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

2009

Department of the Treasury
 Internal Revenue Service

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

For calendar year 2009, or tax year beginning _____, and ending _____

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 HOGNANDER FOUNDATION | A Employer identification number 41-1953881 |
| | Number and street (or P O box number if mail is not delivered to street address) Room/suite WELLS FARGO PCS - MAC N9305-101 SIXTH AND MARQUETTE | B Telephone number 612-316-2720 |
| | City or town, state, and ZIP code MINNEAPOLIS, MN 55479 | C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <input checked="" type="checkbox"/> \$ 2,746,418. (Part I, column (d) must be on cash basis.) | | |

| Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small> | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received | | | N/A | |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B | | | | |
| 3 Interest on savings and temporary cash investments | | | | |
| 4 Dividends and interest from securities | 75,496. | 75,496. | | STATEMENT 1 |
| 5a Gross rents | | | | |
| b Net rental income or (loss) | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | <320,282.> | | | |
| b Gross sales price for all assets on line 6a 380,005. | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 0. | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications | | | | |
| 10a Gross sales less returns and allowances | | | | |
| b Less Cost of goods sold | | | | |
| c Gross profit or (loss) | | | | |
| 11 Other income | 3,062. | 3,062. | | STATEMENT 2 |
| 12 Total. Add lines 1 through 11 | <241,724.> | 78,558. | | |
| 13 Compensation of officers, directors, trustees, etc | 0. | 0. | | 0. |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees | | | | |
| b Accounting fees STMT 3 | 1,700. | 1,700. | | 0. |
| c Other professional fees STMT 4 | 26,837. | 26,837. | | 0. |
| 17 Interest | | | | |
| 18 Taxes STMT 5 | 1,221. | 210. | | 0. |
| 19 Depreciation and depletion | | | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | | | | |
| 23 Other expenses STMT 6 | 2,726. | 1,734. | | 992. |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | 32,484. | 30,481. | | 992. |
| 25 Contributions, gifts, grants paid | 124,641. | | | 124,641. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 157,125. | 30,481. | | 125,633. |
| 27 Subtract line 26 from line 12: | | | | |
| a Excess of revenue over expenses and disbursements | <398,849.> | | | |
| b Net investment income (if negative, enter -0-) | | 48,077. | | |
| c Adjusted net income (if negative, enter -0-) | | | N/A | |

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| Part II Balance Sheets | | Attached schedules and amounts in the description column should be for end-of-year amounts only | | |
|--|---|---|---|------------|
| | | Beginning of year (a) Book Value | End of year (b) Book Value (c) Fair Market Value | |
| Assets | 1 Cash - non-interest-bearing | | | |
| | 2 Savings and temporary cash investments | 445,195. | 137,868. | 137,868. |
| | 3 Accounts receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments - U.S. and state government obligations | | | |
| | b Investments - corporate stock STMT 7 | 2,130,815. | 1,799,184. | 2,314,513. |
| | c Investments - corporate bonds STMT 8 | 24,700. | 241,786. | 251,701. |
| 11 Investments - land, buildings, and equipment, basis ▶ | | | | |
| Less: accumulated depreciation ▶ | | | | |
| 12 Investments - mortgage loans | | | | |
| 13 Investments - other STMT 9 | 14,286. | 37,309. | 42,336. | |
| 14 Land, buildings, and equipment, basis ▶ | | | | |
| Less: accumulated depreciation ▶ | | | | |
| 15 Other assets (describe ▶) | | | | |
| 16 Total assets (to be completed by all filers) | 2,614,996. | 2,216,147. | 2,746,418. | |
| Liabilities | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 Mortgages and other notes payable | | | |
| | 22 Other liabilities (describe ▶) | | | |
| 23 Total liabilities (add lines 17 through 22) | 0. | 0. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | |
| | 24 Unrestricted | | | |
| | 25 Temporarily restricted | | | |
| | 26 Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31. | | | |
| | 27 Capital stock, trust principal, or current funds | 2,614,996. | 2,614,996. | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | 0. | <398,849.> | |
| 30 Total net assets or fund balances | 2,614,996. | 2,216,147. | | |
| 31 Total liabilities and net assets/fund balances | 2,614,996. | 2,216,147. | | |

