065002

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

2010

For calendar year 2010, 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

Name of foundation: J.A. WEDUM FOUNDATION

A Employer identification number: 41-6025661

Number and street (or P O box number if mail is not delivered to street address): 2615 UNIVERSITY AVENUE SE — Room/suite

B Telephone number (see page 10 of the instructions): 612-789-3363

City or town, state, and ZIP code: MINNEAPOLIS MN 55414

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 194,487,967

J Accounting method ☐ Cash [X] Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

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)				
2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	75,606	75,606		
4	Dividends and interest from securities	132,439	132,439		
5a	Gross rents	59,736	59,736		
b	Net rental income or (loss) 5,789				
6a	Net gain or (loss) from sale of assets not on line 10 STMT 1	229,265			
b	Gross sales price for all assets on line 6a 4,825,036				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 2	34,940,037		34,940,037	
12	**Total.** Add lines 1 through 11	35,437,083	267,781	34,940,037	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	173,767			
14	Other employee salaries and wages	59,110			
15	Pension plans, employee benefits	13,427			
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest	8,312,136	28,213	8,283,923	
18	Taxes (attach schedule) (see page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion STMT 3	3,992,794	10,467	3,982,327	
20	Occupancy	18,383,941	53,947	18,329,994	
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 4 STMT 5	3,738,339		3,529,043	
24	**Total operating and administrative expenses.** Add lines 13 through 23	34,673,514	92,627	34,125,287	0
25	Contributions, gifts, grants paid	1,210,575			1,210,575
26	**Total expenses and disbursements.** Add lines 24 and 25	35,884,089	92,627	34,125,287	1,210,575
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	-447,006			
b	**Net investment income** (if negative, enter -0-)		175,154		
c	**Adjusted net income** (if negative, enter -0-)			814,750	

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

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	3,692,791	4,092,977	4,092,977
	3	Accounts receivable ▶ 1,931,969			
		Less allowance for doubtful accounts ▶	1,873,205	1,931,969	1,931,969
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	288,219	388,434	388,434
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) SEE STMT 6	4,098,666	5,288,045	5,288,045
	c	Investments—corporate bonds (attach schedule) SEE STMT 7	1,147,280	669,934	669,934
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶ STMT 8	141,477		141,477
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) SEE STATEMENT 9	264,537	228,125	228,125
	14	Land, buildings, and equipment basis ▶ 161,419,465			
		Less accumulated depreciation (attach sch) ▶ STMT 10 27,529,579	120,098,770	133,889,886	161,419,465
	15	Other assets (describe ▶ SEE STATEMENT 11)	20,324,218	20,327,541	20,327,541
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	151,929,163	166,816,911	194,487,967
Liabilities	17	Accounts payable and accrued expenses	5,069,537	1,270,821	
	18	Grants payable		500,000	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule) SEE WORKSHEET	154,380,482	167,775,322	
	22	Other liabilities (describe ▶ SEE STATEMENT 12)	933,494	5,520,828	
	23	**Total liabilities** (add lines 17 through 22)	160,383,513	175,066,971	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	-8,454,350	-8,250,060	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	-8,454,350	-8,250,060	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	151,929,163	166,816,911	

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	-8,454,350
2	Enter amount from Part I, line 27a	2	-447,006
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 13	3	1,154,760
4	Add lines 1, 2, and 3	4	-7,746,596
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 14	5	503,464
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	-8,250,060

DAA

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	N/A			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } 2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)
If (loss), enter -0- in Part I, line 8 3

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	3,789,434	10,580,063	0.358167
2008	229,924	8,185,677	0.028089
2007	495,012	7,440,816	0.066527
2006	407,474	6,020,263	0.067684
2005	491,191	5,461,407	0.089939

2 **Total** of line 1, column (d)	2	0.610406
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	0.122081
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	9,527,629
5 Multiply line 4 by line 3	5	1,163,142
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,752
7 Add lines 5 and 6	7	1,164,894
8 Enter qualifying distributions from Part XII, line 4	8	1,210,575

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b		1	1,752
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	1,752
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	1,752
6	Credits/Payments			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a 3,616		
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	3,616
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	1,864
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 1,864 Refunded ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	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)?	1b		X
	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			
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 ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? 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
4a	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? N/A	4b		
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	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ MN			
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)

				Yes	No
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)	N/A	11		
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	N/A	12		
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	X	

Website address ▶ WWW.WEDUMFOUNDATION.ORG

14 The books are in care of ▶ JAY PORTZ Telephone no ▶ 612-789-3363

2537 UNIVERSITY AVE SE

Located at ▶ MINNEAPOLIS MN ZIP+4 ▶ 55414

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 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		X
	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)?	N/A	1b		
	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)	N/A	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 ▶ 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)	N/A	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 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)? 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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b | |

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
SEE STATEMENT 15				

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
SANDRA OGREN MINNEAPOLIS 5652 - 45TH AVENUE SOUTH MN 55417	DIRECTOR 40.00	55,270	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 (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 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 SUPPORTING STUDENT EDUATION THROUGH THE CREATION OF AND OPERATION OF STUDENT HOUSING	
2 SUPPORT, MANAGE AND MAINTAIN SENIOR HOUSING	
3 EDUCATION-SCHOLARSHIPS AND GRANTS TO EDUCATIONAL INSTITUTIONS BENEFITING MANY SCHOLARS	
4 SMALL BUSINESS GRANTS TO SOCIAL ASSISTANCE, HEALTH,	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	5,601,963
b	Average of monthly cash balances	1b	3,892,884
c	Fair market value of all other assets (see page 25 of the instructions)	1c	177,873
d	**Total** (add lines 1a, b, and c)	1d	9,672,720
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	9,672,720
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	145,091
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	9,527,629
6	**Minimum investment return.** Enter 5% of line 5	6	476,381

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	476,381
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,752		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,752
3	Distributable amount before adjustments Subtract line 2c from line 1			3	474,629
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	474,629
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	474,629

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	1,210,575
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,210,575
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	1,752
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,208,823

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					474,629
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only					
b Total for prior years 20____, 20____, 20____					
3 Excess distributions carryover, if any, to 2010					
a From 2005	224,295				
b From 2006	116,408				
c From 2007	131,924				
d From 2008					
e From 2009	3,264,529				
f **Total** of lines 3a through e		3,737,156			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 1,210,575					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2010 distributable amount					474,629
e Remaining amount distributed out of corpus		735,946			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		4,473,102			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
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)		224,295			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		4,248,807			
10 Analysis of line 9					
a Excess from 2006	116,408				
b Excess from 2007	131,924				
c Excess from 2008					
d Excess from 2009	3,264,529				
e Excess from 2010	735,946				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

N/A

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

N/A

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

N/A

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

RESUME OF ACADEMIC QUALIFICATIONS OR STANDARD GRANT APPL

c Any submission deadlines

NONE

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

PREFERENCE IS GIVEN TO DONEE LOCATED IN ALEXANDRIA,MN AREA

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 16				1,210,575
Total			▶ 3a	1,210,575
b Approved for future payment				
Total			▶ 3b	

065002

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a SEE STATEMENT 17				29,503,066	
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	75,606	
4 Dividends and interest from securities			14	132,439	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	5,789	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					229,265
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b SEE STATEMENT 18				5,436,971	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		35,153,871	229,265

13 **Total.** Add line 12, columns (b), (d), and (e) 13 35,383,136

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

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

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

Signature of officer or trustee: [signature] Date: 8/11/11 Title: PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name: JOSEPH A RUSCHE	Preparer's signature: [signature]	Date: 8/8/11	Check ☐ if self-employed
Firm's name ▶ BOYUM & BARENSCHEER PLLP		PTIN	P00377268
Firm's address ▶ 3050 METRO DR STE 200 MINNEAPOLIS, MN 55425-1515		Firm's EIN ▶ 41-6192096	Phone no 952-854-4244

