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0216

Form **990-PF**

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

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

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

2011

For calendar year 2011 or tax year beginning January 1, 2011, and ending December 31, 2011

Name of foundation The Lundeen Foundation		A Employer identification number 41-1321858	
Number and street (or P O box number if mail is not delivered to street address) 107 North Court Street		Room/suite	B Telephone number (see instructions) 218-736-4866
City or town, state, and ZIP code Fergus Falls, Minnesota 56537-2106		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,903,187.41	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>			

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 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)	3,250.00			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	14,927.26	14,927.26		
	4 Dividends and interest from securities <i>Inc. dividends</i>	62,866.23	62,866.23		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	8,716.16			
	b Gross sales price for all assets on line 6a 327,900.00				
	7 Capital gain net income (from Part IV, line 2)		8,716.16		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) <i>(see attached)</i>	7,732.38	7,732.38			
12 Total. Add lines 1 through 11	97,492.03	94,242.03			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	46,459.54	34,559.54		11,900.00
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) <i>(see attached)</i>	1,058.47	1,058.47		
	24 Total operating and administrative expenses. Add lines 13 through 23	47,518.01	35,618.01		11,900.00
	25 Contributions, gifts, grants paid	71,200.00			71,200.00
26 Total expenses and disbursements. Add lines 24 and 25	118,718.01	35,618.01		83,100.00	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(21,225.98)				
b Net investment income (if negative, enter -0-)		58,624.02			
c Adjusted net income (if negative, enter -0-)					

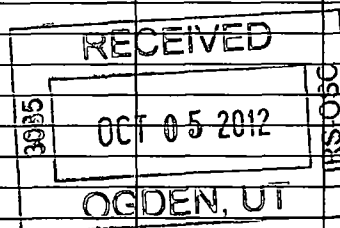
For Paperwork Reduction Act Notice, see instructions.

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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	5,998.52	2,553.61	2,553.61
	2 Savings and temporary cash investments	10,109.23	6,522.00	6,522.00
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	124,780.65	424,862.40	667,167.95
	c Investments—corporate bonds (attach schedule)	995,928.87	931,745.02	976,943.85
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶ Bank CDs)	500,010.00	250,000.00	250,000.00
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,636,827.27	1,615,683.03	1,903,187.41
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)			
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	1,636,827.27	1,615,683.03	
	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 instructions)	1,636,827.27	1,615,683.03	
	31 Total liabilities and net assets/fund balances (see instructions)	1,636,827.27	1,615,683.03	

Part III Analysis of Changes in Net Assets or Fund Balances

		CyOs
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) 1,636,827.27+81.75 (Progress Energy)		1,636,909.02
2 Enter amount from Part I, line 27a	2	(21,225.98)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,615,683.04
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,615,683.04

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 Vanguard Intermediate-Term Investment-Grade Fund- 4,906.771 shs	P	various	08/08/11
b Vanguard Short-Term Investment-Grade Fund- 9,267.841 shs	P	various	7/29/11
c Vanguard Short-Term Investment-Grade Fund- 9,259.259 shs	P	various	8/02/11
d Vanguard Short-Term Investment-Grade Fund- 4,642.526 shs	P	various	8/08/11
e Vanguard Short-Term Investment-Grade Fund- 2,624.647 shs	P	various	12/28/11

(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 50,000.00		45,099.51	4,900.41 L-T CG
b 100,000.00		98,478.03	1,521.97 L-T CG
c 100,000.00		98,386.84	1,613.16 L-T CG
d 50,000.00		49,330.46	669.54 L-T CG
e 27,900.00		27,888.92	11.08 L-T CG

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	8,716.16
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 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.

