 Yes No
- 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 Yes No
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13 Yes No

14 The books are in care of ► **WENDELL SCHOTT**
9350 FOXFORD RD

Telephone no ► **952-496-2213**

Located at ► **CHANHASSEN** MN ZIP+4 ► **55317**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ► **15** Yes No

16 At any time during calendar year 2016, 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 FinCEN Form 114. If "Yes," enter the name of the foreign country ► 16 Yes No

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

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

- 1a During the year did the foundation (either directly or indirectly)
- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) Yes No
- b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► **1b** Yes No
- 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 2016? N/A **1c** Yes No
- 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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? Yes No
- If "Yes," list the years ► **20 20 20 20** Yes No
- b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions) N/A **2b** Yes No
- c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► **20 20 20 20** N/A **2b** Yes No
- 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 2016 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 2016) N/A **3b** Yes No
- 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? N/A **4a** Yes No
- 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 2016? N/A **4b** Yes No

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

5a	During the year did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	5b	
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>	6b	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
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 (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
OWEN SCHOTT 4920 CHIMO ST EAST	DEEPHAVEN MN 55391	CEO & DIRECT 0.50	0	0
WENDELL SCHOTT 9350 FOXFORD RD	CHANHASSEN MN 55317	VP & DIRECTO 2.00	6,541	0

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

► 0

Form 990-PF (2016)

Form 990-PF (2016) SCHOTT FOUNDATION

41-1392014

Page 7

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	N/A	
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	N/A	
2		
All other program-related investments See instructions		
3		
Total. Add lines 1 through 3		►

Form 990-PF (2016)

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	4,609,104
b	Average of monthly cash balances	1b	35,753
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	4,644,857
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	4,644,857
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	69,673
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,575,184
6	Minimum investment return. Enter 5% of line 5	6	228,759

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	228,759
2a	Tax on investment income for 2016 from Part VI, line 5	2a	4,111
b	Income tax for 2016 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	4,111
3	Distributable amount before adjustments Subtract line 2c from line 1	3	224,648
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	224,648
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	224,648

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	222,365
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	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	222,365
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	0
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)	6	222,365
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				224,648
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2016				
a From 2011 45,944				
b From 2012 15,723				
c From 2013 12,524				
d From 2014				
e From 2015				
f Total of lines 3a through e 74,191				
4 Qualifying distributions for 2016 from Part XII, line 4 ► \$ 222,365				
a Applied to 2015, but not more than line 2a				
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 2016 distributable amount				222,365
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	2,283			2,283
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 71,908				
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 2015 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017 0				0
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 2011 not applied on line 5 or line 7 (see instructions) 43,661				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a 28,247				
10 Analysis of line 9				
a Excess from 2012 15,723				
b Excess from 2013 12,524				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BEST PREP 7100 NORTHLAND CIRCLE N BROOKLYN PARK MN 55428			CONTRIBUTION	12,000
NATURE CONSERVANCY 1101 W RIVER PARKWAY MINNEAPOLIS MN 55415			CONTRIBUTION	40,000
TWIN CITIES PUBLIC TV - KTCA 172 EAST FOURTH STREET SAINT PAUL MN 55101			CONTRIBUTION	35,000
UMD ENGINEERING SCHOLARSHIP 140 ENGINEERING BUILDING DULUTH MN 55812			CONTRIBUTION	4,500
DIABETES INSTITUTE 420 DELEWARE STREET SE MINNEAPOLIS MN 55455			CONTRIBUTION	60,000
MINNESOTA PROFESSIONAL ENGINEERS 20 EAST THOMPSON AVENUE SANIT PAUL MN 55118			CONTRIBUTION	2,500
MINNESOTA INDEPENDENT SCHOOL FORUM 445 MINNESOTA ST SAINT PAUL MN 55101			CONTRIBUTION	35,000
THE WORKS 5701 NORMANDALE RD EDINA MN 55424			CONTRIBUTION	25,000
Total			► 3a	214,000
b Approved for future payment				
N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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