BOYUM & BARENSCHEER PLLP CPAS
3050 METRO DRIVE, SUITE 200
MINNEAPOLIS, MN 55425
41-6192096 6762112

Forms 990 / 990-PF

Mortgages and Other Notes Payable

2010

For calendar year 2010, or tax year beginning , and ending

Name	Employer Identification Number
J.A. WEDUM FOUNDATION	41-6025661

FORM 990-PF, PART II, LINE 21 - ADDITIONAL INFORMATION

	Name of lender	Relationship to disqualified person
(1)	SHOREWOOD	
(2)	U VILLAGE	
(3)	SUNRISE	
(4)	KEELER	
(5)	WALNUT RIDGE	
(6)	BANFILL	
(7)	ST CLOUD	
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)	29,300,000				
(2)	25,880,104				
(3)	19,965,000				
(4)	12,306,270				
(5)	47,710,000				
(6)	9,905,000				
(7)	15,357,864				
(8)					
(9)					
(10)					

	Security provided by borrower	Purpose of loan
(1)		CONSTRUCTION
(2)	MORTGAGE	CONSTRUCTION
(3)		CONSTRUCTION
(4)		CONSTRUCTION
(5)		CONSTRUCTION
(6)		CONSTRUCTION
(7)		CONSTRUCTION
(8)		
(9)		
(10)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)		28,335,000	27,993,674
(2)		22,755,579	19,495,317
(3)		18,890,000	18,505,000
(4)		11,732,039	11,582,039
(5)		48,710,000	49,820,000
(6)		8,600,000	8,400,000
(7)		15,357,864	31,979,292
(8)			
(9)			
(10)			
Totals		154,380,482	167,775,322

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description: Whom Sold	Date Acquired	Date Sold	How Received: Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SALE OF INVESTMENTS			PURCHASE				
	VARIOUS	VARIOUS	$ 4,825,036	$ 4,595,771	$	$	$ 229,265
TOTAL			$ 4,825,036	$ 4,595,771	$ 0	$ 0	$ 229,265

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
SHOREWOOD CAMPUS	$ 5,127,086	$	$ 5,127,086
U VILLAGE	3,933,750		3,933,750
SUNRISE	14,395,981		14,395,981
KEELER	1,412,283		1,412,283
WALNUT RIDGE	2,024,241		2,024,241
BANFILL SR HOUSING	1,200,630		1,200,630
COBORN PLAZA	1,409,095		1,409,095
COBORN PLAZA MISC REVENUE	486,832		486,832
SHOREWOOD CAMPUS MISC. REV.	483,168		483,168
U VILLAGE MISC. REV.	28,302		28,302
KEELER MISC. REV.	36,122		36,122
SUNRISE MISC. REV.	2,431,125		2,431,125
WALNUT RIDGE MISC. REV.	1,171,163		1,171,163
MISCELLANEOUS INCOME	777,487		777,487
BANFILL MISC REVENUE	22,772		22,772
TOTAL	$ 34,940,037	$ 0	$ 34,940,037

Federal Statements

Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation

Description / Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
WEDUM	$ 115,101	$ 82,853			$ 10,467	$ 10,467	$
SHOREWOOD CAMPUS	22,717,642	9,469,759			647,348		647,348
U VILLAGE	22,627,459	6,645,802			582,644		582,644
KEELER	9,204,882	1,714,520			246,467		246,467
SUNRISE	14,295,067	1,003,111			774,828		774,828
BANFILL	9,331,603	634,891			331,319		331,319
WALNUT RIDGE	38,496,147	1,261,501			1,097,582		1,097,582
TRANSPORTATION	198,382	24,560					
COBORN PLAZA	29,218,349				302,139		302,139
TOTAL	$ 146,204,632	$ 20,836,997			$ 3,992,794	$ 10,467	$ 3,982,327

Statement 4 - Form 990-PF, Part I, Line 23 - Amortization

Description	Date Acquired	Cost Basis	Prior Year Amortization	Life	Current Year Amortization	Net Investment Income	Adjusted Net Income	COGS
		$	$ 1,027,199		$ 128,014	$	$ 128,014	
TOTAL		$ 0	$ 1,027,199		$ 128,014	$ 0	$ 128,014	

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
SHOREWOOD CAMPUS ADMINISTRATIVE	511,190		511,190	
U VILLAGE ADMINISTRATIVE	452,534		452,534	
SUNRISE ADMINISTRATIVE	1,438,181		1,438,181	
KEELER ADMINISTRATIVE	237,987		237,987	
WALNUT RIDGE ADMINISTRATIVE	398,739		398,739	
BANFILL SR HOUSING UNREALIZED LOSS ON INTEREST S ADMINISTRATIVE EXPENSE	249,987		249,987	
COBORN PLAZA ADMINISTRATIVE	112,411		112,411	
EXPENSES ADMINISTRATIVE EXPENSE	209,296			
TOTAL	$ 3,610,325	$ 0	$ 3,401,029	$ 0

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STOCKS	$ 4,098,666	$ 5,288,045	MARKET	$ 5,288,045
TOTAL	$ 4,098,666	$ 5,288,045		$ 5,288,045

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BONDS	$ 1,147,280	$ 669,934	MARKET	$ 669,934
TOTAL	$ 1,147,280	$ 669,934		$ 669,934

Statement 8 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
US BANK LEASE (LOTS)	$ 141,477	$	$	$ 141,477
TOTAL	$ 141,477	$ 0	$ 0	$ 141,477

Statement 9 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
NOTE-PINE SHORE/INTERLACHEN	$ 116,237	$ 136,917	COST	$ 136,917
INTEREST RECEIVABLE - ESPLANADE	148,300		COST	
NOTE RECEIVABLE		91,208	COST	91,208
TOTAL	$ 264,537	$ 228,125		$ 228,125

Federal Statements

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
WEDUM - DEPR. ASSETS	$ 32,248	$ 116,282	$ 93,320	$ 116,282
SHOREWOOD - DEPR. ASSETS	13,247,883	22,500,305	10,076,511	22,500,305
U VILLAGE - DEPR. ASSETS	15,981,657	22,782,170	7,228,446	22,782,170
KEELER - DEPR. ASSETS	7,490,362	9,251,983	1,837,487	9,251,983
SUNRISE - DEPR. ASSETS	10,402,956	15,532,257	4,666,383	15,532,257
ESPLANADE - DEPR. ASSETS				
WALNUT RIDGE - DEPR. ASSETS	37,234,646	38,650,589	2,359,083	38,650,589
BANFILL SR HOUSING - DEPR. ASSETS	8,696,712	9,415,120	966,210	9,415,120
TRANSPORTATION SERVICES - DEPR ASSET	173,822			
COBORN PLAZA		29,218,349	302,139	29,218,349
SHOREWOOD - LAND	3,192,718	3,192,718		3,192,718
U VILLAGE - LAND	2,226,421	2,226,421		2,226,421
KEELER - LAND	1,180,350	10,350		10,350
SUNRISE - LAND	1,192,631	1,204,521		1,204,521
WALNUT RIDGE - LAND	3,000,000	3,000,000		3,000,000
BANFILL SR HOUSING - LAND	600,000	600,000		600,000
ST. CLOUD - LAND/COBORN PLAZA	2,700,000	3,602,800		3,602,800
ST. CLOUD - CONSTRUCTION IN PROGRESS	12,746,364			
WEDUM FOUNDATION - LAND		115,600		115,600
TOTAL	$ 120,098,770	$ 161,419,465	$ 27,529,579	$ 161,419,465

Federal Statements

Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
TENANT SECURITY DEPOSITS	$ 469,476	$ 571,284	$ 571,284
SHOREVIEW - OTHER ASSETS - RESERVES	2,635,717	2,611,303	2,611,303
U VILLAGE - OTHER ASSETS - RESERVES	991,149	938,687	938,687
KEELER - OTHER ASSETS - RESERVES	950,376	935,435	935,435
SUNRISE - OTHER ASSETS - RESERVES	2,003,039	1,978,466	1,978,466
WALNUT RIDGE - OTHER ASSETS - RESERV	3,449,196	1,439,145	1,439,145
BANFILL - OTHER ASSETS - RESERVES	128,033	81,204	81,204
SHOREWOOD FINANCING FEES - NET	627,687	986,137	986,137
U VILLAGE FINANCING FEES - NET	589,831	572,875	572,875
KEELER FINANCING FEES - NET	361,785	348,745	348,745
SUNRISE - GOODWILL	6,878,617	6,878,617	6,878,617
SUNRISE FINANCE FEES - NET	774,861	742,121	742,121
WALNUT RIDGE FINANCE FEES - NET	464,451	451,505	451,505
LONG TERM LEASE RECEIVABLES		765,017	765,017
PREPAID LAND LEASE		1,027,000	1,027,000
TOTAL	$ 20,324,218	$ 20,327,541	$ 20,327,541