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 | 2,614,996. |
| 2 Enter amount from Part I, line 27a | 2 | <398,849.> |
| 3 Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 Add lines 1, 2, and 3 | 4 | 2,216,147. |
| 5 Decreases not included in line 2 (itemize) ▶ | 5 | 0. |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 2,216,147. |

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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 SHORT TERM SALES - SEE DETAIL ATTACHED | P | VARIOUS | VARIOUS |
| b LONG TERM SALES - SEE DETAIL ATTACHED | P | VARIOUS | VARIOUS |
| c ENBRIDGE ENERGY PARTNERS L.P. K-1 SECTION | | | |
| d 1231 GAIN | P | VARIOUS | VARIOUS |
| e CAPITAL GAINS DIVIDENDS | | | |

| (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 120,645. | | 136,875. | <16,230.> |
| b 258,256. | | 563,412. | <305,156.> |
| c | | | |
| d 216. | | | 216. |
| e 888. | | | 888. |

| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---------------------------|--------------------------------------|---|---|
| a | | | <16,230.> |
| b | | | <305,156.> |
| c | | | |
| d | | | 216. |
| e | | | 888. |

| | | |
|---|---|------------|
| 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 | <320,282.> |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 | 3 | N/A |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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 | 98,564. | 3,872,688. | .025451 |
| 2007 | 242,420. | 4,631,883. | .052337 |
| 2006 | 1,278,842. | 3,974,166. | .321789 |
| 2005 | 152,115. | 3,143,472. | .048391 |
| 2004 | 30,287. | 1,121,054. | .027017 |

| | | |
|--|---|------------|
| 2 Total of line 1, column (d) | 2 | .474985 |
| 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 | .094997 |
| 4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 | 4 | 2,221,896. |
| 5 Multiply line 4 by line 3 | 5 | 211,073. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 481. |
| 7 Add lines 5 and 6 | 7 | 211,554. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 125,633. |

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.

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

| | | | |
|----|---|----|--------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 962. |
| c | All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b) | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 2 | 0. |
| 3 | Add lines 1 and 2 | 3 | 962. |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 4 | 0. |
| 5 | Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0- | 5 | 962. |
| 6 | Credits/Payments: | | |
| a | 2009 estimated tax payments and 2008 overpayment credited to 2009 | 6a | 1,200. |
| 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 | 1,200. |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached | 8 | |
| 9 | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | |
| 10 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | 238. |
| 11 | Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> 238. Refunded <input checked="" type="checkbox"/> | 11 | 0. |

Part VII-A Statements Regarding Activities

| | Yes | No |
|----|-----|----|
| 1a | | X |
| 1b | | X |
| | | |
| 1c | | X |
| | | |
| 2 | | X |
| | | |
| 3 | | X |
| 4a | | X |
| 4b | | |
| | N/A | |
| 5 | | X |
| | | |
| 6 | X | |
| 7 | X | |
| | | |
| 8a | | |
| | | |
| 8b | X | |
| | | |
| 9 | | X |
| 10 | | X |

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Part VII-A Statements Regarding Activities (continued)

| | | | |
|----|--|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | | X |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A | X | |
| 14 | The books are in care of ▶ WELLS FARGO BANK MN, NA Telephone no. ▶ 612-316-2720 Located at ▶ SIXTH AND MARQUETTE, MINNEAPOLIS, MN ZIP+4 ▶ 55479 | | |
| 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/> N/A | 1b | |
| 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ _____, _____, _____ | | |
| b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2b | |
| c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____ | | |
| 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3b | |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | X |
| b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009? | 4b | X |

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

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A**

Yes No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes No

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|--|---|---|---|---------------------------------------|
| ORVILLE C HOGNANDER, JR 7900 XERXES AVENUE SOUTH MINNEAPOLIS, MN 55431 | PRESIDENT / TREASURER 1.00 | 0. | 0. | 0. |
| NADIA CHRISTENSEN 7900 XERXES AVENUE SOUTH MINNEAPOLIS, MN 55431 | VICE PRESIDENT / SECRETARY 1.00 | 0. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |

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

| (a) Name and address of each employee paid more than \$50,000 | (b) Title, and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|---|------------------|---|---------------------------------------|
| NOT APPLICABLE | 0.00 | 0. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| NOT APPLICABLE | | 0. |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

| | Expenses |
|------------------|----------|
| 1 NOT APPLICABLE | 0. |
| 2 | |
| 3 | |
| 4 | |

