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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning

, 2009, and ending

, 20

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation Arlin Falck Foundation		A Employer identification number 41-1925877
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 12743 Buckley Road		B Telephone number (see page 10 of the instructions) 507-724-3348
	City or town, state, and ZIP code Caledonia, MN 55921		
H Check type of organization. ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 4,527,343.41		J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	

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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	61,039.60	61,039.60		
	4 Dividends and interest from securities	75,077.45	75,077.45		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		13,866.53		
	8 Net short-term capital gain				
9 Income modifications					
10a Gross sales less returns and allowances					
b Less cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	136,117.05	149,983.58			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	43,908.00	8,325.00		35,583.00
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	165.00	165.00		
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest	1,427.00	1,427.00		
	18 Taxes (attach schedule) (see page 14 of the instructions)	4,184.14	930.12		2,722.06
	19 Depreciation (attach schedule) and depletion	177.88	177.88		
	20 Occupancy				
	21 Travel, conferences, and meetings	704.27			704.27
	22 Printing and publications				
	23 Other expenses (attach schedule)	788.48	93.65		386.83
	24 Total operating and administrative expenses. Add lines 13 through 23	51,354.77	11,118.65		39,396.16
	25 Contributions, gifts, grants paid	125,987.00			125,987.00
26 Total expenses and disbursements. Add lines 24 and 25	177,341.77	11,118.65		165,383.16	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(41,224.72)				
b Net investment income (if negative, enter -0-)		138,864.93			
c Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		1,933,180.62	2,047,864.97	2,057,517.38
	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 page 16 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ 46,474.24				
		Less: allowance for doubtful accounts ▶ 0.00		78,793.98	46,474.24	46,474.24
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U.S. and state government obligations (attach schedule)		24,125.00	24,125.00	26,343.75
	b	Investments—corporate stock (attach schedule)		1,823,881.21	1,627,202.40	2,396,308.29
	c	Investments—corporate bonds (attach schedule)		124,139.90	103,246.00	500.00
	11	Investments—land, buildings, and equipment, basis ▶				
Liabilities		Less: accumulated depreciation (attach schedule) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)				
	14	Land, buildings, and equipment, basis ▶ 984.00				
		Less: accumulated depreciation (attach schedule) ▶ 784.25		377.63	199.75	199.75
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		3,984,498.34	3,849,112.36	4,527,343.41
	17	Accounts payable and accrued expenses				
Net Assets or Fund Balances	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)				
Foundations that follow SFAS 117, check here ▶ ☐	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here ▶ ☒				
		and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		3,984,498.34	3,849,112.36	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
Net Assets or Fund Balances	30	Total net assets or fund balances (see page 17 of the instructions)		3,984,498.34	3,849,112.36	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		3,984,498.34	3,849,112.36	

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	3,984,498.34
2	Enter amount from Part I, line 27a	2	(41,224.72)
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,943,273.62
5	Decreases not included in line 2 (itemize) ▶ Unrealized losses	5	94,161.26
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,849,112.36

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 Publicly Traded Securities—Pershing, LLC				
b Publicly Traded Securities — Morgan Stanley Smith Barney				
c Publicly Traded Securities — Morgan Stanley Smith Barney				
d Publicly Traded Securities — Morgan Stanley Smith Barney				
e Publicly Traded Securities — Baird & Co				
(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 190,000.00		190,008.00	(8.00)	
b 82,607.62		81,293.67	1,313.95	
c 38,060.01		27,833.25	10,226.76	
d 17,903.82		15,760.00	2,143.82	
e 450,000.00		449,810.00	190.00	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
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	13,866.53
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 pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of 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))
2008	311,536.39	4,808,460.81	.0647892
2007	246,376.30	4,982,923.04	.0494441
2006	111,971.82	4,720,345.98	.0237211
2005	63,126.03	1,164,077.01	.0542284
2004	58,231.94	1,114,803.11	.0522352
2 Total of line 1, column (d)			2 .244418
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 .048884
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 4,290,101.64
5 Multiply line 4 by line 3			5 209,717.33
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,388.65
7 Add lines 5 and 6			7 211,105.98
8 Enter qualifying distributions from Part XII, line 4			8 165,383.16