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

Form 990-PF (2016) SCHOTT FOUNDATION

41-1392014

Page 13

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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?	Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
(1)	Cash	1a(1)	X
(2)	Other assets	1a(2)	X
b	Other transactions		
(1)	Sales of assets to a noncharitable exempt organization	1b(1)	X
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)	X
(3)	Rental of facilities, equipment, or other assets	1b(3)	X
(4)	Reimbursement arrangements	1b(4)	X
(5)	Loans or loan guarantees	1b(5)	X
(6)	Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes X No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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

May the IRS discuss this return
with the preparer shown below
(see instructions)? Yes No

Sign
Here

► Wendell C. Schott | 8-11-17
Date

Date

VP & DIRECTOR

Signature of officer or trustee		Date	Title	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date
	JULIE R RICHARDSON		<i>Julie R Richardson</i>	7/31/17
	Firm's name ► SHIDELL MAIR & RICHARDSON PLLP		PTIN	P01567137
Firm's address ► 3570 LEXINGTON AVE N STE 300 SAINT PAUL, MN 55126-8059		Firm's EIN ►	41-0941592	
		Phone no	651-482-1698	
		Check <input type="checkbox"/> if self-employed		

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
SHIDELL MAIR & RICHARDSON - 990	\$ 1,500	\$ 0	\$ 0	\$ 1,500
TOTAL	\$ 1,500	\$ 0	\$ 0	\$ 1,500

Statement 2 - Form 990-PF, Part I, Line 16c - Other Professional Fees

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
MANAGEMENT FEES - FMG	\$ 23,330	\$ 23,330	\$ 0	\$ 0
TOTAL	\$ 23,330	\$ 23,330	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
EXCISE TAXES	\$ 11,165	\$ 0	\$ 0	\$ 0
TOTAL	\$ 11,165	\$ 0	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
EXPENSES	\$ 0	\$ 0	\$ 0	\$ 0
BANQUET FEES	60	60	60	60
OFFICE EXPENSES	239	239	239	239
AG FILING FEE	25	25	25	25
TOTAL	\$ 324	\$ 0	\$ 0	\$ 324

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FMG - SEE ATTACHMENT 9	\$ 2,196,572	\$ 2,187,964	COST	\$ 3,857,233
TOTAL	\$ 2,196,572	\$ 2,187,964		\$ 3,857,233

Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FMG - SEE ATTACHMENT 9	\$ 857,479	\$ 857,479	COST	\$ 950,080
TOTAL	\$ 857,479	\$ 857,479		\$ 950,080

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 22 - Other Liabilities**

Description	Beginning of Year	End of Year
MARGIN ACCOUNT	\$ _____	\$ 2,144
TOTAL	\$ _____ 0	\$ 2,144

Statement 8 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description**

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

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

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**Description**

AWARDS WILL BE BASED ON THE MERIT OF THE PROPOSAL.