Statement 12 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
WEDUM LIABILITIES	$ 502,160	$
SHOREWOOD DEPOSITS	228,210	281,960
U VILLAGE DEPOSITS	46,149	40,184
KEELER DEPOSITS	33,200	34,287
BANFILL DEPOSITS	42,775	49,061
WALNUST RIDGE DEPOSITS	81,000	149,000
ACCRUED INTEREST		2,491,023
PREPAID RENT		773,858
PREPAID LAND LEASE		929,567
INTEREST SWAP LIABILITY		771,888
TOTAL	$ 933,494	$ 5,520,828

Statement 13 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
UNREALIZED GAINS	$ 389,065
PRIOR PERIOD ADJUSTMENT	678
LONG TERM LEASE RECEIVABLE	765,017
TOTAL	$ 1,154,760

Federal Statements

Statement 14 - Form 990-PF, Part III, Line 5 - Other Decreases

Description		Amount
PRIOR PERIOD ADJUSTMENT	$	330,392
UNREALIZED LOSS ON INTEREST RATE SWAP		173,072
TOTAL	$	503,464

Federal Statements

Statement 15 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
MARY BETH WEDUM 16950 CREEK RIDGE TRAIL MINNETONKA MN 55345	CO-CHAIRMAN	1.00	900	0	0
FRANK STARKE 10824 SHOREWOOD LANE BRANDON MN 56315	SECRETARY	1.00	10,900	0	0
DAVID JOIS 2615 UNIVERSITY AVENUE SE MINNEPOLIS MN 55414	TRUSTEE	1.00	0	0	0
DAYTON SOBY 3545 DUNBAR KNOLL BROOKLYN PARK MN 55443	SECRETARY	1.00	900	0	0
GARY SLETTE 134 - 3RD AVENUE EAST TWIN FALLS ID 83301	BOARD MEMBER	1.00	900	0	0
DALE VESLEDAHL 14821 JACOBS LANE MINNETONKA MN 55345	TRUSTEE	1.00	0	0	0
DANA WEDUM KENNELLY 4721 SPRING CIRCLE MINNETONKA MN 55345	BOARD MEMBER	1.00	900	0	0
DAWN DOWNS 22278 DIXIE RIVER ROAD CALDWELL ID 83607	BOARD MEMBER	1.00	900	0	0
JOSEPH A. RUSCHE 3050 METRO PARKWAY, SUITE 200 MINNEAPOLIS MN 55425	VICE CHAIR O	1.00	900	0	0

Federal Statements

Statement 15 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc. (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JAY PORTZ 2206 HERITAGE DRIVE ST. CLOUD MN 55301	PRESIDENT	40.00	157,467	0	0

Federal Statements

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
RESUME OF ACADEMIC QUALIFICATIONS OR STANDARD GRANT APPL

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
NONE

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

Description
PREFERENCE IS GIVEN TO DONEE LOCATED IN ALEXANDRIA,MN AREA

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
SE HONOR FLIGHT VARIOUS MN VARIOUS	VARIOUS		SOCIAL SERVICE - HONOR FLIGHT FUND	2,500
ALLINA HOSPICE ST PAUL MN 55102	333 SMITH AVENUE N		ASSISTANCE TO AGING - BENEFIT	2,500
ALLINA HOSPICE ST PAUL MN 55102	333 SMITH AVENUE N		ASSISTANCE TO AGING	500,000
BOYS AND GIRLS CLUB TWIN FALLS ID 83301	999 FRONTIER RD		SOCIAL SERVICE ELEV8 PROG GRANT	5,000
BOYS AND GIRLS CLUB TWIN FALLS ID 83301	999 FRONTIER RD		SOCIAL SERVICE ELEV8 PROG GRANT	5,000
KNUTE NELSON ALEXANDRIA MN 56308	420 12TH AVENUE E		ASSISTANCE TO AGING	10,000
KNUTE NELSON ALEXANDRIA MN 56308	420 12TH AVENUE E		ASSISTANCE TO AGING	5,000
CLIVE FESTIVAL, INC. CLIVE IA 50325	16330 BOSTON PARKWAY		SPONSOR-WALNUT RIDGE, CULTURAL	1,000
SCSU FOUNDATION ST CLOUD MN VARIOUS	VARIOUS		SCIENCE/ENVIRONMENT COMM GARDEN	500
BRIDGING BLOOMINGTON MN 55420	201 WEST 87TH STREET		SOCIAL SERVICES	5,000
MN VIETNAM VETERAN'S ROSEVILLE MN 55113	2674 MACKUBIN STREET		HONOR FLIGHT/GUARDIANS	10,000
ALEXANDRIA TECH COLLEGE ALEXANDRIA MN 56308	1601 JEFFERSON STREET		EDUCATION/FEASIBILITY STUDY	18,000
DUNWOODY COLLEGE OF TECH MINNEAPOLIS MN 55403	818 DUNWOODY BLVD		EDUCATION/SCHOLARSHIPS	2,000
ALEXANDRIA TECH COLLEGE ALEXANDRIA MN 56308	1601 JEFFERSON STREET		EDUCATION/SCHOLARSHIPS	3,000
BROOTEN FOUNDATION BROOTEN MN 56316	PO BOX 400		EDUCATION	3,500
ALAMO HONOR FLIGHT VARIOUS MN VARIOUS	VARIOUS		SOCIAL SERVICE/HONOR FLIGHT	1,000
OAK HILL PTSA ST CLOUD MN VARIOUS	2600 COUNTY ROAD 136		SOCIAL SERVICE/OAK HILL PTSA	5,000
PIONEER FOUNDATION FERGUS FALLS MN 56537	1006 SOUTH SHERIDAN STREE		ASSISTANCE TO AGAIN	53,000

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
CENTRACDARE FOUNDATION VARIOUS MN VARIOUS	VARIOUS		HEALTH	200
NORTHWEST VISTA COLLEGE SAN ANOTONIO TX 78251	3535 NORTH ELLISON DR		SCHOLARSHIPS	1,200
ALEXANDRIA TECH COLLEGE ALEXANDRIA MN 56308	1601 JEFFERSON ST		SCHOLARSHIPS	1,080
CONCORDIA COLLEGE MOORHEAD MN 56562	901-8TH STREET		SCHOLARSHIPS	2,000
MN STATE UNIV-MANKATO MANKATO MN 560001	309 WIGLES ADMIN CENTER		SCHOLARSHIPS	800
UNIV OF MN DULUTH DULUTH MN 55812	1049 UNIVERSITY DRIVE		SCHOLARSHIPS	900
TLC TOYS ANDOVER MN 55304	13964 HEATHER ST NW		SOCIAL SERV - GRANT FOR MILLWORK	15,000
TLC TOYS ANDOVER MN 55304	13964 HEATHER ST NW		SOCIAL SERV - GOLF EVENT GRANT	375
TLC TOYS ANDOVER MN 55304	13964 HEATHER ST NW		SOCIAL SERV - FUNDRAISER	125
TEXAS A&M COLLEGE STATION TX 77842	PO BOX 30016		SCHOLARSHIPS	400
ST OLAF NORTHFIELD MN 55057	1500 ST OLAF AVENUE		SCHOLARSHIPS	1,500
NORTH DAKOTA STATE COLLEG WAHPETON ND 58076	800 6TH ST NORTH		SCHOLARSHIPS	360
UNIV OF TX AT SAN ANTONIO SAN ANTONIO TX 78249	ONE UTSA CIRCLE		SCHOLARSHIPS	800
ALZHEIMER'S ASSOCIATION VARIOUS MN VARIOUS	VARIOUS		MEMORY WALK - BRONZER SPONSORSHIPS	1,000
ALZHEIMER'S ASSOCIATION VARIOUS MN VARIOUS	VARIOUS		WESTERN GALA - RED RIBBON	1,500
ALZHEIMER'S ASSOCIATION VARIOUS MN VARIOUS	VARIOUS		ALZEHEIMER'S MEMORY WALK	1,000
ALZHEIMER'S ASSOCIATION VARIOUS MN VARIOUS	VARIOUS		ALZEHEIMER'S MEMORY WALK	1,500
ALZHEIMER'S ASSOCIATION VARIOUS MN VARIOUS	VARIOUS		ALZEHEIMER'S MEMORY WALK	315