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	2,777	30
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3	2,777	30
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,777	30
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,000	00
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	2,000	00
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	777	30
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be Credited to 2010 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for 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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ <u>0.00</u> (2) On foundation managers. ▶ \$ <u>0.00</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ <u>0.00</u>		
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>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year? Refund only.	X	
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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>Minnesota</u>		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation.</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶				
14	The books are in care of ▶ Kathleen V. Nelson	Telephone no ▶	507-724-3348	
	Located at ▶ 12743 Buckley Road, Caledonia, MN	ZIP+4 ▶	55921-2808	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ ☐			
	and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? ☐	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No		
If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
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 page 20 of the instructions)	2b	N/A
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____		
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 2009 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 2009.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b** N/AOrganizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **7b** N/A ☐ Yes ☐ No

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

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

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A**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 page 22 of the 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
Kathleen V. Nelson 12743 Buckley Road, Caledonia, MN	President 22.5 hr.	33,300.00	-0-	-0-
Dale Evavold P.O. Box 478, Rushford, MN	Secretary 1 hr.	5,304.00	-0-	-0-
Alan C. Anderson 121 14th St. NE, Rochester, MN	Treasurer 1 hr.	5,304.00	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 ☐

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 page 23 of the 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 page 24 of the 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 page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	2,221,443.10
b	Average of monthly cash balances	1b	2,068,207.15
c	Fair market value of all other assets (see page 24 of the instructions)	1c	65,782.89
d	Total (add lines 1a, b, and c)	1d	4,355,433.14
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	4,355,433.14
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	65,331.50
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,290,101.64
6	Minimum investment return. Enter 5% of line 5	6	214,505.08

Part XI Distributable Amount (see page 25 of the 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	214,505.08
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,777.30
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,777.30
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	211,727.78
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	211,727.78
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	211,727.78

Part XII Qualifying Distributions (see page 25 of the 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	165,383.16
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	165,383.16
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 page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	165,383.16

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				211,727.78
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			46,860.56	
b Total for prior years: 20____, 20____, 20____		-0-		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	-0-			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 165,383.16				
a Applied to 2008, but not more than line 2a			46,860.56	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		-0-		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	-0-			
d Applied to 2009 distributable amount				118,522.60
e Remaining amount distributed out of corpus	-0-			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	-0-			-0-
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	-0-			
b Prior years' undistributed income. Subtract line 4b from line 2b		-0-		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		-0-		
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		-0-		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			-0-	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				93,205.18
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	-0-			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	-0-			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	-0-			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

- | | |
|---|-----|
| 1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ► | N/A |
| b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5) | |

	Prior 3 years				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- None

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
- None

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

Arlin Falck Foundation

Kathleen V. Nelson 12743 Buckley Road Caledonia, MN 55921 507-724-3348

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

As per Foundation Grant Application available at address indicated in 2a.

- c Any submission deadlines:
November 1

- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors: 1) Scholarships for students who reside in Fillmore and Houston Counties, MN and Allamakee and Winneshiek Counties, IA and intend to study business subjects. 2) Entities that have 501(c)(3) designation or municipalities, in the same four county Form **990-PF** (2009) areas, for community projects.

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Schedule Attached				125,987.00
Total			▶ 3a	125,987.00
b Approved for future payment None				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	61,039.60	
4	Dividends and interest from securities			14	75,077.45	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue: a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)				136,117.05	
13	Total. Add line 12, columns (b), (d), and (e)				136,117.05	

(See worksheet in line 13 instructions on page 28 to verify calculations.)

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)

[illegible]

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

		Yes	No
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?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of: N/A		
	(1) Cash	1a(1)	
	(2) Other assets	1a(2)	
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	
	(3) Rental of facilities, equipment, or other assets	1b(3)	
	(4) Reimbursement arrangements	1b(4)	
	(5) Loans or loan guarantees	1b(5)	
	(6) Performance of services or membership or fundraising solicitations	1b(6)	
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	
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.		

