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Form **990-PF**Department of the Treasury
Internal Revenue Service**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

2010For calendar year 2010, or tax year beginning **6/30/2010**, and ending **12/31/2010**G Check all that apply: ☒ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation Leo C. Parent Scholarship Trust II		A Employer identification number 26-6312571
Number and street (or P.O. box number if mail is not delivered to street address) 2300 South Columbia Rd c/o Alerus Financial		B Telephone number (see page 10 of the instructions) 701-795-3211
City or town, state, and ZIP code Grand Forks ND 58201		C If exemption application is pending, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,192,040	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	
		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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)	1,047,906			
2 Check ☐ if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	54	54		
4 Dividends and interest from securities	16,635	16,635		
5 a Gross rents		0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	29,709			
b Gross sales price for all assets on line 6a	251,390			
7 Capital gain net income (from Part IV, line 2)		29,709		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	0	0	0	
12 Total. Add lines 1 through 11	1,094,304	46,398	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	5,633	3,755		1,878
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	3,513	0	0	0
b Accounting fees (attach schedule)	143	0	0	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	0	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	0	0	0	0
24 Total operating and administrative expenses. Add lines 13 through 23	9,289	3,755	0	1,878
25 Contributions, gifts, grants paid	33,600			33,600
26 Total expenses and disbursements. Add lines 24 and 25	42,889	3,755	0	35,478
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	1,051,415			
b Net investment income (if negative, enter -0-)		42,643		
c Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

(HTA)

Form **990-PF** (2010)SCANNED JUL 08 2011
Revenue

Operating and Administrative Expenses

4

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		2,160	2,160			
	2 Savings and temporary cash investments		30,011	30,011			
	3 Accounts receivable ▶ 0						
	Less: allowance for doubtful accounts ▶ 0	0	0	0			
	4 Pledges receivable ▶ 0						
	Less: allowance for doubtful accounts ▶ 0	0	0	0			
	5 Grants receivable						
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0			
	7 Other notes and loans receivable (attach schedule) ▶ 0						
	Less: allowance for doubtful accounts ▶ 0	0	0	0			
	8 Inventories for sale or use						
	9 Prepaid expenses and deferred charges						
	10 a Investments—U S. and state government obligations (attach schedule)	0	0	0			
	b Investments—corporate stock (attach schedule)	0	718,846	855,404			
	c Investments—corporate bonds (attach schedule)	0	300,398	304,465			
	11 Investments—land, buildings, and equipment, basis ▶ 0						
Liabilities	Less: accumulated depreciation (attach schedule) ▶ 0	0	0	0			
	12 Investments—mortgage loans						
	13 Investments—other (attach schedule)	0	0	0			
	14 Land, buildings, and equipment: basis ▶ 0						
	Less: accumulated depreciation (attach schedule) ▶ 0	0	0	0			
	15 Other assets (describe ▶)	0	0	0			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	0	1,051,415	1,192,040			
Net Assets or Fund Balances	17 Accounts payable and accrued expenses						
	18 Grants payable						
	19 Deferred revenue						
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0				
	21 Mortgages and other notes payable (attach schedule)	0	0				
	22 Other liabilities (describe ▶)	0	0				
	23 Total liabilities (add lines 17 through 22)	0	0				
Foundations that follow SFAS 117, check here ☐	24 Unrestricted						
	25 Temporarily restricted						
	26 Permanently restricted						
	Foundations that do not follow SFAS 117, check here ☒						
	27 Capital stock, trust principal, or current funds		1,047,906				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund						
	29 Retained earnings, accumulated income, endowment, or other funds		3,509				
	30 Total net assets or fund balances (see page 17 of the instructions)	0	1,051,415				
Net Assets or Fund Balances	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	0	1,051,415				

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	0
2 Enter amount from Part I, line 27a	2	1,051,415
3 Other increases not included in line 2 (itemize) ▶	3	0
4 Add lines 1, 2, and 3	4	1,051,415
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	1,051,415

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				
b Common Trust Fund, units sold				
c Common Trust Fund Distributions				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 242,674	0	213,170	29,504	
b 8,700	0	8,511	189	
c -17	0	0	-17	
d 0	0	0	0	
e 0	0	0	0	
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 0	0	0	29,504	
b 0	0	0	189	
c 0	0	0	-17	
d 0	0	0	0	
e 0	0	0	0	
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	29,709
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	0

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.

