



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)
▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012Open to Public
Inspection**A For the 2012 calendar year, or tax year beginning , and ending**

| | | |
|---|--|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization <div align="center">LUVERNE AREA COMMUNITY FOUNDATION</div> Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 623 City, town or post office, state, and ZIP code LUVERNE MN 56156-0623 | D Employer identification number 41-1512905 E Telephone number 507-220-2424 G Gross receipts \$ 395,008 |
| F Name and address of principal officer: BARBARA BERGHORST PO BOX 623 LUVERNE MN 56156 | | |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website ▶ luvacf.org K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ L Year of formation 1992 M State of legal domicile MN | | |
| H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶ | | |

Part I Summary

| | | | | |
|---|---|--|-------------------|----------------------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities See Schedule O | | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets | | | |
| | 3 | 11 | | |
| | 4 | 11 | | |
| | 5 | 2 | | |
| | 6 | 0 | | |
| | 7a | | 0 | |
| | 7b | | 0 | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | | Prior Year | Current Year |
| | | | 301,747 | 321,783 |
| | 9 Program service revenue (Part VIII, line 2g) | | | 0 |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | | 59,549 | 73,225 |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | | 0 |
| Expenses | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | | 361,296 | 395,008 |
| | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | | 225,509 | 198,400 |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | | | 0 |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | | 22,555 | 23,363 |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | | | 0 |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 52,392 | | | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | | 51,954 | 63,249 |
| | 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) | | 300,018 | 285,012 |
| | 19 Revenue less expenses Subtract line 18 from line 12 | | 61,278 | 109,996 |
| | Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | | Beginning of Current Year |
| | | 1,720,040 | 2,363,330 | |
| 21 Total liabilities (Part X, line 26) | | 1,106 | 316,681 | |
| 22 Net assets or fund balances Subtract line 21 from line 20 | | 1,718,934 | 2,046,649 | |

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge

| | | |
|------------------|---|---|
| Sign Here | Signature of officer: <i>Barbara J Berghorst</i> BARB BERGHORST Type or print name and title | Date: 10-28-13 TREASURER |
| | Preparer's name: MATT TAUBERT Preparer's signature: <i>Matt Taubert</i> Date: 10/21/13 Check <input type="checkbox"/> if self-employed PTIN: P00901322 Firm's name: Meulebroeck, Taubert & Co., PLLP Firm's EIN: 41-1987097 Firm's address: 216 East Main St Pipestone, MN 56164 Phone no: 507-825-4288 | |

May the IRS discuss this return with the preparer shown above? (see instructions)

Prepared By

☒ Yes ☐ NoFor Paperwork Reduction Act Notice, see the separate instructions
DAA

MEULEBROECK, TAUBERT & CO., PLLP
 Certified Public Accountants
 Fed 41-1987097 MN 5071503
 PIPESTONE, MINNESOTA 56164

Form **990** (2012)13
917

SCANNED NOV 25 2013

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

**1** Briefly describe the organization's mission:**See Schedule O****2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code) (Expenses \$ **198,400** including grants of \$ **198,400**) (Revenue \$)
LUVERNE AREA COMMUNITY FOUNDATION'S PRIMARY ACTIVITY IS GRANT MAKING AIMED AT IMPROVING THE QUALITY OF LIFE IN LACF'S SERVICE AREA. IN 2012 OF THE MORE THAN 20 GRANTS MADE, MOST WERE COMPETITIVELY AWARDED TO ORGANIZATIONS THAT SOUGHT TO SERVICE AREAS PRESSING NEEDS AND OPPORTUNITIES. IN ALL MORE THAN 10 CHARITABLE ORGANIZATIONS RECEIVED SUPPORT FROM LACF AND INCLUDED THE ARTS AND HUMANITIES, COMMUNITY DEVELOPMENT, EDUCATION, HEALTH AND WELLNESS, HUMAN SERVICES, RELIGION AND YOUTH. SOME ORGANIZATIONS ARE ELIGIBLE FOR ANNUAL DISTRIBUTIONS FROM DESIGNATED/AGENCY ENDOWMENTS.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► **198,400**