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

| | Amount |
|--|--------|
| 1 NOT APPLICABLE | 0. |
| 2 | |
| All other program-related investments. See instructions. | |
| 3 NOT APPLICABLE | 0. |
| Total. Add lines 1 through 3 ▶ | 0. |

| Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.) | | |
|--|---|---------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | |
| a | Average monthly fair market value of securities | 1a 1,963,575. |
| b | Average of monthly cash balances | 1b 292,157. |
| c | Fair market value of all other assets | 1c |
| d | Total (add lines 1a, b, and c) | 1d 2,255,732. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e 0. |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 0. |
| 3 | Subtract line 2 from line 1d | 3 2,255,732. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 33,836. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 2,221,896. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 111,095. |

| Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here <input type="checkbox"/> and do not complete this part.) | | |
|---|--|------------|
| 1 | Minimum investment return from Part X, line 6 | 1 111,095. |
| 2a | Tax on investment income for 2009 from Part VI, line 5 | 2a 962. |
| b | Income tax for 2009. (This does not include the tax from Part VI.) | 2b |
| c | Add lines 2a and 2b | 2c 962. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 110,133. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 0. |
| 5 | Add lines 3 and 4 | 5 110,133. |
| 6 | Deduction from distributable amount (see instructions) | 6 0. |
| 7 | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 110,133. |

| Part XII Qualifying Distributions (see instructions) | | |
|---|---|-------------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes: | |
| a | Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 | 1a 125,633. |
| b | Program-related investments - total from Part IX-B | 1b 0. |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 |
| 3 | Amounts set aside for specific charitable projects that satisfy the: | |
| a | Suitability test (prior IRS approval required) | 3a |
| b | Cash distribution test (attach the required schedule) | 3b |
| 4 | Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 | 4 125,633. |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b | 5 0. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 125,633. |

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.

HOGNANDER FOUNDATION

Part XIII Undistributed Income (see instructions)

| | (a) Corpus | (b) Years prior to 2008 | (c) 2008 | (d) 2009 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2009 from Part XI, line 7 | | | | 110,133. |
| 2 Undistributed income, if any, as of the end of 2009 | | | | |
| a Enter amount for 2008 only | | | 0. | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2009: | | | | |
| a From 2004 | | | | |
| b From 2005 | | | | |
| c From 2006 | 779,512. | | | |
| d From 2007 | | | | |
| e From 2008 | | | | |
| f Total of lines 3a through e | 779,512. | | | |
| 4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 100,435. SEE STMTS 10 & 11 | | | | |
| a Applied to 2008, but not more than line 2a | | | 0. | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0. | | | |
| d Applied to 2009 distributable amount | | | | 100,435. |
| 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)) | 9,698. | | | 9,698. |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 769,814. | | | |
| b Prior years' undistributed income. Subtract line 4b from line 2b | | 0. | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | 0. | | |
| d Subtract line 6c from line 6b. Taxable amount - see instructions | | 0. | | |
| e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr. | | | 0. | |
| f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010 | | | | 0. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 2004 not applied on line 5 or line 7 | 0. | | | |
| 9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a | 769,814. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2005 | | | | |
| b Excess from 2006 | 769,814. | | | |
| c Excess from 2007 | | | | |
| d Excess from 2008 | | | | |
| e Excess from 2009 | | | | |

HOGNANDER FOUNDATION

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a 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 ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

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

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

- c Any submission deadlines:

- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV **Supplementary Information** (continued)

| 3 Grants and Contributions Paid During the Year or Approved for Future Payment | | | | | |
|---|--|---|--------------------------------|----------------------------------|--------------------|
| Recipient | | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
| Name and address (home or business) | | | | | |
| a Paid during the year K-1 - CHARITABLE DONATIONS SEE DETAIL ATTACHED | | | | | 2. 124,639. |
| Total | | | | ▶ 3a | 124,641. |
| b Approved for future payment NONE | | | | | |
| Total | | | | ▶ 3b | 0. |