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
AMERICAN CANCER SOCIETY VARIOUS MN VARIOUS	VARIOUS		KEELER/UV - RELAY FOR LIFE SCH	2,500
COLLEGE OF ST BENEDICT ST JOSEPH MN 56374	37 S COLLEGE AVENUE		SCHOLARSHIP	400
HONOR FLIGHT VARIOUS MN VARIOUS	VARIOUS		SOCIAL SERVICE - GUARDIAN 2	1,000
RIDE FOR JOY THERAPEUTIC EAGLE ID 83616	PO BOX 1819		HEALTH - PROGRAM GRANT	5,000
UNIVERISTY OF MN MINNEAPOLIS MN 55455	106 PLEASANT ST		SCHOLARSHIPS	31,600
MN STATE UNIV MOORHEAD MOORHEAD MN 56563	1104 S 7TH AVENUE		SCHOLARSHIPS	500
ST JOHNS UNIVERSITY COLLEGEVILLE MN 56321	BOX 5000		SCHOLARSHIPS	300
BEMIDJI STATE UNIVERSITY BEMIDJI MN 56601	1500 BIRCHMONT DRIVE NE		SCHOLARSHIPS	1,200
EVANGEL UNIVERISTY SPRINGFIELD MO 65802	1111 NORTH GLENSTONE		SCHOLARSHIPS	500
ESPLANADE GARDENS ST LOUIS PARK MN 55416	3601 PARK CENTER BLVD		SCHOLARSHIPS	3,300
MN STATE COMM & TECH COLL FERGUS FALLS MN 56537	1414 COLLEGE WAY		SCHOLARSHIPS	720
UNITED STATES TREASURY USAF ACADEMY CO 80840	2304 CADET DRIVE		SCHOLARSHIPS	1,500
ALLINA HOSPICE ST PAUL MN 55102	333 SMITH AVENUE		CONSTRUCTION GRANT	500,000
TOTAL				1,210,575

Federal Statements

Statement 17 - Form 990-PF, Part XVI-A, Line 1 - Program Service Revenue

Description	Business Code	Unrelated Amount	Exclusion Code	Exclusion Amount	Related Income
SHOREWOOD CAMPUS		$	16	$ 5,127,086	$
U VILLAGE			16	3,933,750	
SUNRISE			16	14,395,981	
KEELER			16	1,412,283	
WALNUT RIDGE			16	2,024,241	
BANFILL SR HOUSING			16	1,200,630	
COBORN PLAZA			16	1,409,095	
TOTAL		$ 0		$ 29,503,066	$ 0

Statement 18 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue

Description	Business Code	Unrelated Amount	Exclusion Code	Exclusion Amount	Related Income
COBORN PLAZA MISC REVENUE		$	16	$ 486,832	$
SHOREWOOD CAMPUS MISC. REV.			16	483,168	
U VILLAGE MISC. REV.			16	28,302	
KEELER MISC. REV.			16	36,122	
SUNRISE MISC. REV.			16	2,431,125	
WALNUT RIDGE MISC. REV.			16	1,171,163	
MISCELLANEOUS INCOME			16	777,487	
BANFILL MISC REVENUE			16	22,772	
TOTAL		$ 0		$ 5,436,971	$ 0

065002 J.A. WEDUM FOUNDATION
41-6025661
FYE: 12/31/2010

Federal Asset Report
Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179Bonus	Basis for Depr	Per	Conv	Meth	Prior	Current
Prior MACRS:											
5	Computer Hardware	3/31/87	10,047			10,047	5	HY	200DB	10,047	0
8	Computer Equipment	7/25/89	1,416			1,416	5	HY	200DB	1,416	0
32	Laptop Computer (Cooper)	12/31/99	2,606			2,606	5	MQ	200DB	2,606	0
33	Office Equip (Reimb John)	12/31/99	2,816			2,816	5	MQ	200DB	2,816	0
34	Office Furniture	1/28/04	10,342			10,342	7	HY	200DB	8.957	923
35	Lobby Furniture	2/02/04	1,353			1,353	7	HY	200DB	1,172	121
36	2003 Nissan	1/01/04	12,783			12,783	5	HY	200DB	12,783	0
37	New Refurb Copier	9/29/05	2,495			2,495	5	MQ	200DB	2,319	176
38	Microwave & Plug In	11/14/05	43			43	5	MQ	200DB	39	4
39	Network Printer	12/05/05	1,550			1,550	5	MQ	200DB	1,402	148
40	Conference Room Fridge	12/07/05	137			137	7	MQ	200DB	102	12
41	Laptop & Cables	12/20/05	2,223			2,223	5	MQ	200DB	2,010	213
42	Art	8/14/05	475			475	7	MQ	200DB	365	42
43	Conference Room Table & Chairs	11/14/05	4,820			4,820	7	MQ	200DB	3,610	421
44	Office Furniture	12/01/05	2,371			2,371	7	MQ	200DB	1,776	207
45	2 Art Pieces	12/05/05	400			400	7	MQ	200DB	300	35
46	Blinds	2/28/06	2,783			2,783	7	HY	200DB	1,914	248
47	Laptop Computer	12/28/06	1,455			1,455	5	HY	200DB	1,204	167
48	Ricoh Copier	7/01/07	4,495			4,495	5	HY	200DB	3,200	518
			64,610			64,610				58,038	3,235
ACRS:											
1	Computer Equipment	7/24/83	2,850			2,850	5	HY	PRE	2,850	0
2	Whse/2 fireproof	11/01/83	676			676	5	HY	PRE	676	0
3	Interaction Sales Printer	1/03/84	1,089			1,089	5	HY	PRE	1,089	0
4	Equipment	3/21/86	150			150	5	HY	PRE	150	0
	Total ACRS Depreciation		4,765			4,765				4,765	0
Other Depreciation:											
6	Computer Software	3/31/87	1,386			1,386	5	MO	S/L	1,386	0
7	Software	3/15/89	595			595	5	MO	S/L	595	0
9	Software	12/20/89	600			600	5	MO	S/L	600	0
10	Car Phone	6/01/93	319			319	5	MO	S/L	319	0
11	Computer Equipment	8/01/93	5,343			5,343	5	MO	S/L	5,343	0
12	Desk Units	1/01/94	7,238			7,238	5	MO	S/L	7,238	0
13	Office Remodel	1/01/94	6,198			6,198	20	MO	S/L	4,804	310
14	Computer & Printer	3/11/95	1,818			1,818	5	MO	S/L	1,818	0
15	Computer	11/16/96	4,521			4,521	5	MO	S/L	4,521	0
16	Labeling Machine	6/30/96	197			197	5	MO	S/L	197	0
17	Desk	2/07/97	1,195			1,195	5	MO	S/L	1,195	0
18	1st Natl Bank-Grd Lots	1/01/90	141,477			141,477	0	--	Land	0	0
	Total Other Depreciation		170,887			170,887				28,016	310
	Total ACRS and Other Depreciation		175,652			175,652				32,781	310
	Grand Totals		240,262			240,262				90,819	3,545
	Less: Dispositions and Transfers		0			0				0	0
	Less: Start-up/Org Expense		0			0				0	0
	Net Grand Totals		240,262			240,262				90,819	3,545