(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))
2009	0	0	0.000000
2008			0.000000
2007			0.000000
2006			0.000000
2005			0.000000
2 Total of line 1, column (d)			2 0.000000
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.000000
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 0
5 Multiply line 4 by line 3			5 0
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 0
7 Add lines 5 and 6			7 0
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			8 0

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

1 a 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	853	
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	853	
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	853	
6 Credits/Payments:				
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	0		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	1,979		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d	7	1,979		
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,126		
11 Enter the amount of line 10 to be Credited to 2011 estimated tax 353 Refunded	11	773		

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?	1a	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)? 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.	1b	X
c Did the foundation file Form 1120-POL for this year?	1c	X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0 (2) On foundation managers. \$ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2	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? If "Yes," attach a conformed copy of the changes	3	X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	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?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ND		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 none				
14	The books are in care of Alerus Financial Telephone no. (701) 795-3211			
	Located at 2300 South Columbia Rd Grand Forks ND ZIP+4 58201			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	15		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country 			

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

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

	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 22 of the instructions)?	1b N/A	
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ 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 22 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 2010 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 2010.)	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 2010?	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)? ☐Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**5b**

N/A

6b

X

7b**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see 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
Alerus Financial 2300 S Columbia Rd Grand Forks ND 58201	Trustee 1.00	5,633	0	0
	.00	0	0	0
	.00	0	0	0
	.00	0	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		0
.....		0
.....		0
.....		0
.....		0
.....		0

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

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 None	
.....	
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 None	
.....	
2	
.....	
All other program-related investments See page 24 of the instructions	
3	
.....	0
Total. Add lines 1 through 3	0

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	1,088,615
b	Average of monthly cash balances	1b	29,259
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,117,874
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	1,117,874
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	16,768
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,101,106
6	Minimum investment return. Enter 5% of line 5	6	27,905

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	27,905
2a	Tax on investment income for 2010 from Part VI, line 5	2a	853
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	853
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	27,052
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	27,052
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	27,052

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	35,478
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	35,478
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	35,478

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				27,052
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			0	
b Total for prior years. 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	0			
b From 2006	0			
c From 2007	0			
d From 2008	0			
e From 2009	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2010 from Part XII, line 4. ► \$ <u>35,478</u>				
a Applied to 2009, but not more than line 2a			0	
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 2010 distributable amount				27,052
e Remaining amount distributed out of corpus	8,426			
5 Excess distributions carryover applied to 2010 (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	8,426			
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				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0
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)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	8,426			
10 Analysis of line 9:				
a Excess from 2006	0			
b Excess from 2007	0			
c Excess from 2008	0			
d Excess from 2009	0			
e Excess from 2010	8,426			

Part XIV Private Operating Foundations (see page 27 of the 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 2010, 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)

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

Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007
	0	0	0	0
	0	0	0	0
	0	0	0	0
				0
	0	0	0	0
	0	0	0	0
				0
	0	0	0	0
				0
				0
				0
				0

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:

Alerus Financial - Claire Herland 2300 S Columbia Rd Grand Forks ND 58201 (701) 795-3325

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

Application can be requested from Claire Herland, Alerus Financial

c Any submission deadlines:

Varies

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

Scholarships of \$1,200 for tuition and books to the University of ND or to any institution of higher learning in MN. See attached schedule.