Hognander Foundation 2009 Charitable Donations

| Charity | Amount | Purpose | Address | City | State | ZIP |
|---|-------------------|-----------------|------------------------------------|--------------|-------|------------|
| AAUW Minneapolis Branch | \$ 37,464 | Capital Project | 2115 Stevens Avenue | Minneapolis | MN | 55404 |
| Abbott Northwestern Hospital Fdn | \$ 1,000 | Operating Funds | 800 East 28th Street | Minneapolis | MN | 55407-3723 |
| American Scandinavian Fdn | \$ 750 | Operating Funds | 58 Park Avenue | New York | NY | 10016-3007 |
| American Swedish Institute | \$ 500 | Operating Funds | 2600 Park Avenue S | Minneapolis | MN | 55407-1007 |
| Bolder Options | \$ 550 | Operating Funds | 2100 Stevens Avenue S | Minneapolis | MN | 55404-2533 |
| Children's Theatre Company | \$ 1,200 | Operating Funds | 2400 Third Avenue S | Minneapolis | MN | 55404-3597 |
| Church in the Forest | \$ 700 | Operating Funds | Forest Lake Road PO Box 1027 | Pebble Beach | CA | 93953-1027 |
| Ebenezer Foundation | \$ 600 | Operating Funds | 2722 Park Avenue South | Minneapolis | MN | 55407-1009 |
| Edina Community Foundation | \$ 675 | Operating Funds | 5280 Grandview Square | Edina | MN | 55436-1755 |
| Franklin & Marshall College | \$ 4,800 | Operating Funds | P. O. Box 3003 | Lancaster | PA | 17604-3003 |
| Friends of the Minneapolis Public Library | \$ 1,800 | Operating Funds | 250 Marquette Ave #400 | Minneapolis | MN | 55401-2188 |
| Guthrie Theater | \$ 1,100 | Operating Funds | 818 South Second Street | Minneapolis | MN | 55415-1252 |
| Luther Seminary | \$ 10,000 | Operating Funds | 2481 Como Avenue | St Paul | MN | 55108-1496 |
| Mayo Foundation | \$ 800 | Operating Funds | 200 First St S W | Rochester | MN | 55905-0001 |
| Minneapolis Institute of Arts | \$ 5,500 | Operating Funds | 2400 Third Avenue South | Minneapolis | MN | 55404-3506 |
| Minnehaha Academy | \$ 10,800 | Operating Funds | 3100 West River Parkway | Minneapolis | MN | 55406-1843 |
| Minnesota Historical Society | \$ 2,800 | Operating Funds | 345 Kellogg Blvd West | St Paul | MN | 55102-1906 |
| Minnesota International Center | \$ 1,900 | Operating Funds | 711 East River Road | Minneapolis | MN | 55455-0369 |
| Minnesota Orchestra Association | \$ 10,500 | Operating Funds | 1111 Nicollet Mall | St Paul | MN | 55101-2274 |
| Minnesota Public Radio | \$ 4,500 | Operating Funds | 45 East Seventh Street | St Paul | MN | 55101-1023 |
| Monterey Bay Aquarium | \$ 500 | Operating Funds | 886 Cannery Row | Monterey | CA | 93940-1023 |
| People Serving People | \$ 1,500 | Operating Funds | 614 South Third Street | Minneapolis | MN | 55415-1104 |
| Rockford College | \$ 2,800 | Operating Funds | 5050 East State Street | Rockford | IL | 61101-2311 |
| Science Museum of MN | \$ 1,600 | Operating Funds | 120 West Kellogg Boulevard | St Paul | MN | 55102-1202 |
| Stevenson School | \$ 1,000 | Operating Funds | The Hamm Bldg, 408 St Peter Street | St Paul | MN | 55102-1497 |
| St Paul Chamber Orchestra | \$ 750 | Operating Funds | 3152 Forest Lake Road | Pebble Beach | CA | 93953-3200 |
| The Storefront Group | \$ 700 | Operating Funds | 6425 Nicollet Avenue South | Richfield | MN | 55423-1668 |
| Twin Cities Public Television | \$ 5,000 | Operating Funds | 172 4th Street East | St Paul | MN | 55101-1492 |
| Urban Ventures | \$ 500 | Operating Funds | 3041 Fourth Avenue South | Minneapolis | MN | 55408-2410 |
| Vocal Essence | \$ 1,600 | Operating Funds | 1900 Nicollet Avenue South | Minneapolis | MN | 55403-3746 |
| Walker Art Center | \$ 750 | Operating Funds | 1750 Hennepin Avenue | Minneapolis | MN | 55403-2115 |
| Westminster Church | \$ 4,000 | Operating Funds | 1200 Marquette Avenue | Minneapolis | MN | 55403-2419 |
| Westminster Town Hall Forum | \$ 6,000 | Operating Funds | 1200 Marquette Avenue | Minneapolis | MN | 55403-2419 |
| Total | \$ 124,639 | | | | | |