(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))
2010	91,665.53	1,880,242.00	.048751985
2009	80,701.56	1,779,351.00	.045354491
2008	82,140.00	1,824,408.00	.04502282
2007	80,375.20	1,889,221.00	.042544096
2006	76,020.60	1,817,609.36	.0418024498

2 Total of line 1, column (d)	2	.223475841
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	.044695168
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,802,030.84
5 Multiply line 4 by line 3	5	80,542.07
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	586.24
7 Add lines 5 and 6	7	81,128.31
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	83,100.00

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	586	24
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	00
3 Add lines 1 and 2		3	586	24
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	586	24
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	0	00	
b Exempt foreign organizations—tax withheld at source	6b	0	00	
c Tax paid with application for extension of time to file (Form 8868)	6c	500	00	
d Backup withholding erroneously withheld	6d	0	00	
7 Total credits and payments. Add lines 6a through 6d	7	500	00	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0	00	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	86	24	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0	00	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	11	0	00	

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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
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? <i>If "Yes," attach a detailed description of the activities.</i>		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶ N/A				
14	The books are in care of ▶ David F. Lundeen Telephone no. ▶ 218-736-4866			
Located at ▶ 107 North Court Street, Fergus Falls, MN ZIP+4 ▶ 56537-2106				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/>			
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15				
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? ▶ <input type="checkbox"/>	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 2011?	1c	✓
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions.)	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2011 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 2011.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2011?	4b	✓

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 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 instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

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

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

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**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 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
David F. Lundeen 107 North Court Street, Fergus Falls, MN 56537	Chair, less than 6-7 hrs week	0	0	0
Mary D. Lundeen 705 West Lakeside Drive, Fergus Falls, MN 56537	Trustee, less than 1 hr week	0	0	0
Victor G. Lundeen, Jr. 117 East Channing Avenue, Fergus Falls, MN 56537	Trustee, less than 1 hr. week	0	0	0
E. Daniel Lundeen, II 917 Winstead Street, Great Falls, VA 22066	Trustee, less than 1 hr week	0	0	0
Paul V. Lundeen 715 Sunset Drive, Fergus Falls, MN 56537	Trustee, less than 1 hr. week	0	0	0

(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

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

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

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

[illegible]

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

Part IX-A Summary of Direct Charitable Activities

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

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		
2		
3		
4		

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	
	
	
2	
	
	
All other program-related investments See instructions		
3	
	
	

Total. Add lines 1 through 3

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,627,934.73
b	Average of monthly cash balances	1b	36,864.57
c	Fair market value of all other assets (see instructions)	1c	250,000.00
d	Total (add lines 1a, b, and c)	1d	1,934,030.84
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	1,934,030.84
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	132,000.00
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,802,030.84
6	Minimum investment return. Enter 5% of line 5	6	90,101.54

Part XI Distributable Amount (see 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	90,101.54
2a	Tax on investment income for 2011 from Part VI, line 5	2a	586.24
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	0.00
c	Add lines 2a and 2b	2c	586.24
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	89,515.30
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	89,515.30
6	Deduction from distributable amount (see instructions)	6	0.00
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	89,515.30

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	83,100.00
b	Program-related investments—total from Part IX-B	1b	0.00
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.00
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0.00
b	Cash distribution test (attach the required schedule)	3b	0.00
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	83,100.00
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 instructions)	5	586.24
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	82,513.76

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 instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4. ► \$ <u>83,100.00</u>				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (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				
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 instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XIV Private Operating Foundations (see 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 2011, 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) 2011	(b) 2010	(c) 2009	(d) 2008	
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 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).)
- 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.
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number of the person to whom applications should be addressed:
- David F. Lundeen, Chair, The Lundeen Foundation, 107 North Court Street, Fergus Falls, MN 56537.
- b** The form in which applications should be submitted and information and materials they should include:
- Letter form of request, and IRS letter granting 501(c)(3) status, or other evidence of charitable tax-free status.
- c** Any submission deadlines:
- December 1, of each year.
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
- Service to Fergus Falls, MN area.

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> SEE ATTACHED				
Total			3a	71,200.00
b <i>Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.