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 University of North Dakota 264 Centennial Dr Stop 8356 Grand Forks ND 58202-8356 Northland Community and Technical College 2022 Central Ave NE East Grand Forks MN 56721-2702 Concordia College 901 8th Street South Moorhead MN 56562-0001 St John's University 31802 County Rd 156 Collegeville MN 56321 St Cloud State University 720 4th Avenue St. Cloud MN 56301-4498 Moorhead State University 1104 7th Ave South Moorhead MN 56563 University of Minnesota 3 Morrill Hall Minneapolis MN 55455 Northwestern College 3003 Snelling Ave North St. Paul MN 55113 Bethany Lutheran College 700 Luther Drive Mankato MN 56001 University of MN- Crookston 2900 University Ave Crookston MN 56716-5001 Bemidji State University 1500 Birchmont Drive Northwest Bemidji MN 56601			Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships Scholarships	10,800 3,600 1,200 1,200 1,200 4,800 1,200 2,400 1,200 2,400 3,600
Total			3a	33,600
b Approved for future payment				
Total			3b	0

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

Employer identification number

Leo C. Parent Scholarship Trust II

26-6312571

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

Leo C. Parent Scholarship Trust II

Employer identification number

26-6312571

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Leo C Parent Scholarship Trust c/o Alerus Financial, 2300 S Columbia Rd Grand Forks ND 58201 Foreign State or Province: _____ Foreign Country: _____	\$ 1,047,906	Person ☒ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	_____ _____ _____ Foreign State or Province: _____ Foreign Country: _____	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
3	_____ _____ _____ Foreign State or Province: _____ Foreign Country: _____	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
4	_____ _____ _____ Foreign State or Province: _____ Foreign Country: _____	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
5	_____ _____ _____ Foreign State or Province: _____ Foreign Country: _____	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
6	_____ _____ _____ Foreign State or Province: _____ Foreign Country: _____	\$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Leo C. Parent Scholarship Trust II

Employer identification number

26-6312571

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	Stocks, Bonds, and Mutual Funds Common Trust Funds	\$ 1,017,359	6/30/2010
		\$ 0	
		\$ 0	
		\$ 0	
		\$ 0	
		\$ 0	
		\$ 0	

Name of organization

Leo C. Parent Scholarship Trust II

Employer identification number

26-6312571

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ 1,047,906

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
	For. Prov.	Country	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
	For. Prov.	Country	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
	For. Prov.	Country	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
	For. Prov.	Country	

Explanations II (990-PF)

General Explanation

Part XV, line 2d: The scholarships are for male residents of Polk County, MN, who are high school graduates and who attend high school for two years in Polk County and who need financial assistance for their education.

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Totals					Net Gain or Loss
									Gross Sales	Cost, Other Basis and Expenses	Cost, Other Basis and Expenses	Net Gain or Loss		
1	X	Publicly Traded Securities							242,707	213,170	29,537			
2		CTF's							8,683	8,511	172			
3		Distributions CTF's												
4														
5														
6														
7														
8														
9														
10														

Line 16a (990-PF) - Legal Fees

		3,513	0	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Maddock, Olson, Larson	3,513			
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16b (990-PF) - Accounting Fees

		143	0	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Alerus Financial	143			
2					
3					
4					
5					
6					
7					
8					
9					
10					

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	See attached schedule US Equity			582,289		699,455
2	See attached schedule - International Equity			136,557		155,949
3						
4						
5						
6						
7						
8						
9						
10						

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

			Interest Rate	Maturity Date	Book Value Beg. of Year	Book Value End of Year	300,398	0	304,465
	Description				Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year	
1	CTF-B					300,398		304,465	
2									
3									
4									
5									
6									
7									
8									
9									
10									

