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

2011

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

For calendar year 2011 or tax year beginning _____, and ending _____

Name of foundation

North Star Foundation

Number and street (or P O box number if mail is not delivered to street address)

130 West Superior Street Suite 914

Room/suite

City or town, state, and ZIP code

Duluth MN 55802

G Check all that apply

 Initial return Initial return of a former public charity Final return Amended return Address change Name changeH Check type of organization Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at
end of year (from Part II, col. (c),
line 16) ► \$ 1,678,882 (Part I, column (d) must be on cash basis)J Accounting method Cash Accrual Other (specify) _____

A Employer identification number

41-1894264

B Telephone number (see instructions)

218-722-3112

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 ► E If private foundation status was terminated under
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)					
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					RECEIVED
3 Interest on savings and temporary cash investments		118	118		
4 Dividends and interest from securities		31,086	31,086	326	JUN 04 2012
5a Gross rents		1,300	1,300	226	
b Net rental income or (loss)	-67,202				
6a Net gain or (loss) from sale of assets not on line 10		3,022			OGDE
b Gross sales price for all assets on line 6a	228,567				
7 Capital gain net income (from Part IV, line 2)			3,022		
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)					
12 Total. Add lines 1 through 11		35,526	35,526	0	
13 Compensation of officers, directors, trustees, etc		0			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)	Stmt 1	3,134	3,134		
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see instructions)					
19 Depreciation (attach schedule) and depletion	Stmt 2	595	595		
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (att. sch.)	Stmt 3	94,022	92,386		
24 Total operating and administrative expenses.		97,751	96,115	0	0
Add lines 13 through 23		99,300			99,300
25 Contributions, gifts, grants paid		197,051	96,115	0	99,300
26 Total expenses and disbursements. Add lines 24 and 25					
27 Subtract line 26 from line 12.		-161,525			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			0		
c Adjusted net income (if negative, enter -0-)				0	

Assets	Part II 'Balance Sheets' <small>Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)</small>	Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
1	Cash—non-interest-bearing				
2	Savings and temporary cash investments		275,524	176,809	176,809
3	Accounts receivable ►	1,500			
	Less allowance for doubtful accounts ►		1,567	1,500	1,500
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 (att. schedule) ►	0			
	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)	See Stmt 4	244,574	255,091	261,634
c	Investments—corporate bonds (attach schedule)				
11	Investments—land, buildings, and equipment basis ►	1,829,627			
	Less accumulated depreciation (attach sch) ► Stmt 5	193,368	1,653,131	1,636,259	705,000
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	See Statement 6	525,243	532,887	533,939
14	Land, buildings, and equipment basis ►	3,426			
	Less accumulated depreciation (attach sch) ► Stmt 7	3,426			
15	Other assets (describe ►)	See Statement 8)	62,465		
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		2,762,504	2,602,546	1,678,882
Liabilities	17 Accounts payable and accrued expenses			1,567	
	18 Grants payable				
19	Deferred revenue				
20	Loans from officers, directors, trustees, and other disqualified persons				
21	Mortgages and other notes payable (attach schedule)				
22	Other liabilities (describe ►))	0	1,567	
23	Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg , and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		2,762,504	2,600,979	
	30 Total net assets or fund balances (see instructions)		2,762,504	2,600,979	
	31 Total liabilities and net assets/fund balances (see instructions)		2,762,504	2,602,546	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,762,504
2	Enter amount from Part I, line 27a	2	-161,525
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	2,600,979
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	2,600,979

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 NA Mkt Neutral K-1 Passthru ST		P	Various	Various
b NA Mkt Neutral K-1 Passthru LT		P	Various	Various
c Merrill Lynch - ST Summary		P	Various	Various
d Merrill Lynch - LT Summary		P	Various	Various
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 8,418			8,418	
b 18			18	
c 163,330		167,162	-3,832	
d 56,801		58,383	-1,582	
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(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		
a			8,418	
b			18	
c			-3,832	
d			-1,582	
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	3,022
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	4,586
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8				

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 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))
2010	100,000	1,930,134	0.051810
2009	242,291	2,203,410	0.109962
2008	80,800	2,598,517	0.031095
2007	109,270	3,557,791	0.030713
2006	136,099	3,800,087	0.035815

2 Total of line 1, column (d)

2 0.259395

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 0.051879

4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5

4 1,726,608

5 Multiply line 4 by line 3

5 89,575

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7 89,575

8 Enter qualifying distributions from Part XII, line 4

8 99,300

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

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 ► and enter "N/A" on line 1
 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)

1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

1c 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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

5 Tax based on Investment income. Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments

a 2011 estimated tax payments and 2010 overpayment credited to 2011

6a 1,349

b Exempt foreign organizations—tax withheld at source

6b

c Tax paid with application for extension of time to file (Form 8868)

6c

d Backup withholding erroneously withheld

6d

7 Total credits and payments Add lines 6a through 6d

7

1,349

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

1,349

11 Enter the amount of line 10 to be Credited to 2012 estimated tax ►

1,349

Refunded ►

11

Part VII-A Statements Regarding Activities

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 Yes No

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 Yes No

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 Yes No

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?