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

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

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

[illegible]

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

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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
(1)	Cash	1a(1)		✓
(2)	Other assets	1a(2)		✓
b	Other transactions:			
(1)	Sales of assets to a noncharitable exempt organization	1b(1)		✓
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)		✓
(3)	Rental of facilities, equipment, or other assets	1b(3)		✓
(4)	Reimbursement arrangements	1b(4)		✓
(5)	Loans or loan guarantees	1b(5)		✓
(6)	Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

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

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

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) is based on all information of which preparer has any knowledge	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer or trustee <i>David F. Lundeen</i> Date <i>9-28-12</i> Title <i>CHAIRPERSON</i>	

Paid Preparer Use Only	Print/Type preparer's name <i>DAVID F. LUNDEEN</i>	Preparer's signature <i>David F. Lundeen</i>	Date <i>9-28-12</i>	Check <input checked="" type="checkbox"/> if self-employed	PTIN <i>41-1736992</i>
	Firm's name ▶ <i>DAVID F. LUNDEEN LAW OFFICE</i>	Firm's EIN ▶ <i>41-1736992</i>			
	Firm's address ▶ <i>107 NORTH COURT ST., FERGUS FALLS, MN 56537</i>	Phone no <i>218-736-4866</i>			

THE LUNDEEN FOUNDATION
107 North Court Street
Fergus Falls, MN 56537
TIN 41-1321858 - 2011 (Attachment)

2011 - Form 990-PF, Part II:	Beginning of Year (1/1/11)		End of Year (12/31/11)	
	(a) Book Value		(b) Book Value	(c) Fair Market Value
Line 1 Cash – Wells Fargo Bank Checking Account Balance	5,998.52		2,553.61	2,553.61
Line 2 – Money Market Funds				
Vanguard Prime Money Market Fund	10,105.75		6,518.52	6,518.52
Vanguard Admiral Treas. MM Fund	3.48		3.48	3.48
Total – Line 2	10,109.23		6,522.00	6,522.00
Line 10-b Corporate Stocks				
Chevron-Texaco, 976 shares @ 12.6328	12,329.62		12,329.62	
@ 106.40				103,846.40
3MCo, 800 shares @ .0175125	14.01		14.01	
@ 81.73				65,384.00
Imation, 40 shares @ .01425	0.57		0.57	
@ 5.73				229.20
Otter Tail Power Company				
4,000 shares @ 3.1091125	12,436.45		12,436.45	
@ 22.02				88,080.00
Progress Energy CVOs 150 shs @ .545	0.00		81.75	81.75
Vanguard Total Stock Mkt Index Fund				
3,256,268 shares @ 31.57	100,000.00		400,000.00	
@ 31.30				409,546.60
Total – Line 10b	124,780.65		424,862.40	667,167.95
Line 10-c Mutual Funds				
Short-Term I-G 47,020.283/shs @ 10.77	495,979.09		476,894.83	
44,880.927/shs @ 10.64				477,533.06
Inter-Term I-G 23,030.523/shs @ 9.92	211,680.38		166,580.79	
18,123.752/shs @ 9.99				181,056.28
High Yield Corp 45,331.171/shs @ 5.11	231,634.29		231,634.29	
45,331.171/shs @ 5.11				257,934.36
45,331.171/shs @ 5.69				
Vanguard Fixed-Income Fund				
GNMA Portfolio				
5,458,008 shares @ 10.38/sh	56,635.11		56,635.11	
@ 11.07/sh				60,420.15
Total – Line 10c	995,928.87		931,745.02	976,943.85
Line 15 - Other Assets				
Bank - Certificates of Deposit	\$500,010.00		\$250,000.00	\$250,000.00
TOTAL Line 16	\$1,636,827.27		\$1,615,683.03	\$1,903,187.41

The Lundeen Foundation - EIN: 41-1321858

Attachment to Page 1 - Form 990-PF - 2011

Part I

Line 11 -	Short Term Capital Gain Distributions	\$1,541.63
	Long Term Capital Gain Distributions	<u>6,190.75</u>
		\$7,732.38
Line 23 -	2010 Excise Tax paid in 2011	\$1,033.47
	Fee paid to State of Minnesota	<u>25.00</u>
		\$1,058.47

Explanation for deductions on Line 4, Part X

The Foundation needs cash to cover its annual disbursements, including:

- (1) Contributions to charities: \$75,000 to \$85,000 (\$83,800 in 2010, and \$71,200 in 2011);
- (2) Legal fees for handling investments and foundation operations of \$46,500 to \$55,000 (amounting to \$34,784 in 2010, \$46,459 in 2011, and \$52,863 in 2012); and
- (3) IRS excise taxes and Minnesota filing fees (amounting to \$1,058 in 2010);

or a total of \$122,500 to \$141,000. If 1 ½% were used, it would amount to a mere \$29,100± (.015 x 1,934,031 = 29,105), or some \$93,500 to \$112,000 less than might be needed to meet its 12-month cash needs. An average of these two figures, \$122,500 and \$141,000, \$132,000 has been deducted on Line 4, Part X.