065002 J.A. WEDUM FOUNDATION
41-6025661
FYE: 12/31/2010

MN Asset Report
Form 990, Page 1

Asset	Description	Date In Service	Cost	Basis for Depr	MN Prior	MN Current	Federal Current	Difference Fed - MN
Prior MACRS:								
5	Computer Hardware	3/31/87	10,047	10,047	10,047	0	0	0
8	Computer Equipment	7/25/89	1,416	1,416	1,416	0	0	0
32	Laptop Computer (Cooper)	12/31/99	2,606	0	2,606	0	0	0
33	Office Equip (Reimb John)	12/31/99	2,816	2,816	2,816	0	0	0
34	Office Furniture	1/28/04	10,342	10,342	8,957	923	923	0
35	Lobby Furniture	2/02/04	1,353	1,353	1,172	121	121	0
36	2003 Nissan	1/01/04	12,783	12,783	12,783	0	0	0
37	New Refurb Copier	9/29/05	2,495	2,495	2,319	176	176	0
38	Microwave & Plug In	11/14/05	43	43	39	4	4	0
39	Network Printer	12/05/05	1,550	1,550	1,402	148	148	0
40	Conference Room Fridge	12/07/05	137	137	102	12	12	0
41	Laptop & Cables	12/20/05	2,223	2,223	2,010	213	213	0
42	Art	8/14/05	475	475	365	42	42	0
43	Conference Room Table & Chairs	11/14/05	4,820	4,820	3,610	421	421	0
44	Office Furniture	12/01/05	2,371	2,371	1,776	207	207	0
45	2 Art Pieces	12/05/05	400	400	300	35	35	0
46	Blinds	2/28/06	4,238	4,238	2,914	378	248	-130
47	Laptop Computer	12/28/06	1,455	1,455	1,204	167	167	0
48	Ricoh Copier	7/01/07	4,495	4,495	3,200	518	518	0
			66,065	63,459	59,038	3.365	3,235	-130
ACRS:								
1	Computer Equipment	7/24/83	2,850	2,850	2,850	0	0	0
2	Whse/2 fireproof	11/01/83	676	676	676	0	0	0
3	Interaction Sales Printer	1/03/84	1,089	1,089	1,089	0	0	0
4	Equipment	3/21/86	150	150	150	0	0	0
	Total ACRS Depreciation		4,765	4,765	4,765	0	0	0
Other Depreciation:								
6	Computer Software	3/31/87	1,386	1,386	1,386	0	0	0
7	Software	3/15/89	595	595	595	0	0	0
9	Software	12/20/89	600	600	600	0	0	0
10	Car Phone	6/01/93	319	319	319	0	0	0
11	Computer Equipment	8/01/93	5,343	5,343	5,343	0	0	0
12	Desk Units	1/01/94	7,238	7,238	7,238	0	0	0
13	Office Remodel	1/01/94	6,198	6,198	4,804	310	310	0
14	Computer & Printer	3/11/95	1,818	1,818	1,818	0	0	0
15	Computer	11/16/96	4,521	4,521	4,521	0	0	0
16	Labeling Machine	6/30/96	197	197	197	0	0	0
17	Desk	2/07/97	1,195	1,195	1,195	0	0	0
18	1st Natl Bank-Grd Lots	1/01/90	141,477	141,477	0	0	0	0
	Total Other Depreciation		170,887	170,887	28.016	310	310	0
	Total ACRS and Other Depreciation		175,652	175,652	32,781	310	310	0
	Grand Totals		241,717	239,111	91,819	3,675	3,545	-130
	Less: Dispositions		0	0	0	0	0	0
	Less: Start-up/Org Expense		0	0	0	0	0	0
	Net Grand Totals		241,717	239,111	91,819	3,675	3,545	-130

065002 J.A. WEDUM FOUNDATION
41-6025661
FYE: 12/31/2010

AMT Asset Report
Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179Bonus	Basis for Depr	Per	Conv	Meth	Prior	Current
Prior MACRS:											
5	Computer Hardware	3/31/87	10,047			10,047	5	HY	150DB	10,047	0
8	Computer Equipment	7/25/89	1,416			1,416	5	HY	150DB	1,416	0
32	Laptop Computer (Cooper)	12/31/99	2,606		X	0	5	MQ	150DB	2,606	0
33	Office Equip (Reimb John)	12/31/99	2,816			2,816	5	MQ	150DB	2,816	0
34	Office Furniture	1/28/04	10,342			10,342	7	HY	200DB	8,957	923
35	Lobby Furniture	2/02/04	1,353			1,353	7	HY	200DB	1,172	121
36	2003 Nissan	1/01/04	12,783			12,783	5	HY	150DB	12,783	0
37	New Refurb Copier	9/29/05	2,495			2,495	5	MQ	150DB	2,237	258
38	Microwave & Plug In	11/14/05	43			43	5	MQ	150DB	37	6
39	Network Printer	12/05/05	1,550			1,550	5	MQ	150DB	1,328	222
40	Conference Room Fridge	12/07/05	137			137	7	MQ	150DB	89	17
41	Laptop & Cables	12/20/05	2,223			2,223	5	MQ	150DB	1,904	319
42	Art	8/14/05	475			475	7	MQ	150DB	322	58
43	Conference Room Table & Chairs	11/14/05	4,820			4,820	7	MQ	150DB	3,132	587
44	Office Furniture	12/01/05	2,371			2,371	7	MQ	150DB	1,541	288
45	2 Art Pieces	12/05/05	400			400	7	MQ	150DB	260	49
46	Blinds	2/28/06	2,783			2,783	7	HY	150DB	1,590	341
47	Laptop Computer	12/28/06	1,455			1,455	5	HY	150DB	1,092	242
48	Ricoh Copier	7/01/07	4,495			4,495	5	HY	150DB	2,623	748
			64,610			62,004				55,952	4,179
Other Depreciation:											
1	Computer Equipment	7/24/83	0			0	0	HY		0	0
2	Whse/2 fireproof	11/01/83	0			0	0	HY		0	0
3	Interaction Sales Printer	1/03/84	0			0	0	HY		0	0
4	Equipment	3/21/86	0			0	0	HY		0	0
6	Computer Software	3/31/87	0			0	0	HY		0	0
7	Software	3/15/89	0			0	0	HY		0	0
9	Software	12/20/89	0			0	0	HY		0	0
10	Car Phone	6/01/93	0			0	0	HY		0	0
11	Computer Equipment	8/01/93	0			0	0	HY		0	0
12	Desk Units	1/01/94	0			0	0	HY		0	0
13	Office Remodel	1/01/94	0			0	0	HY		0	0
14	Computer & Printer	3/11/95	0			0	0	HY		0	0
15	Computer	11/16/96	0			0	0	HY		0	0
16	Labeling Machine	6/30/96	0			0	0	HY		0	0
17	Desk	2/07/97	0			0	0	HY		0	0
18	1st Natl Bank-Grd Lots	1/01/90	0			0	0	HY		0	0
	Total Other Depreciation		0			0				0	0
	Total ACRS and Other Depreciation		0			0				0	0
	Grand Totals		64,610			62,004				55,952	4,179
	Less: Dispositions and Transfers		0			0				0	0
	Net Grand Totals		64,610			62,004				55,952	4,179

41-6025661 FORM 990-PF ESTIMATES

J.A. WEDUM FOUNDATION

Form **990-W** (WORKSHEET)
Department of the Treasury Internal Revenue Service

Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations

(and on Investment Income for Private Foundations)
(Keep for your records. Do not send to the Internal Revenue Service.)

OMB No 1545-0976

2011

1	Unrelated business taxable income expected in the tax year	1	
2	**Tax on the amount on line 1.** See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8 **Note.** If less than $500, the organization is not required to make estimated tax payments Private foundations, see instructions — 10a: 1,752		
b	Enter the tax shown on the 2010 return (see instructions) **Caution.** If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c — 10b: 1,752		
c	**2011 Estimated Tax.** Enter the smaller of line 10a or line 10b If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	1,752

			(a)	(b)	(c)	(d)
11	**Installment due dates** (see instructions)	11	05/16/11	06/15/11	09/15/11	12/15/11
12	**Required installments.** Enter 25% of line 10c in columns **(a)** through **(d)** unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	906	906	906	906
13	**2010 Overpayment** (see instructions)	13	466	466	466	466
14	**Payment due.** (Subtract line 13 from line 12)	14				

For Paperwork Reduction Act Notice, see the instructions on page 8.