Hognander Foundation
Gain(Loss) on Sale of Assets
For the year ended December 31, 2009

| Description | Sale Date | Purchase Date | Sale Proceeds | Book Cost Basis | Book Gain(Loss) | Tax Cost Basis | Tax Gain(Loss) |
|------------------------------------|------------|---------------|----------------|-----------------|------------------|------------------|------------------|
| SHORT TERM | | | | | | | |
| WELLS FARGO & CO | 01/22/2009 | 06/20/2008 | 16,614 | 22,545 | (5,931) | 22,545 | (5,931) |
| WELLS FARGO CAPITAL XII | 01/26/2009 | 01/08/2009 | 6,435 | 7,482 | (1,047) | 7,482 | (1,047) |
| WELLS FARGO CAPITAL XII | 01/27/2009 | 01/08/2009 | 15,015 | 17,458 | (2,443) | 17,458 | (2,443) |
| ULTRASHORT LEHMAN 20+ YR PROSHARES | 05/27/2009 | 08/25/2009 | 17,414 | 20,090 | (2,676) | 20,090 | (2,676) |
| ROYAL BK SCOTLAND GRP | 10/26/2009 | 07/30/2009 | 36,723 | 50,028 | (13,305) | 50,028 | (13,305) |
| ROYAL BK SCOTLAND GRP | 11/02/2009 | 01/28/2009 | 28,444 | 19,273 | 9,171 | 19,273 | 9,171 |
| | | | | | 0 | | 0 |
| | | | 120,645 | 136,876 | (16,230) | 136,876 | (16,230) |
| LONG TERM | | | | | | | |
| WELLS FARGO & CO | 01/22/2009 | 03/11/2004 | 14,768 | 23,224 | (8,456) | 28,448 | (13,680) |
| JP MORGAN CHASE & CO | 01/22/2009 | 12/27/1999 | 6,915 | 15,804 | (8,889) | 14,490 | (7,575) |
| STATE STREET CORP | 01/26/2009 | 04/13/2000 | 2,355 | 7,375 | (5,020) | 10,116 | (7,761) |
| TENNANT CO | VARIOUS | VARIOUS | 68,450 | 107,534 | (39,084) | 170,125 | (101,675) |
| TENNANT CO | VARIOUS | VARIOUS | 164,390 | 384,050 | (219,660) | 607,588 | (443,198) |
| FIRST INDL RLTY TR INC | 03/09/2009 | 03/08/2004 | 1,372 | 24,279 | (22,907) | 32,636 | (31,264) |
| AMERICAN INTERNATIONAL GROUP INC | VARIOUS | 07/08/2009 | 7 | 748 | (741) | 712 | (705) |
| BLACKROCK CRDT ALLOCA-BASIS ADJ | VARIOUS | 12/02/2009 | 0 | 222 | (222) | 222 | (222) |
| BLACKROCK CRDT ALLOCA-BASIS ADJ | VARIOUS | 12/02/2009 | 0 | 177 | (177) | 177 | (177) |
| | | | | | 0 | | 0 |
| | | | 258,256 | 563,412 | (305,156) | 864,513 | (606,257) |
| TOTAL | | | 378,902 | 700,288 | (321,386) | 1,001,389 | (622,487) |

| | | | |
|-------------|--|-----------|---|
| FORM 990-PF | DIVIDENDS AND INTEREST FROM SECURITIES | STATEMENT | 1 |
|-------------|--|-----------|---|

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|--|----------------|----------------------------|----------------------|
| ENBRIDGE ENERGY PARTNERS L.P. K-1 INTEREST INCOME | 4. | 0. | 4. |
| MAGELLAN MIDSTREAM PARTNERS L.P. DIVIDEND INCOME | 1. | 0. | 1. |
| MAGELLAN MIDSTREAM PARTNERS L.P. INTEREST INCOME | 7. | 0. | 7. |
| WELLS FARGO DIVIDENDS | 65,751. | 888. | 64,863. |
| WELLS FARGO INTEREST | 10,621. | 0. | 10,621. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 76,384. | 888. | 75,496. |

| | | | |
|-------------|--------------|-----------|---|
| FORM 990-PF | OTHER INCOME | STATEMENT | 2 |
|-------------|--------------|-----------|---|