THE LUNDEEN FOUNDATION
TIN 41-1321858
FORM 990-PF, 2011

Part XV – Grants and Contributions Paid During the Year

Recipient (Name and Address)	Purpose of Grant or Contribution	Amount Paid During the Year
a. Paid during the year.		
Pioneer Home Foundation 1006 South Sheridan Fergus Falls, MN 56537	Capital Campaign	\$5,000
Fergus Area College Foundation 1414 College Way Fergus Falls, MN 56537	Scholarship Fund	3,700
Otter Tail County Historical Society 1110 West Lincoln Avenue Fergus Falls, MN 56537	General Operations	3,500
Boy Scouts of America Northern Lights Council 301 South Seventh Street Fargo, ND 58102	General Operations	1,000
Fergus Falls Area YMCA 1164 North Friberg Avenue Fergus Falls, MN 56537	50% Operations 50% Capital Campaign	9,000
Pioneer Public Television/West Central MN TV 120 W Schlieman Avenue Appleton, MN 56208	General Operations	2,500
Prairie Public Broadcasting Inc. 207 Fifth Street North Box 3240 Fargo, ND 58018-3240	General Operations	2,500
Claire Ann Shover Nursery School 522 West Spruce Fergus Falls, MN 56537	General Operations	1,200
KCCM 91.1 FM/Minnesota Public Radio 901 S 8th Street Moorhead, MN 56562	General Operations	2,500
Fergus Falls Concert Assn. P. O. Box 226 Fergus Falls, MN 56537	General Operations	3,700

Lake Region Hospital Foundation 712 South Cascade Box 727 Fergus Falls, MN 56538	General Operations	5,000
Salvation Army 406 South Cascade Fergus Falls, MN 56537	General Operations	3,000
Fergus Falls Center for the Arts 124 West Lincoln Avenue Box 955 Fergus Falls, MN 56538	General Operations	7,500
Broen Memorial Home 824 South Sheridan Fergus Falls, MN 56537	General Operations	500
Hillcrest Lutheran Academy 610 Hillcrest Drive Fergus Falls, MN 56537	General Operations	500
Lakeland Hospice, Inc. P O Box 824 Fergus Falls, MN 56538	General Operations	1,250
Someplace Safe P. O. Box 815 Fergus Falls, MN 56538	General Operations	1,250
Habitat for Humanity P. O Box 84 Fergus Falls, MN 56538	General Operations	1,250
Fergus Falls Community Food Shelf P O Box 86 Fergus Falls, MN 56537	General Operations	3,500
Alzheimer's Assn. MN & ND 4550 West 77th St., Ste 200 Minneapolis, MN 55435	General Operations	1,100
City of Fergus Falls, City Hall 112 West Washington Avenue Fergus Falls, MN 56537	Accelerated Reading Program	2,400
Oak Grove Cemetery Ass'n of Fergus Falls 1214 Foothill Court Fergus Falls, MN 56537	General Operations	2,000

Fergus Falls 544 Education Foundation 518 N. Friberg Avenue Fergus Falls, MN 56537	General Operations	2,000
Friends of the Boundary Waters Wilderness 401 North Third Street, Suite 290 Minneapolis, MN 55401	General Operations	1,900
Otter Tail County Pheasants Forever P.O. Box 812 Fergus Falls, MN 56538-0812	General Operations	600
Friends of Prairie Wetlands Learning Center 602 Highway 210 East Fergus Falls, MN 56537	General Operations	750
Humane Society of Otter Tail County 1933 Fir Avenue West Fergus Falls, MN 56537	General Operations	250
Kaddatz Galleries 110 West Lincoln Avenue Fergus Falls, MN 56537	General Operations	1,000
MS Walk 6000 Avenue St. Paul, MN 55101	General Operations	500
The Matthew House P.O. Box 91 Fergus Falls, MN 56537	General Operations	350
	Total	71,200