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
BANFILL SR HOUSING	$ 190		14		
SHOREWOOD - INTEREST	1,376		14		
U VILLAGE - INTEREST	133		14		
KEELER - INTEREST	2,420		14		
SUNRISE - INTEREST	71,065		14		
WALNUT RIDGE - INTEREST	422		14		
TOTAL	$ 75,606				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
INVESTMENT INCOME	$ 132,439		14		
TOTAL	$ 132,439				

J.A. WEDUM FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

J.A. WEDUM FOUNDATION
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YEAR ENDED DECEMBER 31, 2010

LarsonAllen LLP
CPAs, Consultants & Advisors
www.larsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
J.A. Wedum Foundation
Minneapolis, Minnesota

We have audited the accompanying consolidated statement of financial position of J.A. Wedum Foundation as of December 31, 2010, and the related consolidated statements of activities and changes in net deficit, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of J.A Wedum Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of J.A. Wedum Foundation as of December 31, 2010, and the changes in its net deficit, functional expenses, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles

As described in Note 13 to the financial statements, certain adjustments were made involving the application of generally accepted accounting principles from prior years.

LarsonAllen LLP
LarsonAllen LLP

St. Cloud, Minnesota
June 24, 2011

J.A. WEDUM FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 4,267,773
Investments	5,957,979
Accounts Receivable - Tenants	1,790,616
Notes Receivable	91,208
Accounts Receivable - Other	161,952
Prepaid Expenses	426,579
Total Current Assets	12,696,107
TENANT SECURITY DEPOSITS	571,284
RESTRICTED DEPOSITS AND FUNDED RESERVES	
Tax and Insurance Escrow	263,360
Reserve for Replacements	1,146,544
Funds held by Trustees under Bond Indentures	7,760,816
Total Restricted Deposits and Funded Reserves	9,170,720
PROPERTY AND EQUIPMENT	
Land and Improvements	15,178,402
Buildings and Improvements	145,713,594
Construction in Progress	92,850
Furniture and Equipment	11,314,361
Total Property and Equipment	172,299,207
Less. Accumulated Depreciation	(28,462,501)
Net Property and Equipment	143,836,706
OTHER ASSETS	
Financing Costs, Net	3,121,383
Land, Under Long-Term Commercial Lease	136,917
Long Term Lease Receivable - Retail	765,017
Prepaid Land Lease, Net	1,027,000
Goodwill	6,878,617
Total Other Assets	11,928,934
Total Assets	$ 178,203,751

See accompanying Notes to Financial Statements

LIABILITIES AND NET DEFICIT

CURRENT LIABILITIES	
Accounts Payable and Accrued Operating Expenses	$ 1,509,448
Grants Payable	500,000
Current Maturities of Long-Term Debt	38,316,381
Accrued Interest	2,810,496
Prepaid Rent	834,250
Total Current Liabilities	43,970,575
TENANT SECURITY DEPOSIT LIABILITY	665,792
LONG-TERM LIABILITIES	
Bonds Payable, Net of Current Maturities	110,962,554
Notes Payable, Net of Current Maturities	26,767,517
Prepaid Land Lease	929,567
Interest Rate Swap Liability	771,888
Total Long Term Liabilities	139,431,526
Total Liabilities	184,067,893
NET DEFICIT	
Unrestricted	(6,321,129)
Temporarily Restricted	456,987
Total Net Deficit	(5,864,142)
Total Liabilities and Net Deficit	$ 178,203,751

J.A. WEDUM FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET DEFICIT
YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Rental Revenue - Residential, Net	$ 32,365,166	$ -	$ 32,365,166
Less: Benevolence Discounts	(242,252)	-	(242,252)
Rental Revenue - Commercial	503,245	-	503,245
Total Rent Revenue	32,626,159	-	32,626,159
Investment Income	241,723	-	241,723
Distributions from Subsidiaries	-	-	-
Net Realized and Unrealized Investment Gains	618,330	-	618,330
Unrealized Loss on Interest Rate Swap	(173,072)	-	(173,072)
Net Investment Return	686,981	-	686,981
Other Revenue	6,389,172	456,987	6,846,159
Total Revenue	39,702,312	456,987	40,159,299
EXPENSES			
Program Expenses	37,354,880	-	37,354,880
Management and General Expenses	2,344,450	-	2,344,450
Fundraising Expenses	44,904	-	44,904
Total Expenses	39,744,233	-	39,744,233
CHANGES IN NET DEFICIT	$ (41,921)	$ 456,987	$ 415,066
Net Deficit - Beginning of Year As Previously Stated	$ (5,948,816)	$ -	$ (5,948,816)
Prior Period Adjustments	(330,392)	-	(330,392)
Net Deficit - Beginning of Year As Restated	(6,279,208)	-	(6,279,208)
Change in Net Deficit	(41,921)	456,987	415,066
NET DEFICIT - END OF YEAR	$ (6,321,129)	$ 456,987	$ (5,864,142)

See accompanying Notes to Financial Statements

J.A. WEDUM FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	Program	Management and General	Fundraising	Total
Salaries	$ 10,353,367	$ 111,752	$ 13,830	$ 10,478,949
Payroll Taxes	948,229	7,113	927	956,269
Benefits	1,230,618	15,128	1,375	1,247,121
Total Payroll Costs	12,532,214	133,993	16,133	12,682,339
Interest Expense	8,433,634	28,213	-	8,461,847
Depreciation and Amortization	4,580,859	10,467	-	4,591,326
Contract Services	3,209,100	-	-	3,209,100
Management Fees	-	1,902,875	-	1,902,875
Utilities	1,457,062	1,587	-	1,458,649
Grants and Scholarships	1,210,575	-	-	1,210,575
Real Estate Taxes	1,077,077	1,118	-	1,078,195
Insurance	1,017,829	6,400	-	1,024,229
Repairs and Maintenance	977,653	-	-	977,653
Resident Care	834,864	-	-	834,864
Office Expense	552,411	42,015	-	594,426
Supplies	514,214	1,222	-	515,436
Advertising and Marketing	317,639	-	-	317,639
Trustee Fees and Bank Charges	138,996	11,192	-	150,188
Professional Fees	-	149,582	-	149,582
Bad Debt Expense	53,256	-	-	53,256
Activities and Recreation	51,648	-	-	51,648
Miscellaneous	395,849	55,786	28,771	480,406
Total Expenses	$ 37,354,880	$ 2,344,450	$ 44,904	$ 39,744,233

See accompanying Notes to Financial Statements

J.A. WEDUM FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Tenants and Donors	$ 31,192,124
Cash Paid to Suppliers and Employees	(33,425,019)
Interest Received	241,723
Interest Paid	(580,344)
Other Receipts	6,389,172
Net Cash Provided by Operating Activities	3,817,656
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	(2,932,610)
Proceeds from Sales of Investments	4,824,594
Purchases of Investments	(4,918,571)
Change in Tax and Insurance Escrow	34,224
Change in Reserve for Replacements	(89,601)
Change in Funds held by Trustees under Bond Indentures	2,002,861
Net Cash Used by Investing Activities	(1,079,103)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Bonds and Notes Payable	(2,054,029)
Payments for Issuance Costs on Bonds and Notes	(19,999)
Net Cash Used by Financing Activities	(2,074,028)
NET INCREASE IN CASH	664,525
Cash - Beginning of Year	3,603,248
CASH - END OF YEAR	$ 4,267,773