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---|-----------------------------|-----------------------------------|-------------------------------|
| MAGELLAN PARTNERS K-1 NET INCOME | 1,021. | 1,021. | |
| MISCELLANEOUS INCOME - FORM 1099 ADJUSTMENTS | 2,041. | 2,041. | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 3,062. | 3,062. | |

| | | | |
|-------------|-----------------|-----------|---|
| FORM 990-PF | ACCOUNTING FEES | STATEMENT | 3 |
|-------------|-----------------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|-------------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| ACCOUNTING FEES | 1,700. | 1,700. | | 0. |
| TO FORM 990-PF, PG 1, LN 16B | 1,700. | 1,700. | | 0. |

| | | | |
|-------------|-------------------------|-----------|---|
| FORM 990-PF | OTHER PROFESSIONAL FEES | STATEMENT | 4 |
|-------------|-------------------------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| ACCOUNT MANAGEMENT FEES | 26,837. | 26,837. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 26,837. | 26,837. | | 0. |

| | | | |
|-------------|-------|-----------|---|
| FORM 990-PF | TAXES | STATEMENT | 5 |
|-------------|-------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| FOREIGN TAXES PAID | 210. | 210. | | 0. |
| FEDERAL TAXES PAID | 1,011. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 1,221. | 210. | | 0. |

| | | | |
|-------------|----------------|-----------|---|
| FORM 990-PF | OTHER EXPENSES | STATEMENT | 6 |
|-------------|----------------|-----------|---|

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|---|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| MN REGISTRATION FEE | 25. | 0. | | 25. |
| DUES/SUBSCRIPTIONS | 965. | 0. | | 965. |
| NON-DEDUCTIBLE EXPENSES FROM K-1 | 42. | 42. | | 0. |
| ACCRUED INTEREST | 1,599. | 1,599. | | 0. |
| MISCELLANEOUS EXPENSE | 93. | 93. | | 0. |
| ENBRIDGE ENERGY PARTNERS L.P. K-1 - CHARITABLE DONATION | 2. | 0. | | 2. |
| TO FORM 990-PF, PG 1, LN 23 | 2,726. | 1,734. | | 992. |

| | | | |
|-------------|-----------------|-----------|---|
| FORM 990-PF | CORPORATE STOCK | STATEMENT | 7 |
|-------------|-----------------|-----------|---|

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|------------|-------------------|
| CORPORATE STOCK - SEE ATTACHED | 1,799,184. | 2,314,513. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 1,799,184. | 2,314,513. |

| | | | |
|-------------|-----------------|-----------|---|
| FORM 990-PF | CORPORATE BONDS | STATEMENT | 8 |
|-------------|-----------------|-----------|---|

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|------------|-------------------|
| CORPORATE BONDS - SEE ATTACHED | 241,786. | 251,701. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 241,786. | 251,701. |

| | | | |
|-------------|-------------------|-----------|---|
| FORM 990-PF | OTHER INVESTMENTS | STATEMENT | 9 |
|-------------|-------------------|-----------|---|

| DESCRIPTION | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|--|------------------|------------|-------------------|
| MAGELLAN MIDSTREAM PARTNERSHIP | COST | 13,806. | 14,286. |
| ENBRIDGE ENERGY PARTNERSHIP | COST | 23,503. | 28,050. |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | | 37,309. | 42,336. |

Hognander Foundation
EIN 41-1953881
December 31, 2009

Statement of Explanation - Form 990-PF, Part XIII, Line 4

Hognander Foundation elected to utilize the Set-Aside provisions of IRC § 4942(g)(2)(A), and more specifically, the Cash Distribution test as outlined in Reg § 53.4942(a)-3(b)(3).

