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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

**2009**Open to Public  
Inspection**A** For the 2009 calendar year, or tax year beginning

and ending

**B** Check if applicable

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Terminated  
☐ Amended return  
☐ Application pending

Please use IRS label or print or type  
See Specific Instructions**C** Name of organization**PIONEER HOME, INC.**Doing Business As **PIONEER RETIREMENT COMMUNITY**

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

**1006 SOUTH SHERIDAN STREET**

City or town, state or country, and ZIP + 4

**FERGUS FALLS, MN 56537****F** Name and address of principal officer: **JOHN RICHARDS****SAME AS C ABOVE****D** Employer identification number**41-0711612****E** Telephone number**218-739-7701****G** Gross receipts \$ **10,554,101.****H(a)** Is this a group return

for affiliates?

☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

**H(c)** Group exemption number**I** Tax-exempt status: ☒ 501(c) (3) (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **PIONEERCARE.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: **1927** **M** State of legal domicile: **MN****Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities. <b>PIONEER HOME, INC. WAS ESTABLISHED TO CARE FOR THE NEEDS OF THE AGED AND INFIRM IN A</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	11
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5	Total number of employees (Part V, line 2a)	5	363
	6	Total number of volunteers (estimate if necessary)	6	32
	Revenue	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a
b		Net unrelated business taxable income from Form 990-T, line 34	7b	26,963.
8		Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9		Program service revenue (Part VIII, line 2g)	53,464.	90,969.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,262,053.	10,407,594.
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,315.	33,136.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,729.	22,402.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	10,337,561.	10,554,101.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	6,299,328.	6,398,179.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25)		
	17	Other expenses (Part IX, column (A), lines 11a 11d, 11f-24f)	3,565,036.	3,487,845.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	9,864,364.	9,886,024.
	19	Revenue less expenses. Subtract line 18 from line 12	473,197.	668,077.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	10,497,875.	11,449,037.
	22	Net assets or fund balances. Subtract line 21 from line 20	9,283,712.	8,967,137.

**Part II Signature Block**

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 officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: *John Richards* Date: **10-14-2010**

**JOHN RICHARDS, CEO**

Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature: **LISA CHAFFEE, CPA** Date: **10/14/10** Check if self-employed: ☐ Preparer's identifying number (see instructions):

Firm's name (or yours if self-employed), address, and ZIP + 4: **EIDE BAILLY LLP**  
**4310 17TH AVE S PO BOX 2545**  
**FARGO, ND 58108-2545**

EIN: **41-0711612** Phone no.: **701-239-8500**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

932001 02-04-10

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2009)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

9116-21

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SCANNED DEC 13 2010

**Part III Statement of Program Service Accomplishments**

1 Briefly describe the organization's mission:

OUR MISSION IS TO PROMOTE QUALITY OF LIFE IN A CHRIST-LIKE WAY FOR  
THOSE WE SERVE BY PROVIDING DIVERSE AND HOLISTIC CARE, FOCUSING ALWAYS  
ON INDIVIDUAL DIGNITY AND WORTH.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code: ) (Expenses \$ 8,859,484. including grants of \$ ) (Revenue \$ 10,266,714. )  
IN 2009 PIONEER HOME INCORPORATED OPERATED A 105-BED NURSING FACILITY,  
52-UNIT MEMORY CARE ASSISTED LIVING COMPLEX, 44-UNIT HOUSING WITH  
SERVICES COMPLEX, AND 9 APARTMENTS IN FERGUS FALLS, MINNESOTA, AND A  
18-UNIT MEMORY CARE ASSISTED LIVING COMPLEX IN BRECKENRIDGE, MINNESOTA.  
THE HOME ALSO PROVIDES ADULT DAY CARE AND CATERING SERVICES. THE HOME  
IS AFFILIATED WITH THE EVANGELICAL LUTHERAN CHURCH OF AMERICA AND THE  
HOME'S MISSION IS AN EXTENSION OF THE MEMBER CHURCHES OUTREACH SERVICES  
TO THE COMMUNITY.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ► \$ 8,859,484.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<b>X</b>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<b>X</b>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<b>X</b>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		<b>X</b>
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<b>X</b>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<b>X</b>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<b>X</b>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<b>X</b>
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		<b>X</b>
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	<b>X</b>	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		<b>X</b>
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	<b>X</b>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<b>X</b>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		<b>X</b>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		<b>X</b>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		<b>X</b>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		<b>X</b>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		<b>X</b>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<b>X</b>
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		<b>X</b>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and II		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?		X

Note. All Form 990 filers are required to complete Schedule O.