See accompanying Notes to Financial Statements

J.A. WEDUM FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

RECONCILIATION OF CHANGES IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Changes in Net Deficit	$ 415,066
Adjustments to Reconcile Changes in Net Deficit to Net Cash Provided by Operating Activities:	
Net Realized and Unrealized Investment Gains	(618,330)
Unrealized Loss on Interest Rate Swap	173,072
Depreciation	4,463,312
Amortization	128,014
Straightline Lease Receivable Adjustments	(492,033)
Non-Cash Contribution Received Through Below Market Loan	(456,987)
Non-Cash Contribution of Land Received	(115,600)
Non-Cash Contribution of Bonds Received	(400,000)
Prepaid Land Lease	(17,650)
(Increase) Decrease in	
Accounts Receivable - Tenants	86,168
Notes Receivable	25,029
Accounts Receivable - Other	(146,995)
Prepaid Insurance	(98,074)
Tenant Security Deposits	(101,808)
Increase (Decrease) in	
Accounts Payable and Accrued Operating Expenses	(193,942)
Grants Payable	500,000
Accrued Interest	443,885
Tenant Security Deposits	135,325
Prepaid Rent	89,204
Net Cash Provided by Operating Activities	$ 3,817,656
SUPPLEMENTAL SCHEDULE OF NONCASH OPERATING, INVESTING, AND FINANCING ACTIVITIES	
Property and Equipment Purchased through Debt Proceeds	$ 15,906,986
Property and Equipment Purchases Included in Accounts Payable	$ 190,303
Property and Equipment Additions through Capitalized Interest	$ 202,250

See accompanying Notes to Financial Statements

NOTE 1 ORGANIZATION

The J.A. Wedum Foundation (the Foundation) was organized on January 30, 1959 as a nonprofit organization whose mission is to positively change and improve people's lives in the spirit of stewardship and generosity exemplified by its founder, John A. Wedum. The Foundation provides housing, services and support for persons and communities in need, and for the prevention and relief of human suffering.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies followed by the Foundation are summarized below to assist the reader in understanding the accompanying financial statements.

Basis of Presentation

The Foundation follows Financial Statements of Not-for-Profit Organizations standards. Under these standards, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues, which the board has set aside for a particular purpose

Temporarily Restricted – Those resources subject to donor imposed restrictions, which will be satisfied by actions of the Foundation or the passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Foundation. The donors of these resources would typically permit the Foundation to use all or part of the income earned, including capital appreciation on related investments, for unrestricted or temporarily restricted purposes.

As of December 31, 2010, the Foundation does not have any permanently restricted net assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of the J.A. Wedum Foundation and its affiliated organizations, which are listed below, all of which are wholly owned and or controlled by the Foundation. All intercompany transactions and balances have been eliminated in the preparation of the consolidated financial statements.

Banfill Senior Housing, LLC	Fridley, MN
Central MN Senior Housing, LLC	Buffalo, Mankato, and Rochester, MN
Esplanade Gardens Senior, Inc.	Converse, TX
17th Avenue Housing, LLC	Minneapolis, MN
Wedum University Village, LLC	Minneapolis, MN
Wedum Management Services, LLC	Minneapolis, MN
Wedum Shorewood Campus, LLC	Rochester, MN
Wedum St Cloud Student Housing	St Cloud, MN
Wedum Transportation Services, LLC	Minneapolis, MN
Wedum Walnut Ridge, LLC	Clive, IA

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of statement of cash flows, the Foundation considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Receivables

The Foundation provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts receivable are unsecured. Any amounts not paid in accordance with the lease terms are considered past due. When all collection efforts have been exhausted, the accounts are written off against the related allowance. No allowance for bad debts is considered necessary at year-end.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held by Trustees Under Bond Indentures

Under the bond indentures and related agreements pertaining to various housing projects owned by the Foundation, the projects are required to have sufficient funds maintained by the trustees for payment of bond interest and principal, as well as reserve funds for payment of principal and interest on the bonds in the event that the bond funds are insufficient to meet debt service requirements. Interest earned from the bond funds remains in the funds. Interest earnings from the reserve funds are transferred to the bond funds. Funds are invested by the trustees in US Government obligations and bank money market funds, and are recorded at fair value.

Tenant Security Deposits

The consolidated housing properties hold in trust, security deposits advanced by the tenants of the properties. The properties record these deposits plus interest as a liability.

Property and Equipment

Property and equipment are recorded at cost or the estimated value on the date of contribution. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are as follows:

Land Improvements	10 - 15 Years
Buildings and Improvements	37 - 45 Years
Furniture and Equipment	5 - 10 Years

Depreciation expense was $4,457,955 for the year ended December 31, 2010.

Goodwill

On March 28, 2003, one of the Foundation's affiliated organizations (J.A. Wedum Foundation) acquired certain assets of a company that owned and operated senior assisted living projects located in central Minnesota. Prior to this acquisition, the Project did not have any operations. The aggregate purchase price was $20,130,000, resulting in $6,878,617 in goodwill recognized by the Project upon purchase. Goodwill is not amortized, but rather tested annually for impairment. No impairment losses have been recognized as of December 31, 2010.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statement of Financial Position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access. Examples include equity securities traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. The carrying amounts for cash, accounts receivable, notes receivable, restricted reserves, accounts payable, and accrued liabilities approximate fair value due to the short maturity of these instruments. Investments are reported at fair value based upon quoted market prices or, when quotes are not available, are valued on the basis of comparable financial instruments. Long-term debt is valued based on the borrowing rates currently available to the Foundation for long-term borrowing with similar terms and average maturities. The carrying value of all of the Foundation's long-term debt exceeded the fair value by approximately $3,751,000 on December 31, 2010 due to the current market interest rates being lower than the Foundation's effective interest rates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative Financial Instruments

The Foundation recognizes all derivative instruments on the balance sheet at their respective fair values. Changes in fair value of derivatives are recorded on the statement of activities and changes in net assets.

During 2007, one of the Foundation's affiliated organizations – Banfill Senior Housing, LLC (the Company) – entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its floating rate long-term debt. At December 31, 2010, the Company had a single agreement with a notional amount outstanding of $8,381,000. Under this agreement, the Company receives a variable rate equal to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The Company pays a fixed rate of 3.758%. The interest rate swap agreement matures on January 15, 2018 The variable rate on the swap was 0.34% as of December 31, 2010.

The Foundation has elected not to prepare and maintain the documentation required by the derivatives and hedging standard to qualify for hedge accounting. Accordingly, changes in the fair value of the Foundation's interest rate swap are recognized in operations as unrealized gains or losses. The net cash received or paid under the terms of the interest rate swap agreement is reported as a component of interest expense.

The fair value of the interest rate swap is determined through the use of a pricing model based on the net present value of estimated future cash flows. The valuation model used requires inputs including contractual terms, market prices, yield curves and measures of volatility. As of December 31, 2010, the fair value of the interest rate swap was an unrealized loss position of $771,888.

Advertising

The Foundation expenses advertising costs as incurred Advertising costs were $317,639 for the year ended December 31, 2010.

Other Assets

The Foundation has incurred financing costs pertaining to the issuance of its long-term debt financing related to its various housing projects. These costs are being amortized using the straight-line method over the terms of the respective bonds, namely 20-40 years. Amortization expense for the year ended December 31, 2010 was $128,014

Functional Expenses

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by programs or supporting services, are allocated on the best estimates of management.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The J.A. Wedum Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and has been classified as a private foundation under Section 509(a). Contributions to the Foundation qualify as a charitable tax deduction by the contributor.

The Foundation's 2007-2010 tax years are open for examination by federal and state taxing authorities. The Foundation has not been examined for any open years. The Foundation files as a tax exempt organization, and should that status be challenged in the future, all years since inception would be subject to review by the IRS.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. The reclassifications had no effect on the change in net assets or total net assets as previously reported

Subsequent Events

In preparing these financial statements, the Foundation has considered events and transactions that have occurred through June 24, 2011, the date the financial statements were issued.

NOTE 3 LONG-TERM DEBT

The housing projects owned by the Foundation and its affiliate organizations were acquired, constructed, and equipped with funding provided by a variety of bonds, mortgages, and notes payable. These bonds, mortgages, and notes payable are held with various financial institutions, have interest rates ranging from 0% to 12%, and mature in varying installments from the years 2011 through 2068. Property and equipment of the housing properties are pledged as collateral. The properties are subject to debt covenants under the terms of these debt agreements. These covenants require, among other things, certain reporting requirements.