The 2004 tax year marked the completion of the Foundation's "start-up period" under the rules for the Cash Distribution Test. The 2005 tax year is the Foundation's initial "full-payment period" under the Cash Distribution Test. Therefore, certain qualifying distributions made by the Foundation during 2009 were so made to comply with the requirements imposed by the cash distribution test. Such distributions may not be counted when determining the distributions made to otherwise comply with the rules for failure to distribute income as outlined in IRC § 4942. The following is provided to assist the reader in understanding the amount presented on Line 4 of Part XIII:

| | |
|--|----------------|
| 2009 Qualifying Distributions from Line 4, Part XII | 125,633 |
| Less: | |
| Amount distributed to comply with the 60 month set aside rule as described in Reg § 53.4942(a)-3(b)(1) | 25,198 |
| Amount otherwise distributed to comply with § 4942 and as reported on Line 4, Part XIII | <u>100,435</u> |

Set-Asides Under The Cash Distribution Test

Hognander Foundation elected to utilize the Set-Aside provisions of IRC § 4942(g)(2)(A), and more specifically, the Cash Distribution test as outlined in Reg. § 53.4942(a)-3(b)(3). The following information is provided to fulfill the related disclosure requirements of Reg. 53.4942(a)-3(b)(7)(ii).

For the purposes of the Cash Distribution test, the Foundation was "created" in 2000 (the first year its distributable amount exceeded \$500). Therefore, the Foundation's "start-up period" consists of tax years (calendar) 2001-2004. The schedule below outlines the distribution and set aside activity of the Foundation during this period:

| Year | (A) Distributable Amount - 100% | (B) Minimum Percent | (C) Minimum Amount | (D) Actually Paid | (A) - (D) Set Aside |
|------|---------------------------------------|---------------------------|--------------------------|-------------------------|---------------------------|
| 2000 | 45,943 | 0% | 0 | 2,093 | 43,850 |
| 2001 | 54,792 | 20% | 10,958 | 6,656 | 48,136 |
| 2002 | 50,912 | 40% | 20,365 | 3,631 | 47,281 |
| 2003 | 51,204 | 60% | 30,722 | 16,665 | 34,539 |
| 2004 | 55,763 | 80% | 44,610 | 30,565 | 25,198 |
| | <u>258,614</u> | | <u>106,655</u> | <u>59,610</u> | <u>199,004</u> |

According to Reg. § 53.4942(a)-3(b)(4), the Foundation was required to make distributions of at least \$106,655. The Regs. provide that an amount distributed during the year the Foundation is "created" may count towards the the minimum distribution requirement during the start-up period. Therefore, the \$2,093 distributed in 2000 counts towards the Foundation's start-up period minimum amount of \$106,655. Therefore, as of December 31, 2004, the Foundation distributed \$59,610 of the \$106,655 required to be distributed before the end of the start-up period. However, the Regs. also provide that distributions made within 5.5 months of the end of the start-up period will be treated as having been made during the start-up period if certain provisions have been met.

The Hognander Foundation has met these provisions, and prior to June 15, 2005 distributed an additional \$47,045 to fulfill the minimum distribution requirements during its start-up period. As of the tax year ended December 31, 2005, The Hognander Foundation fulfilled the requirements addressed by this paragraph and as such, the requirements addressed by this paragraph are not applicable to tax years subsequent to December 31, 2005.

Reg. § 53.4942(a)-3(b)(1) requires the Foundation to pay an amount set aside within 60 months after it is set aside. During 2004, The Foundation's set aside the amount of \$25,198. According to the Regs. the Foundation is required to distribute this amount before December 31, 2009 (end of the 60 month period following the set aside). The Hognander Foundation did distribute \$25,198 during 2009 to comply with this requirement.

According to § 53.4942(a)-3(b)(5) the Foundation is required to distribute the full payment period minimum amount each year subsequent to its start-up period. The Foundation's full payment period includes 2009. The Foundation's full payment period minimum amount for 2009 is **\$110,133**. The amount distributed by the Foundation during 2009 made to comply with the 60 month set-aside rules addressed above may count towards the full payment period minimum amount. Therefore, the \$25,198 paid in 2009 to fulfill the 60 month set-aside payment rule counts toward the requirement to distribute **\$110,133** during 2009. Therefore, the remaining amount required to be distributed by the Foundation to comply with the full payment period minimum amount was **\$84,935**. The Hognander Foundation made additional qualifying distributions of at least **\$84,935** during 2009 to comply with the rules for the full payment period minimum amount.