2 Yes No

If "Yes," attach a detailed description of the activities

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 Yes No

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a Yes No

b If "Yes," has it filed a tax return on Form 990-T for this year?

4b Yes No

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5 Yes No

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

6 Yes No

● 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? If "Yes," complete Part II, col (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see 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

7 Yes No

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)? If "Yes," complete Part XIV

8b Yes No

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

9 Yes No

10 Yes No

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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	<input checked="" type="checkbox"/>
14	The books are in care of ► Gerald Dodd 104 West Superior Street Located at ► Duluth	Telephone no ► 218-722-3112	
		MN	ZIP+4 ► 55802
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	<input type="checkbox"/>
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? See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ►	16	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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.

1a	During the year did the foundation (either directly or indirectly)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?	N/A	
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? If "Yes," list the years ► 20 20 20 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 20 20 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<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)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
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 <input checked="" type="checkbox"/>	

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))?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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)? Organizations relying on a current notice regarding disaster assistance check here			N/A	<input type="checkbox"/>			
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? If "Yes," attach the statement required by Regulations section 53 4945-5(d)			N/A	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.			<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?			<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?			N/A				

Part VIII. Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see 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
Gerald S Dodd 2530 East 7th Street	Duluth MN 55812	President 1.00	0	0
Nancy Seitz Dodd 2530 East 7th Street	Duluth MN 55812	Director 1.00	0	0

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

► 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 instructions). If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services**Part IX-A** | **Summary of Direct Charitable Activities**

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

Expenses

1 **N/A**

2

3

4

Part IX-B | **Summary of Program-Related Investments (see 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 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	252,133
b	Average of monthly cash balances	1b	216,977
c	Fair market value of all other assets (see instructions)	1c	1,283,792
d	Total (add lines 1a, b, and c)	1d	1,752,902
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	1,752,902
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	26,294
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,726,608
6	Minimum investment return. Enter 5% of line 5	6	86,330

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	86,330
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1	3	86,330
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	86,330
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	86,330

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	99,300
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	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	99,300
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	0
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)	6	99,300
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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				86,330
2 Undistributed income, if any, as of the end of 2011			95,784	
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 ► \$ 99,300			95,784	
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				3,516
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				82,814
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 <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
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))

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 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.

N/A

c Any submission deadlines

N/A

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

N/A

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 9				99,300
Total			► 3a	99,300
b Approved for future payment N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

		Unrelated business income	Excluded by section 312, 313, or 314		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments		14	118		
4 Dividends and interest from securities		14	31,086		
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		16	-67,202		
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					3,022
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)		0	0	-35,998	3,022
13 Total. Add line 12, columns (b), (d), and (e)					-32,976

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

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2011

Attachment
Sequence No 179Department of the Treasury
Internal Revenue Service (99)

► See separate instructions.

► Attach to your tax return.

Name(s) shown on return

North Star Foundation

Identifying number
41-1894264

Business or activity to which this form relates

Residential Rental - FL

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount (see instructions)	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost	
7 Listed property. Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the smaller of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A		17	30,046
17 MACRS deductions for assets placed in service in tax years beginning before 2011		17	30,046
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ►			

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	05/01/11	3,569	27.5 yrs	MM	S/L	56
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	30,641
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Form 4562 (2011)
There are no amounts for Page 2

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees**

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
Account and Tax Prep	\$ 2,975	\$ 2,975	\$	\$
Account and Tax Prep-K-1 passthr	\$ 159	\$ 159	\$	\$
Total	\$ 3,134	\$ 3,134	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 19 - Depreciation

<u>Description</u>	<u>Date Acquired</u>	<u>Cost Basis</u>	<u>Prior Year Depreciation</u>	<u>Method</u>	<u>Life</u>	<u>Current Year Depreciation</u>	<u>Net Investment Income</u>	<u>Adjusted Net Income</u>
Computer - Jeff's	2/11/04	\$ 2,568	\$ 2,568	S/L	5	\$ 5	\$	\$
Computer	6/01/05	858	858	S/L	5			
Furniture	12/06/11	5,202		S/L	7	93	93	93
Carpeting	4/01/11	4,997		S/L	7	446	446	446
Air Conditioning Unit	5/01/11	3,569		S/L	27.5	\$ 56	\$ 56	\$ 56
Total		\$ 17,194	\$ 3,426			\$ 595	\$ 595	\$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
Residential Rental - FL	\$ 4,000	\$ 4,000	\$	\$
Association Dues	50	50		
Miscellaneous.	781	781		
Security				
Bank Charges				
Insurance	4,599	4,599		
Cleaning / Maintenance	2,027	2,027		
Repairs	8,829	8,829		