[illegible]

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 ☐ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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 or fiduciary) is based on all information of which preparer has any knowledge			
Signature of officer or trustee Kathleen V. Nelson	Date 5/17/10	Title President	
Preparer's signature Alan Anderson	Date 5-17-10	Check if self-employed ☐	Preparer's identifying number (see Signature on page 30 of the instructions) P00594052
Firm's name (or yours if self-employed), address, and ZIP code Alan C. Anderson Chartered, CPA Rochester, MN 55906		EIN 41-1326473	Phone no. 507-288-3947

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-09

Legal Fees - Form 990-PF, Part I, Line 16a

Evavold & Rutgers Law Office, LLC	\$ 140.00
Rippe Hammell & Murphy	25.00
Total	<u>\$ 165.00</u>

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

Payroll tax	\$ 3,358.92
Excise tax	530.96
Income tax	1.00
Foreign tax	293.26
Total taxes	<u>\$ 4,184.14</u>

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

Office expense	\$ 361.83
Filing fees	118.65
Insurance	308.00
Total other expenses	<u>\$ 788.48</u>

Other Notes and Loans Receivable - Form 990-PF,
Part II, Line 7 - End of Year Book Value

Hesper-Mabel Area Historical Society	\$ 46,474.24
Total other notes and loans receivable	<u>\$ 46,474.24</u>

Investments - U.S. and State Government Obligations -
Form 990-PF, Part II, Line 10a - End of Year Book Value

Federal Home Loan Bank Cons Bonds	24,125.00
	<u>\$ 24,125.00</u>

Investments - Corporate Stock - Form 990-PF, Part II,
Line 10b - End of Year Book Value

Aberdeen Asia-Pacific Prime Income	\$ 10,477.91
AT&T Inc	5,271.68
AT&T Inc	27,394.04
Alcatel Lucent ADS	28,575.14
Allete Inc New	80,290.00
Alliant Energy Corp	57,746.50
American International Group Inc	16,598.56
Bank One Corp	106,335.00
Bristol Myers Squibb Co	7,200.78
CBS Corp New	10,456.38
Chevron Corporation	64,329.00
Coca-Cola Co	11,038.21
Comcast Corp Class A New	23,072.60
Consolidated Edison Inc	20,205.00
Costco Wholesale Corp	12,438.01
Covidien Ltd	3,504.44
DNP Select Income Fund Inc	24,553.03

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-09

Investments - Corporate Stock - Form 990-PF, Part II,
Line 10b - End of Year Book Value (continued)

	<u>Amount</u>
Devon Energy Corp New	\$ 8,883.52
DTE Energy Company	16,717.00
Duke Energy Corp	4,759.77
Exxon Mobil Corp	19,605.37
Fastenal Co	10,375.03
Ford Motor Company	9,743.59
FPC Capital Tr Cum QUIPS	19,852.11
Franklin Income Fund Cl A	34,628.53
General Electric Co	11,510.40
General Electric Co	22,013.60
Glaxosmithkline PLC	10,659.80
Hawaiian Electric Inds Inc	34,938.00
Hershey Company	21,269.08
Hologic Inc	11,355.80
Hormel Foods Corp	10,220.84
Hormel Foods Corp	13,702.42
Intel Corp	9,824.86
Ishares S & P 500 Growth Index Fund	20,028.81
Ishares S & P 500 Value Index Fund	23,159.77
Ishares Trust S & P MC 400 Growth Index	10,488.46
Ishares Trust S & P MC Value Index	11,962.79
Ishares Trust S & P SC 600 Value Index	8,421.47
Ishares Trust S & P SC 600 Growth Index	7,502.00
JP Morgan Chase Cap X	20,092.68
JP Morgan Chase & Co	19,805.81
Kimberly-Clark Corp	13,048.79
Kinder Morgan Energy Ptrs LP	-
Kinder Morgan Energy Ptrs LP	-
Legg Mason Partners S & P 500 Index	56,533.01
Liberty All-Star Equity Fund	19,465.69
Lincoln National Corp Ind	47,022.30
McDermott International Inc	13,559.42
Merck & Company Inc	43,746.00
Merck & Co. Inc.	3,663.88
Microsoft Corp	9,100.93
Microsoft Corp	9,827.42
Motors Liquidation Co	5,079.00
Nicor Inc	20,574.38
Novartis Ag Adr	27,057.11
Oneok Inc	5,501.01
Pepsico Inc	5,561.40
Pfizer Inc	3,479.02
PG&E Corporation	92,800.00
RTI Intl Metals Inc	1,756.80
Royce Value Trust Inc	9,940.74

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-09

Investments - Corporate Stock - Form 990-PF, Part II,
Line 10b - End of Year Book Value (continued)