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**Part V** Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	7	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	363	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body	11	
b Enter the number of voting members that are independent	11	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?		X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

17 List the states with which a copy of this Form 990 is required to be filed **MN**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **PAUL LEVANG - 218-738-7700**  
**1006 SOUTH SHERIDAN STREET, FERGUS FALLS, MN 56537**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors****Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MARK EIFERT PRESIDENT	1.50	X		X				0.	0.	0.
DAVID SCHNEEBERGER PAST PRESIDENT	3.00	X		X				0.	0.	0.
RICHARD WERNER VICE PRESIDENT	1.50	X		X				0.	0.	0.
JEAN MCKENZIE SECRETARY	1.50	X		X				0.	0.	0.
JOHN SETHRE TREASURER	1.50	X		X				0.	0.	0.
DONNA QUAM DIRECTOR	1.50	X						0.	0.	0.
MARY HAUSER DIRECTOR	1.50	X						0.	0.	0.
ROLF NYCKLEMOE DIRECTOR	1.50	X						0.	0.	0.
KIM EMBRETSON DIRECTOR	1.50	X						0.	0.	0.
DORIS ENDERSON DIRECTOR	1.50	X						0.	0.	0.
BRAD LARSON DIRECTOR	1.50	X						0.	0.	0.
REV. JON OLSON DIRECTOR	1.50	X						0.	0.	0.
JOHN RICHARDS CEO	40.00			X				113,079.	0.	18,054.
PAUL LEVANG CFO	40.00			X				43,340.	0.	15,625.

Part VII	Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)
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(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Total</b>								<b>156,419.</b>	<b>0.</b>	<b>33,679.</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶

1

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►		0

**Part VIII** Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	30,000.			
	e Government grants (contributions)	1e	57,838.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	3,131.			
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		90,969.			
Program Service Revenue	2 a RESIDENT SERVICE REVENUE	Business Code 623000	10111962.	10111962.		
	b OTHER REVENUE	623000	154,752.	154,752.		
	c MEALS OTTER TAIL POWER	722320	140,880.		140,880.	
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		10407594.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		33,136.			33,136.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real 22,402.				
	b Less: rental expenses					
	c Rental income or (loss)	22,402.				
	d Net rental income or (loss)		22,402.			22,402.
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See instructions.		10554101.	10266714.	140,880.	55,538.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	191,443.		191,443.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,991,924.	4,641,627.	350,297.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	165,835.	154,198.	11,637.	
9 Other employee benefits	675,935.	628,503.	47,432.	
10 Payroll taxes	373,042.	336,326.	36,716.	
11 Fees for services (non-employees):				
a Management				
b Legal	212.		212.	
c Accounting	35,401.		35,401.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	672,077.	653,763.	18,314.	
12 Advertising and promotion	37,885.		37,885.	
13 Office expenses	1,230,092.	1,123,102.	106,990.	
14 Information technology				
15 Royalties				
16 Occupancy	415,556.	415,556.		
17 Travel	18,684.	13,082.	5,602.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	21,875.	18,404.	3,471.	
20 Interest	372,087.	372,087.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	496,585.	496,585.		
23 Insurance	101,352.	2,203.	99,149.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>PUBLIC &amp; EMPLOYEE RELAT</b>	18,175.		18,175.	
b <b>LICENSES AND PERMITS</b>	17,408.	1,830.	15,578.	
c <b>DUES AND SUBSCRIPTIONS</b>	15,935.		15,935.	
d <b>PRE-ADMISSION SCREENING</b>	12,268.		12,268.	
e <b>SALES TAX</b>	11,043.		11,043.	
f All other expenses	11,210.	2,218.	8,992.	
25 <b>Total functional expenses.</b> Add lines 1 through 24f	9,886,024.	8,859,484.	1,026,540.	0.
26 <b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	1,090,810.	2	312,191.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	767,643.	4	1,030,558.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	34,838.	8	37,503.
	9 Prepaid expenses and deferred charges	48,815.	9	60,852.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 16,473,536.		
	b Less: accumulated depreciation	10b 7,940,299.		
	11 Investments - publicly traded securities	7,328,433.	10c	8,533,237.
	12 Investments - other securities. See Part IV, line 11	1,159,984.	11	1,419,689.
	13 Investments - program-related. See Part IV, line 11		12	
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	67,352.	14	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	10,497,875.	15	55,007.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	852,174.	16	11,449,037.
	18 Grants payable		17	1,158,075.
	19 Deferred revenue		18	
	20 Tax-exempt bond liabilities		19	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	7,417,938.	20	7,164,017.
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	21,326.	21	23,308.
	23 Secured mortgages and notes payable to unrelated third parties		22	
	24 Unsecured notes and loans payable to unrelated third parties		23	
	25 Other liabilities. Complete Part X of Schedule D	992,274.	24	621,737.
	26 <b>Total liabilities.</b> Add lines 17 through 25	9,283,712.	25	8,967,137.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		26	
	27 Unrestricted net assets	1,214,163.	27	2,481,900.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 <b>Total net assets or fund balances</b>	1,214,163.	33	2,481,900.
	34 <b>Total liabilities and net assets/fund balances</b>	10,497,875.	34	11,449,037.