HOGNANDER FOUNDATION
WELLS FARGO INVESTMENT ACCOUNT
BALANCE SHEET- VALUE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BEGINNING | END OF YEAR | |
|------------------------------------|------------------|------------------|------------------|
| | OF YEAR | BOOK | FAIR MARKET |
| | BOOK | BOOK | FAIR MARKET |
| | VALUE | VALUE | VALUE |
| <u>CORPORATE STOCKS:</u> | | | |
| 3M | 35,667 | 35,667 | 49,602 |
| AMERICAN INT'L GROUP INC | 11,411 | 10,568 | 270 |
| AMGEN INC | 4,514 | 4,514 | 4,243 |
| ANADARKO PETROLEUM CORP | 23,100 | 23,100 | 62,420 |
| AT&T INC | 25,717 | 54,086 | 58,863 |
| BP PLC - ADR | 34,412 | 34,412 | 40,579 |
| BLACKROCK PFD INCOME STRATEGIES FD | 42,739 | 42,340 | 16,884 |
| BLDRS EMERGING MARKETS | 18,474 | 18,474 | 26,478 |
| CHEVRONTXACO CORP | 32,476 | 32,476 | 59,282 |
| DIAGEO PLC - ADR | 20,134 | 20,134 | 17,353 |
| DNP SELECT INCOME FUND | 24,785 | 24,785 | 19,690 |
| EXXON MOBIL CORP | 31,964 | 31,964 | 47,733 |
| FIRST INDL RLTY TR INC COM | 24,279 | 0 | 0 |
| FORD MOTOR CO CAP TR II | 29,970 | 29,970 | 35,928 |
| HONEYWELL INTERNATIONAL INC | 24,192 | 24,192 | 27,440 |
| INTERNATIONAL BUSINESS MACHS CORP | 0 | 37,616 | 52,360 |
| ISHARES MSCI JAPAN CL I | 20,310 | 107,829 | 112,926 |
| JOHNSON & JOHNSON | 49,812 | 49,812 | 54,104 |
| JP MORGAN CHASE & CO | 15,804 | 0 | 0 |
| KIMBERLY CLARK CORP COM | 19,155 | 19,155 | 19,113 |
| KONINKLIJKE PHILIPS | 12,268 | 12,268 | 8,832 |
| MARKET VECTORS AGRIBUSINESS | 28,525 | 28,525 | 21,895 |
| MEDTRONIC INC | 31,790 | 31,790 | 32,985 |
| MICROSOFT CORP | 15,023 | 15,023 | 9,906 |
| MORGAN STANLEY | 24,425 | 24,425 | 11,305 |
| NEWMONT MINING CORP | 14,959 | 14,959 | 16,559 |
| NOKIA CORP | 20,745 | 20,745 | 12,850 |
| PEPSICO INC | 5,506 | 5,506 | 9,120 |
| PFIZER INC | 4,014 | 4,014 | 1,819 |
| PIMCO FLOATING RATE INCOME FD | 20,017 | 20,017 | 15,016 |
| PROCTER & GAMBLE CO | 6,798 | 6,798 | 12,126 |
| SCHLUMBERGER LTD | 7,377 | 7,377 | 13,018 |
| STATE STREET CORP | 7,375 | 0 | 0 |
| TARGET CORP | 275 | 275 | 32,650 |
| TENNANT CO | 1,329,211 | 837,627 | 1,201,492 |
| UNITED TECHNOLOGIES CORP | 31,054 | 31,054 | 48,587 |
| VANGUARD WELLINGTON INC | 0 | 100,915 | 130,513 |
| VODAPHONE GROUP | 5,234 | 5,234 | 2,009 |
| WALGREEN CO | 7,412 | 7,412 | 7,344 |
| WELLS FARGO & CO | 45,769 | 0 | 0 |
| XCEL ENERGY INC | 24,130 | 24,130 | 21,220 |
| | <u>2,130,817</u> | <u>1,799,184</u> | <u>2,314,513</u> |

HOGNANDER FOUNDATION
WELLS FARGO INVESTMENT ACCOUNT
BALANCE SHEET - VALUE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | BEGINNING OF YEAR | END OF YEAR | |
|--------------------------|----------------------|---------------|----------------------|
| | BOOK VALUE | BOOK VALUE | FAIR MARKET VALUE |
| <u>CORPORATE BONDS:</u> | | | |
| MONONHAHELA POWER 7.360% | 24,700 | 24,700 | 25,042 |
| CATERPILLAR FINL SVCS | 0 | 102,315 | 104,036 |
| ELI LILLY & CO | 0 | 39,959 | 41,628 |
| JOHN DEERE CAPITAL CORP | 0 | 74,813 | 80,996 |
| | | | |
| TOTALS | 24,700 | 241,786 | 251,701 |