	<u>Amount</u>
Super Value Inc	\$ 6,673.77
Taiwan Semiconductor Mfg Co	10,371.22
Terex Corp	14,852.01
Tyco Electronics LTD	3,226.30
Tyco Intl Ltd New	4,306.88
Unilever NV NY Shs	11,094.81
Unisys Corporation	22,272.00
United Health Group Inc	10,110.19
United Parcel Service	24,052.41
US Bancorp Del New	14,944.89
Wal-Mart Stores Inc	9,411.52
Waste Management Inc	45,220.50
Westar Energy Inc	43,933.72
Westar Energy Inc	90,429.74
Windstream Corp	5,082.75
Xcel Energy Inc	22,495.00
	<u>\$1,627,202.40</u>

Investments - Corporate Bonds - Form 990-PF,
Part II, Line 10c - End of Year Book Value

Washington Mutual Bank	103,246.00
	<u>\$103,246.00</u>

Grants Paid - Form 990-PF, Part XV, Line 3a

Camp Winnebago - paving road 19708 Camp Winnebago Road Caledonia, MN 55921	\$ 12,996.00
City of Caledonia - commercial rehab program 231 East Main St. Caledonia, MN 55921	10,000.00
St. Wenceslaus Church - floor restoration P.O. Box 128 Spillville, IA 52168	10,000.00
Hesper-Mabel Area Historical Society - barn improvement P.O. Box 56 Mabel, MN 55954	9,500.00
Rushford Historical Society - log cabin project P.O. Box 98 Rushford, MN 55971-0098	9,000.00
City of Spring Grove - ambulance equipment P.O. Box 218 Spring Grove, MN 55974	7,500.00

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-09

Grants Paid - Form 990-PF, Part XV, Line 3a (continued)

Caledonia Ambulance Assoc. Inc. - "Toughbooks" 231 East Main St. Caledonia, MN 55921	6,400.00
Eitzen Fire Department - trash pumps 202 East Main St. Mabel, MN 55954	6,000.00
Canton Fire Department - thermal imaging camera 105 South Main St. Canton, MN 55922	5,000.00
A.B.L.E. Foundation Inc - training technology program 1700 Lancer Blvd. La Crescent, MN 55947	4,500.00
Houston County Care & Share - gifts for needy 138 E. Main St. Houston, MN 55943	3,000.00
Frankville Emergency Volunteer Assoc. - stretcher 1140 Frankville Rd. Postville, IA 52162	2,500.00
SEMCAC - Senior meal program P.O. Box 549 Rushford, MN 55971	2,500.00
Czech Heritage Partnership, Inc. - shelving and wall covering P.O. Box 31 Spillville, IA 52168	1,500.00
Luther College - seminar 700 College Drive Decorah, IA 52101	1,500.00
Decorah Public Library - after school programs, chairs, tables 202 Winnebago St. Decorah, IA 52101	1,491.00
SEMCAC - Head Start Program - 4 laptop computers P.O. Box 549 Rushford, MN 55971	1,400.00
Lanesboro Public School - educational trip 100 Kirkwood Street East Lanesboro, MN 55949	1,200.00

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
12-31-09

Scholarships

Decorah High School 100 Claiborne Drive Decorah, IA 52101	5,600.00
LaCrescent High School 1301 Lancer Blvd LaCrescent, MN 55947	4,700.00
Allamakee High School 1059 Third Ave. NW Waukon, IA 52172	4,325.00
Caledonia High School 825 North Warrior Ave. Caledonia, MN 55921	3,175.00
Kingsland High School 705 North Section Ave. Kingsland, MN 55975	2,400.00
Rushford Peterson High School Box 627 Rushford, MN 55971	2,400.00
Postville High School Box 717 Postville, IA 52162	2,000.00
Fillmore Central High School Box 599 Harmony, MN 55939	1,900.00
Houston High School 306 W. Elm St. Houston, MN 55943	1,575.00
Spring Grove High School 113 2nd Ave. NW Spring Grove, MN 55974	1,375.00
Turkey Valley High School 3219 State Hwy. 24 Jackson Junction, IA 52150	550.00

Total grants paid

\$125,987.00

Tax Asset Detail 1/01/09 - 12/31/09

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
1		Laptop	3/31/06	799.00	0.00	0.00	439.45	159.80	599.25	199.75	S/L	5.0
2		Software - Quicken	4/06/06	89.00	0.00	0.00	81.59	7.41	89.00	0.00	Amort	3.0
3		Software - CFS Tax	5/31/06	96.00	0.00	0.00	85.33	10.67	96.00	0.00	Amort	3.0
		Grand Total		984.00	0.00c	0.00	606.37	177.88	784.25	199.75		