Form 990 (2009)

**Part XI Financial Statements and Reporting**

**1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .

**b** Were the organization's financial statements audited by an independent accountant? . . . . .

**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .

**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. . . . .

	Yes	No
<b>2a</b>		<b>X</b>
<b>2b</b>	<b>X</b>	
<b>2c</b>		<b>X</b>
<b>3a</b>		<b>X</b>
<b>3b</b>		

Form 990 (2009)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

**PIONEER HOME, INC.**

Employer identification number

**41-0711612**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☒ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I      b ☐ Type II      c ☐ Type III - Functionally integrated      d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box \_\_\_\_\_
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? \_\_\_\_\_
- (ii) A family member of a person described in (i) above? \_\_\_\_\_
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? \_\_\_\_\_
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14		%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15		%
16a <b>33 1/3% support test - 2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
b <b>33 1/3% support test - 2008.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
17a <b>10% -facts-and-circumstances test - 2009.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
b <b>10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>			
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2009

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	12,031.	49,182.	239,564.	53,464.	90,969.	445,210.
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	78579988.	8977687.	9709758.	10139114.	10289116.	117695663
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5	78592019.	9026869.	9949322.	10192578.	10380085.	118140873
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
<b>c</b> Add lines 7a and 7b						0.
<b>8 Public support.</b> (Subtract line 7c from line 6.)	78592019.	9026869.	9949322.	10192578.	10380085.	118140873

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>9</b> Amounts from line 6	78592019.	9026869.	9949322.	10192578.	10380085.	118140873
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	41,783.	92,064.	135,295.	13,980.	33,136.	316,258.
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b	41,783.	92,064.	135,295.	13,980.	33,136.	316,258.
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on	110,505.	126,337.	185,807.	139,690.	140,880.	703,219.
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12)	78744307.	9245270.	10270424.	10346248.	10554101.	119160350
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	99.14 %
<b>16</b> Public support percentage from 2008 Schedule A, Part III, line 15	16	97.77 %

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	.27 %
<b>18</b> Investment income percentage from 2008 Schedule A, Part III, line 17	18	.75 %

**19a 33 1/3% support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☒

**b 33 1/3% support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

PIONEER HOME, INC.

Employer identification number

41-0711612

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$

(ii) Assets included in Form 990, Part X ▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$

b Assets included in Form 990, Part X ▶ \$

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
b ☐ Scholarly research  
c ☐ Preservation for future generations  
d ☐ Loan or exchange programs  
e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? ☒ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ☐ %  
b Permanent endowment ☐ %  
c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		518,263.		518,263.
b Buildings		11,091,092.	5,732,684.	5,358,408.
c Leasehold improvements				
d Equipment		2,558,636.	2,067,029.	491,607.
e Other		2,305,545.	140,586.	2,164,959.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c))				8,533,237.

Schedule D (Form 990) 2009



**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	10,554,101.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	9,886,024.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	668,077.
4	Net unrealized gains (losses) on investments	4	229,123.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	370,537.
9	Total adjustments (net). Add lines 4 through 8	9	599,660.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,267,737.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	11,095,923.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	229,123.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	370,537.
e	Add lines 2a through 2d	2e	599,660.
3	Subtract line 2e from line 1	3	10,496,263.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	57,838.
c	Add lines 4a and 4b	4c	57,838.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	10,554,101.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	9,828,186.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	<57,838.>
e	Add lines 2a through 2d	2e	<57,838.>
3	Subtract line 2e from line 1	3	9,886,024.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	9,886,024.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART IV, LINE 2B: THE RETIREMENT COMMUNITY ACTS AS A CUSTODIAN FOR THE**