Interest expense for the year ended December 31, 2010 was $8,461,847.

NOTE 3 LONG-TERM DEBT (CONTINUED)

The estimated principal payments of long term debt for the next five years are as follows:

Year Ending December 31,	Scheduled Payments	Contractual Payments
2011	$ 28,179,381	$ 36,479,381
2012	2,285,343	2,085,343
2013	2,285,519	2,185,519
2014	2,491,781	2,291,781
2015	2,510,877	2,410,877
Thereafter	138,293,551	130,593,551
Total	$ 176,046,452	$ 176,046,452

The contractual payment column in the above schedule reflects the full value of the Banfill Senior Housing, LLC's bonds – valued at $8,400,000 – as payable in 2011. The contractual payment arises from accounting standards that require debt obligations, which are subject to a Remarketing Agreement and a Reimbursement Agreement with a reimbursement provision of less than one year, to be reflected as a current debt obligation. The scheduled payment column in the above schedule reflects the anticipated payment schedule assuming that the bonds continue to be successfully remarketed.

NOTE 4 NOTE RECEIVABLE

The Foundation has a note receivable from Pine Shores, Inc. in the original amount of $275,000. The note bears interest at an annual rate of 5.5%, with monthly payments of principal and interest of $2,984 through June 2013. The note is secured by real estate. The balance due on this note as of December 31, 2010 is $91,208.

NOTE 5 INVESTMENTS

Investments, stated at fair value, consist of the following.

	Cost	Market
Cash and Cash Equivalents	$ 104,057	$ 104,057
U S Treasury Bonds	104,970	110,142
Corporate Bonds and Fixed Income Mutual Funds	579,142	559,792
U S. Common Stock and Equity Mutual Funds	3,568,187	4,608,108
Non-U.S Common Stock and Equity Mutual Funds	518,766	575,880
Total Investments	$ 4,875,122	$ 5,957,979

J.A. WEDUM FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 6 FAIR VALUE MEASUREMENTS

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Foundation values all other assets and liabilities refer to Note 1 – Summary of Significant Accounting Policies.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 are as follows:

	Level 1	Level 2	Level 3	Total
U S. Treasury Bonds	$ 110,142	$ -	$ -	$ 110,142
Corporate Bonds				
Fixed Income Mutual Funds	199,274	360,518	-	559,792
U S. Common Stock				
and Equity Mutual Funds	4,608,108	-	-	4,608,108
Non-U.S Common Stock				
and Equity Mutual Funds	575,880	-	-	575,880
Subtotal	5,493,404	360,518	-	5,853,922
Cash and Cash Equivalents	-	-	-	104,057
Total Assets	$ 5,493,404	$ 360,518	$ -	$ 5,957,979
Interest Rate Swap Liability	$ -	$ 771,888	$ -	$ 771,888
Total Liabilities	$ -	$ 771,888	$ -	$ 771,888

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of a time restriction related to Imputed Interest on Below Market Loans. The net assets are released over the life of the loan.

NOTE 8 LAND UNDER LONG-TERM LEASE

The Foundation owns land in Alexandria, Minnesota which it leases to a bank. The term of the lease is fifty (50) years and commenced on October 1, 1970. Under the terms of the lease, the Foundation receives rental income of $4,560 per month. Monthly rents are adjusted periodically throughout the lease based on changes in the Consumer Price Index for All Urban Areas. Rental income is recognized straight line over the length of the lease term. Total rental income received under this lease during the year ended December 31, 2010 was $59,736.

NOTE 9 OPERATING LEASES

The Foundation leases office space under a non-cancelable 240 month operating lease which expires November 30, 2025. Per the terms of the lease, the Organization pays base monthly rent of $1,613, plus its proportionate share of real estate taxes and common area maintenance costs.

The minimum future rental commitment under the above operating lease is as follows:

Year Ending December 31,	Amounts
2011	$ 19,350
2012	19,350
2013	19,350
2014	19,350
2015	19,350
Thereafter	191,888
Total	$ 288,638

NOTE 10 PREPAID LAND LEASES

One of the Foundation's affiliates (17th Avenue Housing, LLC) leases the land on which the Project is located from the University Episcopal Center. The lease term is for 61 years and 1 month ending October 31, 2063. The rent for the term of the lease was paid in advance and is being amortized over 60 years using the straight-line method.

The Project also leases approximately 10,000 square feet on the ground floor to the University Episcopal Center under an operating lease. The lease term is 61 years and 1 month ending August 31, 2063. The rent for the term of the lease was paid in advance and is being recognized as revenue by the Project over the occupied term of 60 years using the straight-line method.

NOTE 11 MANAGEMENT FEES

The Foundation's affiliated organizations contract with various management companies for property management services. These fees vary by property and by management company, but typically call for a certain percentage of rental income collected, or an amount per unit to be paid to the management company Total management fees paid by affiliated to external management companies for the year ended December 31, 2010 are as follows:

	Amount
SilverCrest Properties, LLC	$ 560,900
Great Lakes Management Company	253,956
EJ Plesko & Associates, Inc.	133,044
Sunrise Senior Living Management, Inc	954,975
Total Management Fees	$ 1,902,875

NOTE 12 RETIREMENT PLAN

Sunrise Senior Living, Inc., an affiliate of the company that provides management services to Central Minnesota Senior Housing, LLC, has a 401(k) retirement plan whereby eligible employees can elect to defer up to 100% of their compensation. Employer matching contributions to the plan are 25-50% of the employee's contributions, depending on years of service, up to a maximum of 7% of eligible pay. Employer contributions from Central Minnesota Senior Housing, LLC were $26,691 for the year ended December 31, 2010.

NOTE 13 CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash, deposits, reserve, and escrow funds in bank deposit accounts which, at times, may exceed federally insured limits.

NOTE 14 CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Foundation's primary assets are its wholly owned housing projects. These projects' operations are concentrated in the senior and student rental housing markets. In addition, the projects operate in a heavily regulated environment. The operations of the projects are subject to the administrative directives, rules, and regulations of federal, state, and local governmental agencies. Changes may occur with little notice or inadequate funding to pay for the related costs to comply with the change

NOTE 15 RESTATEMENTS

Net deficit as of January 1, 2010 has been adjusted for the application of GAAP from previous years.

Straight Line Leases
One of the Foundation's affiliates (Wedum University Village, LLC) had recorded two operating leases on a straight-line basis. The leases were recorded on an escalating basis in prior years. The effect on net deficit as of January 1, 2010 was a decrease of $268,424. As a result, the change in net deficit as of December 31, 2009 is understated by $158,232.

Interest Rate Swap
One of the Foundation's affiliates (Banfill Senior Housing, LLC) had recorded the fair value of the interest rate swap agreement on its variable rate bonds The value of this swap agreement was not recorded in prior years. The effect on net deficit as of January 1, 2010 was an increase of $598,816. As a result, the change in net deficit as of December 31, 2009 is overstated $299,568.

NOTE 16 COMMITMENTS

As of December 31, 2010, Central Minnesota Senior Housing, LLC had an outstanding remodeling contract totaling $595,300, of which $505,847 was outstanding as of year-end.

NOTE 17 SUBSEQUENT EVENTS

Subsequent to year-end, on April 26, 2011, one of the Foundation's affiliated organizations (Esplanade Gardens Senior, Inc.) refinanced their Series A and Series B Bonds with a 30-year mortgage note with Fannie Mae for $7,253,000 at an interest rate of 6.45%, secured by the property; and an 11-year note with the Foundation for $545,000 at an interest rate of 9.00%, unsecured and subordinate to the Fannie Mae note. The restricted reserve funds were also used to pay off the $892,000 difference between the bonds and the mortgage note. As the B Bonds were held by the Foundation, they have been eliminated in preparing the consolidated financial statements.

Also, subsequent to year-end, one of the Foundation's affiliated organizations (Wedum St. Cloud Student Housing, LLC) is in the process of refinancing their long-term debt. The proceeds will be used to pay off the Construction Loan and Mezzanine Loan.