FIDUCIARY MANAGEMENT GROUP, LTD.
 PORTFOLIO APPRAISAL
SCHOTT FOUNDATION
ATTN OWEN SCHOTT Account Number
 March 31, 2017

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
COMMON STOCK							
3,000	ABBOTT LABS COM	28.02	84,073.57	44.41	133,230.00	2.8	2.4
2,850	ABBVIE INC	30.10	85,778.89	65.16	185,706.00	3.9	3.9
900	AIR PRODUCTS AND CHEMICALS INC COM	97.43	87,691.36	135.29	121,761.00	2.5	2.8
2,000	APPLE INC	130.93	261,869.75	143.66	287,320.00	6.0	1.8
1,600	AVERY DENNISON CORP CM	62.48	99,975.79	80.60	128,960.00	2.7	2.0
1,700	BAXTER INTERNATIONAL INC CM	32.08	54,536.19	51.86	88,162.00	1.8	1.2
2,600	COLGATE PALMOLIVE CO COM	26.94	70,048.62	73.19	190,294.00	4.0	2.2
2,000	DOVER CORP COM	44.90	89,793.91	80.35	160,700.00	3.3	2.2
3,000	DU PONT E I DE NEMOURS & CO COM	40.89	122,666.80	80.33	240,990.00	5.0	2.4
1,000	EXXON MOBIL CORPORATION COM	11.62	11,620.00	82.01	82,010.00	1.7	3.8
4,700	GENERAL ELECTRIC CO COM	26.51	124,614.85	29.80	140,060.00	2.9	3.2
2,600	HEWLETT PACKARD ENTERPRISE CO COM	19.43	50,515.34	23.70	61,620.00	1.3	1.1
3,600	HP INC COM	17.58	63,277.30	17.88	64,368.00	1.3	3.0
3,700	INTEL CORP COM	26.70	98,772.90	36.07	133,459.00	2.8	2.9
750	INTL BUSINESS MACHINES COM	169.95	127,465.90	174.14	130,605.00	2.7	3.4
3,000	JOHNSON + JOHNSON COM	11.09	33,258.75	124.55	373,650.00	7.8	2.7
2,100	JP MORGAN CHASE & CO COM	40.23	84,491.36	87.84	184,464.00	3.8	2.2
2,400	MERCK & CO INC COM	9.11	21,872.26	63.54	152,496.00	3.2	3.0
6,962	PFIZER INC COM	17.96	125,022.72	34.21	238,170.02	5.0	3.7
1,250	UNION PAC CORP COM	104.66	130,827.33	105.92	132,400.00	2.8	2.3
1,300	UNITED HEALTH GROUP INC COM	73.30	95,295.48	164.01	213,213.00	4.4	1.8
2,300	VERIZON COMMUNICATIONS COM	21.78	50,105.10	48.75	112,125.00	2.3	4.7
450	VERSUM MATERIALS INC	19.41	8,733.59	30.60	13,770.00	0.3	0.0
3,000	WEST PHARMACEUTICALS SERVICES COM	23.38	70,155.00	81.61	244,830.00	5.1	0.6
			2,052,462.75	(1)	3,814,363.02	(2)	2.5
EXCHANGE TRADED BONDS							
4,000.00	ISHARES INT CREDIT BOND FUND	98.30	393,203.43	108.96	435,840.00	9.1	3.4
2,000.00	SPDR BARCLAYS CONVERTIBLE BOND ETF	38.28	76,561.15	48.10	96,200.00	2.0	4.5

41-1392014

FIDUCIARY MANAGEMENT GROUP, LTD.
 PORTFOLIO APPRAISAL
SCHOTT FOUNDATION
ATTN OWEN SCHOTT Account Number
 March 31, 2017

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield
4,380.00	VANGUARD INT TERM BOND ETF	76.66	335,770.86	83.61	366,211.80	7.6	3.1
600.00	VANGUARD INTTE TRM CORP BD ETF	86.57	51,943.95	86.38	51,828.00	1.1	3.1
			<u>857,479.39</u>		<u>950,079.80</u>	<u>19.8</u>	<u>3.4</u>
WARRANT							
40	AMERICAN INTERNATIONAL GROUP WARRANTS	396.19	15,847.63	21.37	854.80	0.0	1.1
			<u>15,847.63</u> (1)		<u>854.80</u> (2)	<u>0.0</u>	<u>1.1</u>
PREFERRED STOCK							
2,000	POWERSHARES EXCHANGE	16.38	32,768.00	18.66	37,320.00	0.8	6.7
			<u>32,768.00</u> (1)		<u>37,320.00</u> (2)	<u>0.8</u>	<u>6.7</u>
CASH AND EQUIVALENTS							
	CASH & EQUIVALENTS		<u>2,550.61</u>		<u>2,550.61</u>	<u>0.1</u>	<u>0.2</u>
			<u>2,550.61</u>		<u>2,550.61</u>	<u>0.1</u>	<u>0.2</u>
TOTAL PORTFOLIO			2,961,108.38		4,805,168.23	100.0	2.7
Stocks			<u>2,101,078.38</u>		<u>2,852,537.82</u>		
<i>date settled in April</i> 75 shares Am Int Group			<u>76,886.10</u>		<u>4694.76</u>		
			<u>2,187,964.47</u>		<u>3,857,232.58</u>		

Attachment 9