**FUNDS OF RESIDENTS. THESE FUNDS ARE INCLUDED IN CASH AND ACCOUNTS PAYABLE IN THE FINANCIAL STATEMENTS.**

**PART X: THE RETIREMENT COMMUNITY UNDERGOES AN ANNUAL ANALYSIS**

**OF ITS VARIOUS TAX POSITIONS, ASSESSING THE LIKELIHOOD OF THOSE POSITIONS**

**BEING UPHOLD UPON EXAMINATION WITH RELEVANT TAX AUTHORITIES. THE**

**RETIREMENT COMMUNITY HAS NOT IDENTIFIED ANY LIABILITY AS A RESULT OF THIS**

**Part XIV** Supplemental Information (continued)**ANALYSIS.****PART XI, LINE 8 - OTHER ADJUSTMENTS:**

CHANGE IN FAIR VALUE OF SWAP AGREEMENTS: 370537.

**PART XII, LINE 2D - OTHER ADJUSTMENTS:**

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP: 370537.

**PART XII, LINE 4B - OTHER ADJUSTMENTS:**

TAX INCOME FINANCING: 57838.

**PART XIII, LINE 2D - OTHER ADJUSTMENTS:**

TAX INCOME FINANCING: -57838.

**SCHEDULE K**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).  
► Attach to Form 990. See separate instructions.

**Supplemental Information on Tax-Exempt Bonds**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

**PIONEER HOME, INC.**

Employer identification number  
**41-0711612**

**Part I. Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
<b>A</b> CITY OF BRECKENRIDGE	41-6005005	NONE	03/21/06	800,000.	FINANCING FOR BUILDING PROJECT		X		X
<b>B</b> FERGUS FALLS, CITY OF	41-6005513	NONE	01/10/06	1,408,633.	REFUNDING 2000 AND 2001 BOND ISSUE		X		X
<b>C</b> FERGUS FALLS, CITY OF	41-6005153	NONE	01/10/06	5,881,837.	REFUNDING 2002 BOND ISSUE		X		X
<b>D</b>									
<b>E</b>									

**Part II. Proceeds**

	A		B		C		D		E
	Yes	No	Yes	No	Yes	No	Yes	No	
1 Total proceeds of issue		X							
2 Gross proceeds in reserve funds									
3 Proceeds in refunding or defeasance escrows									
4 Other unspent proceeds									
5 Issuance costs from proceeds									
6 Working capital expenditures from proceeds									
7 Capital expenditures from proceeds									
8 Year of substantial completion									
9 Were the bonds issued as part of a current refunding issue?									
10 Were the bonds issued as part of an advance refunding issue?									
11 Has the final allocation of proceeds been made?									
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?									

**Part III. Private Business Use**

	A		B		C		D		E
	Yes	No	Yes	No	Yes	No	Yes	No	
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X							
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X							

932121  
02-03-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2009

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X		X				
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X				
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X		X				
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government <b>▶</b>				%		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government <b>▶</b>				%		%		%		%
<b>6</b> Total of lines 4 and 5				%		%		%		%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X		X		X				

**Part IV Arbitrage**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038 T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X				
<b>2</b> Is the bond issue a variable rate issue?		X		X		X				
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X		X					
<b>b</b> Name of provider	BANK OF THE WEST									
<b>c</b> Term of hedge	BANK OF THE WEST									
<b>4a</b> Were gross proceeds invested in a GIC?		X		X		X				
<b>b</b> Name of provider	BANK OF THE WEST									
<b>c</b> Term of GIC	BANK OF THE WEST									
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X		X				
<b>6</b> Did the bond issue qualify for an exception to rebate?		X		X		X				

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

PIONEER HOME, INC.

Employer identification number

41-0711612

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

BENEVOLENT AND CHARITABLE MANNER WITHOUT EXPLICIT PURPOSE OF PROFIT.