Part IV Checklist of Required Schedules

| | Yes | No |
|---|----------|----------|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? | X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | | X |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III | | X |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | X | |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | X |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | | X |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V | X | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | | X |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | | X |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | | X |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX | | X |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | | X |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X | | X |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | X | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV | | X |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) | | X |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | | X |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H | | X |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|----------|----------|
| 21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | X | |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25 | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | |
| a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1 | | X |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | X |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | X | |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

| | | Yes | No |
|-----|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. | | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | | |
| 1c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | | |
| 2b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). | X | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | | X |
| 3b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O. | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | X |
| 4b | If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | X |
| 5b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | X |
| 5c | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | | X |
| 6b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | |
| 7a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | X |
| 7b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | | |
| 7c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | X |
| 7d | If "Yes," indicate the number of Forms 8282 filed during the year. | | |
| 7e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | X |
| 7f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | X |
| 7g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | X |
| 7h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | X |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| 9a | Did the organization make any taxable distributions under section 4966? | | |
| 9b | Did the organization make a distribution to a donor, donor advisor, or related person? | | |
| 10 | Section 501(c)(7) organizations. Enter | | |
| 10a | Initiation fees and capital contributions included on Part VIII, line 12. | | |
| 10b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | | |
| 11 | Section 501(c)(12) organizations. Enter | | |
| 11a | Gross income from members or shareholders. | | |
| 11b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | |
| 12b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year. | | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | | |
| 13a | Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O. | | |
| 13b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. | | |
| 13c | Enter the amount of reserves on hand. | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | | X |
| 14b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O. | | |

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

| | | Yes | No |
|---|-----------|----------|----------|
| 1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O | 11 | | |
| b Enter the number of voting members included in line 1a, above, who are independent | 11 | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | 2 | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? | 3 | | X |
| 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | 4 | | X |
| 5 Did the organization become aware during the year of a significant diversion of the organization's assets? | 5 | | X |
| 6 Did the organization have members or stockholders? | 6 | | X |
| 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | | X |
| b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | | X |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | | |
| a The governing body? | 8a | X | |
| b Each committee with authority to act on behalf of the governing body? | 8b | X | |
| 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | 9 | | X |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

| | Yes | No |
|---|----------|----------|
| 10a Did the organization have local chapters, branches, or affiliates? | | X |
| b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | | |
| 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | | X |
| b Describe in Schedule O the process, if any, used by the organization to review this Form 990 | | |
| 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 | | X |
| b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | | |
| c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | | |
| 13 Did the organization have a written whistleblower policy? | | X |
| 14 Did the organization have a written document retention and destruction policy? | | X |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | |
| a The organization's CEO, Executive Director, or top management official | X | |
| b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) | X | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | X |
| b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | | |

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **None**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **EMILY CRABTREE** **PO BOX 623**

LUVERNE**MN 56156****507-220-2424**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's current key employees, if any. See instructions for definition of "key employee."
 - List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|-----------------------|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) NADINE SCHOEP | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (2) BETH BARTELS | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (3) JEFF HARTQUIST | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (4) KAREN RADISEWITZ | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (5) DOUG EISMA | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (6) MIKE COX | 1.00 | | | | | | | | | |
| DIRECTOR | 0.00 | X | | | | | | 0 | 0 | 0 |
| (7) GREG BURGER | 1.00 | | | | | | | | | |
| PAST PRESIDENT | 0.00 | | | X | | | | 0 | 0 | 0 |
| (8) MICHELE VAN DYKE | 1.00 | | | | | | | | | |
| PRESIDENT | 0.00 | | | X | | | | 0 | 0 | 0 |
| (9) BEN VANDER KOOI | 1.00 | | | | | | | | | |
| SECTY | 0.00 | | | X | | | | 0 | 0 | 0 |
| (10) BARB BERGHORST | 1.00 | | | | | | | | | |
| TREASURER | 0.00 | | | X | | | | 0 | 0 | 0 |
| (11) | | | | | | | | | | |

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (12) | | | | | | | | | | |
| (13) | | | | | | | | | | |
| (14) | | | | | | | | | | |
| (15) | | | | | | | | | | |
| (16) | | | | | | | | | | |
| (17) | | | | | | | | | | |
| (18) | | | | | | | | | | |
| (19) | | | | | | | | | | |
| 1b Sub-total | | | | | | | | | | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | | | |
| d Total (add lines 1b and 1c) | | | | | | | | | | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

| | Yes | No |
|----------|-----|----------|
| 3 | | X |
| 4 | | X |
| 5 | | X |

Section B Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

| (A) Name and business address | (B) Description of services | (C) Compensation |
|----------------------------------|--------------------------------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of RevenueCheck if Schedule O contains a response to any question in this Part VIII. ☐