LEO C. PARENT SCHOLARSHIP TRUST II
EIN 26-6312571

Description	Ticker	12/31/10		
		Units	Basis	FMV
Federated	POIXX	27,389.980	27,389.98	27,389.98
Northern	NPAXX	2,621.060	2,621.06	2,621.06
TOTAL			30,011.04	30,011.04
			(1.66)	(1.66)
CTF B		33,873.578	300,400.01	304,466.73
			300,398.35	304,465.07
AFLAC INC	AFL	185.000	7,836.60	10,439.55
AT&T INC	T	300.000	7,338.00	8,814.00
ABBOTT LABORATORIES	ABT	400.000	18,660.00	19,164.00
ACTIVISION BLIZZARD INC	ATVI	230.000	2,438.00	2,861.20
ADOBE SYSTEMS INC	ADBE	260.000	6,994.00	8,002.80
AMAZON COM INC	AMZN	10.000	1,086.10	1,800.00
AMERICAN EXPRESS COMPANY	AXP	35.000	1,403.15	1,502.20
APACHE CORPORATION	APA	180.000	15,211.80	21,461.40
APPLE COMPUTER	AAPL	15.000	3,842.55	4,838.40
BAKER HUGHES INC CS	BHI	70.000	2,858.80	4,001.90
BAK OF AMERICA CORPORATION	BAC	1,080.000	15,735.60	14,407.20
BARD C R INC COM	BCR	30.000	2,339.10	2,753.10
BAXTER INTERNATIONAL INC	BAX	55.000	2,266.55	2,784.10
BECTON DICKINSON & COMPANY	BDX	50.000	3,372.50	4,226.00
BOEING COMPANY	BA	190.000	11,977.60	12,399.40
BUFFALO SMALL CAP FD INC	BUFSX	877.145	19,586.64	22,989.97
CME GROUP	CME	10.000	2,879.10	3,217.50
CVS CORP	CVS	60.000	1,789.20	2,086.20
CHEVRONTEXACO CORP COM	CVX	35.000	2,392.60	3,193.75
CISCO SYSTEMS (6/25/10, 6/30/10)	CSCO	90.000	2,018.61	1,820.70
CLOROX COMPANY CO	CLX	40.000	2,509.20	2,531.20
COGNIZANT TECH SOLUTIONS CORP	CTSH	50.000	2,527.50	3,664.50
COHEN & STEERS INSTITUTIONAL	CRSIX	1,505.414	26,374.86	31,192.18
COLGATE-PALMOLIVE COMPANY	CL	35.000	2,730.00	2,812.95
DEMENSIONAL US SMALL CAP VALUE	DFSVX	1,437.830	28,008.93	36,765.31
WALT DISNEY COMPANY	DIS	210.000	6,783.00	7,877.10
DUPONT E DE NEMOURS	DD	75.000	2,643.00	3,741.00
EMC CORPORATION	EMC	285.000	5,298.15	6,526.50
ENTERGY CORPORATION NEW CS	ETR	25.000	1,811.00	1,770.75
EXPEDITORS INT'L OF WASH INC	EXPD	75.000	2,619.00	4,095.00
EXXON MOBIL CORP COM	XOM	110.000	6,301.90	8,043.20
GENERAL DYNAMICS	GD	140.000	8,388.30	9,934.40
GENERAL ELECTRIC COMPANY	GE	720.000	10,425.60	13,168.80
GENERAL MILLS INC	GIS	400.000	14,760.00	14,236.00
GOLDMAN SACHS ABSOLUTE RETURN	GJRTX	2,355.829	20,849.09	22,003.44
GOOGLE INC	GOOG	5.000	2,271.30	2,969.85
HEWLETT PACKARD COMPANY	HPO	395.000	16,643.55	16,629.50
INTEL CORPORATION	INTC	130.000	2,572.70	2,733.90
INTERNATIONAL GAME TECHNOLOGY	IGT	550.000	8,871.50	9,729.50
JP MORGAN CHASE & CO	JPM	80.000	2,964.80	3,393.60
KHOLS CORPORATION	KSS	150.000	7,152.00	8,151.00
MCDONALDS CORPORATION	MCD	105.000	6,978.30	8,059.80
MEDCO HEALTH SOLUTIONS INC	MHS	80.000	4,356.80	4,901.60

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

		Amount																		
Long Term CG Distributions				33																
Short Term CG Distributions				0																
		Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Totals	251,357	0	221,681	29,676	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	0	Gains Minus Excess of FMV Over Adjusted Basis or Losses	29,676			
1		Publicly Traded Securities						242,674	0	213,170	29,504				0	29,504				
2		Common Trust Fund, units sold						8,700	0	8,511	189				0	189				
3		Common Trust Fund Distributions						-17	0	0	-17				0	-17				
4								0	0	0	0				0	0				
5								0	0	0	0				0	0				
6								0	0	0	0				0	0				
7								0	0	0	0				0	0				
8								0	0	0	0				0	0				
9								0	0	0	0				0	0				
10								0	0	0	0				0	0				