FORM 990, PART VI, SECTION A, LINE 6: THE MEMBERSHIP OF THIS CORPORATION

SHALL CONSIST OF THE TWO LAY DELEGATES, AND THE SENIOR PASTOR OF THE

FOLLOWING CONGREGATIONS, PROVIDED THEY ARE LEGALLY IN EXISTENCE, AND OTHER

CONCERNED CITIZENS OF THE FERGUS FALLS, MINNESOTA, AREA WHO ARE INTERESTED

IN THE MANAGEMENT AND CHRISTIAN DEVELOPMENT OF PIONEER HOME, INCORPORATED:

FIRST LUTHERAN CHURCH

402 SOUTH COURT

FERGUS FALLS, MINNESOTA

BETHLEHEM LUTHERAN CHURCH

102 JUNIUS AVENUE

FERGUS FALLS, MINNESOTA 56537

ZION NORWEGIAN EVANGELICAL LUTHERAN CHURCH

202 EAST SUMMIT

FERGUS FALLS, MINNESOTA 56537

AUGUSTANA LUTHERAN CHURCH

308 EAST DOUGLAS

FERGUS FALLS, MINNESOTA 56537

HOPE EVANGELICAL LUTHERAN CHURCH

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

**SCHEDULE O**

(Form 990)

Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**Open to Public  
Inspection

Name of the organization

PIONEER HOME, INC.

Employer identification number

41-0711612

P.O. BOX 375

FERGUS FALLS, MINNESOTA 56537

NOT MORE THAN EIGHT INDIVIDUALS WHO ARE APPOINTED BY THE BOARD OF DIRECTORS  
OF THE CORPORATION TO REPRESENT OTHER CONCERNED CITIZENS WHO ARE INTERESTED  
IN THE MANAGEMENT AND CHRISTIAN DEVELOPMENT OF PIONEER HOME, INCORPORATED.

FORM 990, PART VI, SECTION A, LINE 7A: THE MEMBERS VOTE FOR A DELEGATE TO  
REPRESENT THEM ON THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7B: AMENDMENTS TO THE ARTICLES MUST BE  
APPROVED BY A MAJORITY OF THE BOARD OF DIRECTORS, AND A MAJORITY OF THE  
MEMBERS WITH VOTING RIGHTS.

FORM 990, PART VI, SECTION A, LINE 8B: THERE ARE NO COMMITTEES WITH THE  
AUTHORITY TO ACT ON BEHALF OF THE BOARD.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 WILL BE REVIEWED BY  
THE CEO AND CFO PRIOR TO FILING THE FORM WITH THE IRS. THERE IS NOT  
CURRENTLY A FORMAL PROCESS FOR BOARD REVIEW PRIOR TO FILING THIS FORM WITH  
THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C: ANY DIRECTOR, PRINCIPAL OFFICER,  
OR MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS, WHO HAS A  
DIRECT OR INDIRECT FINANCIAL INTEREST ARE REQUIRED TO DISCLOSE ALL MATERIAL  
FACT TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211  
02-03-10

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

PIONEER HOME, INC.

Employer identification number  
41-0711612

DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT.

AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND

AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE

GOVERNING BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT

OF INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD OR COMMITTEE

MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS. IF IT IS DETERMINED

THAT A CONFLICT EXISTS THE INDIVIDUAL WITH THE CONFLICT ABSTAINS FROM

VOTING ON ISSUES INVOLVING THAT CONFLICT.

FORM 990, PART VI, SECTION B, LINE 15A: THE FINANCE COMMITTEE REVIEWS THE

COMPENSATION ON AN ANNUAL BASIS FOR THE CEO AND MAKES THEIR RECOMENDATIONS

TO THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION C, LINE 19: THESE DOCUMENTS ARE AVAILABLE UPON

REQUEST.





**Part V. Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

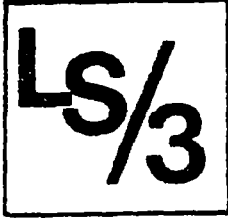
**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Gift, grant, or capital contribution to other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b> Gift, grant, or capital contribution from other organization(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>d</b> Loans or loan guarantees to or for other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>e</b> Loans or loan guarantees by other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>f</b> Sale of assets to other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>g</b> Purchase of assets from other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>h</b> Exchange of assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>n</b> Sharing of paid employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>o</b> Reimbursement paid to other organization for expenses	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>p</b> Reimbursement paid by other organization for expenses	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>q</b> Other transfer of cash or property to other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>r</b> Other transfer of cash or property from other organization(s)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			



**LUTHERAN SOCIAL SERVICE SYSTEM**

When responding, contact:

- 422 S Fifth Street, Minneapolis, MN 55415 (612) 330-3265
- 231 Madison Avenue, New York, NY 10016 (212) 696-6873

**MEMORANDUM**

**DATE:** October 28, 1985

**TO:** The Affiliated Social Ministry Organizations

**FROM:** Robert Hoyt

**RE:** Recommendation from ALC Attorneys Concerning  
the Integrated Auxiliary Status

RECEIVED  
NOV 4 1985  
PIONEER HOME, INC.