Federal Statements**Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses (continued)**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Real Estate Taxes	\$ 12,664	\$ 12,664	\$ 4,911	
Utilities	4,911		30,046	
Investment Depreciation	30,046			
Expenses				
State Filing Fee	25	25		
Investment Int - NAM Mkt Neut	1,022	1,022		
Dividends paid on short sales	19,842	19,842		
Merrill Fees	3,590	3,590		
Miscellaneous Expenses	533			
Bank & Ins Chrgs	1,103			
Total	\$ 94,022	\$ 92,386	\$ 0	

Federal Statements**Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Mutual Funds - Merrill Account	\$ 244,574	\$ 255,091	Cost	\$ 261,634
Total	\$ 244,574	\$ 255,091		\$ 261,634

Statement 5 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Buildings	\$ 792,642	\$ 916,886	\$ 138,908	\$ 381,500
Furniture & Fixtures	10,489	57,386	49,105	37,000
Land	850,000	850,000		286,500
Machinery & Equipment		5,355	5,355	
Total	\$ 1,653,131	\$ 1,829,627	\$ 193,368	\$ 705,000

Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
NAM Market Neutral Fund	\$ 525,243	\$ 532,887	Cost	\$ 533,939
Total	\$ 525,243	\$ 532,887		\$ 533,939

Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Machinery & Equipment	\$ 0	\$ 3,426	\$ 3,426	\$ 0
Total	\$ 0	\$ 3,426	\$ 3,426	\$ 0

Federal Statements**Statement 8 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
CSV - Life Insurance	\$ 62,465	\$ _____	\$ _____
Total	\$ 62,465	\$ 0	\$ 0

Federal Statements**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Address	Relationship	Address	Status	Purpose	Amount
UCA	Duluth MN Duluth Childrens Museum	None	501 (c)	General Use		1,000
	Duluth MN	None	501 (c)	General Use		5,000
Holy Rosary School	Duluth MN	None	501 (c)	General Use		3,000
Marshall School	Duluth MN	None	501 (c)	General Use		10,000
Woodland Hills	Duluth MN	None	501 (c)	General Use		10,000
Duluth Playhouse	Duluth MN	None	501 (c)	General Use		3,000
CHUM	Duluth MN	None	501 (c)	General Use		3,000
United Way	Duluth MN	None	501 (c)	General Use		8,000
Damiano Center	Duluth MN	None	501 (c)	General Use		3,000
ARC	Duluth MN Boys and Girls Club	None	501 (c)	General Use		3,000
	Duluth MN	None	501 (c)	General Use		2,000
Scottish Rite Foundation	Duluth MN	None	501 (c)	General Use		5,000
Miller Dwan Foundation	Duluth MN	None	501 (c)	General Use		10,000
2nd Harvest Food Bank	Duluth MN	None	501 (c)	General Use		3,000
Proctor DECA	Proctor MN	None	501 (c)	General Use		200
Friends of Tennis	Duluth MN	None	501 (c)	General Use		1,000
Hank Jenson School	Duluth MN	None	501 (c)	General Use		500
Northern Communities	Duluth MN	None	501 (c)	General Use		7,500
Life House	Duluth MN	None	501 (c)	General Use		3,000

Federal Statements**Statement 9 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)**

Name	Address	Relationship	Status	Purpose	Amount
Womens Care Center Duluth MN	None	501 (c)	General Use		4,000
Alzheimers Assoc Duluth MN	None	501 (c)	General Use		3,000
Boys and Girls Club Duluth MN	None	501 (c)	General Use		10,000
UMD Athletics Duluth MN	None	501 (c)	General Use		1,100
Total					99,300

Year Ended: December 31, 2011

41-1894264

North Star Foundation
130 West Superior Street Suite 914
Duluth, MN 55802

**Electing out of Bonus Depreciation Allowance for
All Eligible Depreciable Property**

The taxpayer elects out of first-year bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after December 31, 2007. This election applies to all eligible depreciable property placed in service during the tax year.

Federal Statements**Taxable Interest on Investments**

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
Wells Fargo	\$ 53			14	
Dain	25			14	
Merrill	32			14	
NA Market Neutral Fund	8			14	
Total	<u>\$ 118</u>				8\$

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
Merrill	\$ 10,862			14	
Dain Rauscher				14	
NA Market Neutral Fund	20,098			14	
NA Market Neutral dvd adj	126			14	
Total	<u>\$ 31,086</u>				