The attorneys for The American Lutheran Church of Faegre and Benson have requested that we send the following brief to you in relationship to the 501(C)(3) status and the filing of Form 990.

During 1985, the United States Court of Appeals for the Eighth Circuit decided the case of Lutheran Social Service of Minnesota. The court held that an organization which is exempt from taxation as an organization described in Section 501(C)(3) and which is affiliated with a church is exempt from filing Form 990. The attached legal opinion provides more detail and states the decision is binding in Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota and South Dakota. Apparently, each Circuit Court would have to act on this to make it a national reality or the Supreme Court would have to act on it.

In an attempt to reduce correspondence with Internal Revenue Service, it is suggested that organizations which are exempt from filing Form 990 file the form this year. They should provide their name, address, and reasons for not filing a complete Form 990. A copy of the suggested format for the return is attached.

Should you have any questions regarding the filing of Form 990, we would welcome the opportunity to discuss it further with you.

RH/gmlc

Called 2-10-88  
Refers call applies

2300 MULTIFOODS POWER  
33 SOUTH SIXTH STREET  
MINNEAPOLIS, MINNESOTA 55402-3504

618/371-2300  
TULSA, OKLAHOMA

3000 REPUBLIC PLAZA  
370 SEVENTEENTH STREET  
DENVER, COLORADO 80202-4000  
303/733-5000

The American Lutheran Church  
422 South Fifth Street  
Minneapolis, Minnesota 55415

Our opinion has been requested regarding the extent to which ALC entities may rely on the decision of the United States Court of Appeals for the Eighth Circuit in the case of Lutheran Social Services of Minnesota vs. The United States of America decided April 3, 1985 by Circuit Judges Heaney, Ross and Fagg. In that decision the Eighth Circuit struck down part of the government's regulatory definition of "integrated auxiliary." Integrated auxiliaries are exempt from the requirement to file Form 990 with the Internal Revenue Service.

For purposes of this title, the term "integrated auxiliary of a church" means an organization:

- (a) Which is exempt from taxation as an organization described in section 501(c)(3);
- (b) Which is affiliated (within the meaning of paragraph (g)(5)(iii) of this section) with a church; and
- (c) Whose principal activity is exclusively religious.

Rev. David E. Rokke  
September 9, 1985  
Page 2

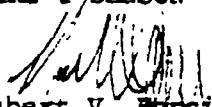
The Court held that the IRS' requirement that the organization be "exclusively religious" was not a correct interpretation of the statute and struck down subparagraph (c) of the regulation. Note the decision is not limited to social service organizations.

The decision of the Eighth Circuit is binding on the United States of America within the Eighth Circuit which includes the states of: Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Therefore, entities resident within those states need not file a Form 990 if they meet the requirements set out in Treas. Reg. §1.6033(i)(a) and (b) without regard to whether the entity is "exclusively religious." For entities resident in other states, the Eighth Circuit's decision would in no way change the advice previously given by The ALC to the effect that fully completed Forms 990 should be filed.

In Lutheran Social Service of Minnesota vs. United States, the government conceded that the organization was "affiliated with a church" as required in Treas. Reg. §1.6033(g)(5)(i)(b) and as specifically defined in Treas. Reg. §1.6033(g)(5)(iii). We have attached to this letter the definition of "affiliated with a church" as set out in that regulation. Obviously each ALC entity will have to assess whether it meets the affiliation test in addition to being an organization described in §501(c)(3) of the Internal Revenue Code of 1954 as amended. However, the test of "shar[ing] common religious bonds and convictions with" the ALC is quite easy to satisfy.

Very truly yours,

FAEGRE & BENSON

By   
Hubert V. Percier

EVF:mjm

**TREASURY REGULATION §1.6033-2(g)(5)(iii):**

For purposes of paragraph (g)(5) of this section, the term "affiliated" means either controlled by or associated with a church or with a convention or association of churches. For example, an organization, a majority of whose officers or directors are appointed by a church's governing board or by officials of a church, is controlled by a church within the meaning of this paragraph. An organization is associated with a church or with a convention or association of churches if it shares common religious bonds and convictions with that church or convention or association of churches.