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|---|---------------------------|----------------------|--|---|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | 101,098 | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 220,685 | | | |
| | g Noncash contributions included in lines 1a-1f \$ | | | | | |
| | h Total. Add lines 1a-1f | | 321,783 | | | |
| Program Service Revenue | Busn Code | | | | | |
| | 2a | | | | | |
| | b | | | | | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f All other program service revenue | | | | | |
| | g Total. Add lines 2a-2f | | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 52,557 | | | 52,557 |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 Royalties | | | | | |
| | 6a Gross rents | (i) Real (ii) Personal | | | | |
| | b Less rental exps | | | | | |
| | c Rental inc or (loss) | | | | | |
| | d Net rental income or (loss) | | | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities (ii) Other | 20,668 | | | |
| | b Less cost or other basis & sales exps | | | | | |
| | c Gain or (loss) | 20,668 | | | | |
| | d Net gain or (loss) | | 20,668 | 20,668 | | |
| | 8a Gross income from fundraising events (not including \$ 101,098 of contributions reported on line 1c) See Part IV, line 18 | a | | | | |
| | b Less direct expenses | b | | | | |
| | c Net income or (loss) from fundraising events | | | | | |
| | 9a Gross income from gaming activities See Part IV, line 19 | a | | | | |
| | b Less direct expenses | b | | | | |
| | c Net income or (loss) from gaming activities | | | | | |
| | 10a Gross sales of inventory, less returns and allowances | a | | | | |
| b Less cost of goods sold | b | | | | | |
| c Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | | Busn Code | | | | |
| 11a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d | | | | | | |
| 12 Total revenue. See instructions | | 395,008 | 20,668 | 0 | 52,557 | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX ☐

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 | 198,400 | 198,400 | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 20,533 | | 10,644 | 9,889 |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | 2,830 | | 1,467 | 1,363 |
| 11 Fees for services (non-employees) | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | 9,700 | | 9,700 | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | 6,892 | | 6,892 | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) | | | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 1,081 | | 1,081 | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | | | | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | | | | |
| 23 Insurance | | | | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a CHARITY DINNER/AUCTION | 25,303 | | | 25,303 |
| b ANNUAL FUNDRAISER | 9,580 | | | 9,580 |
| c ADVERTISING | 5,285 | | | 5,285 |
| d INSURANCE | 1,302 | | 1,302 | |
| e All other expenses | 4,106 | | 3,134 | 972 |
| 25 Total functional expenses. Add lines 1 through 24e | 285,012 | 198,400 | 34,220 | 52,392 |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance SheetCheck if Schedule O contains a response to any question in this Part X ☐

| | | (A) Beginning of year | | (B) End of year |
|--|--|--------------------------|------------------|--------------------|
| Assets | 1 Cash—non-interest bearing | | 1 | |
| | 2 Savings and temporary cash investments | 324,756 | 2 | 277,779 |
| | 3 Pledges and grants receivable, net | | 3 | 383,200 |
| | 4 Accounts receivable, net | | 4 | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | | 9 | |
| | 10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D | 10a | | |
| | b Less accumulated depreciation | 10b | 10c | |
| | 11 Investments—publicly traded securities | 1,395,284 | 11 | 1,702,351 |
| | 12 Investments—other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments—program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | | 15 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 1,720,040 | 16 | 2,363,330 | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,106 | 17 | 1,782 |
| | 18 Grants payable | | 18 | 61,700 |
| | 19 Deferred revenue | | 19 | 253,199 |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | | 25 | |
| | 26 Total liabilities. Add lines 17 through 25 | 1,106 | 26 | 316,681 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34 | | | |
| | 27 Unrestricted net assets | 1,368,934 | 27 | 1,696,649 |
| | 28 Temporarily restricted net assets | 350,000 | 28 | 350,000 |
| | 29 Permanently restricted net assets | | 29 | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 Total net assets or fund balances | 1,718,934 | 33 | 2,046,649 |
| 34 Total liabilities and net assets/fund balances | 1,720,040 | 34 | 2,363,330 | |

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

| | | | |
|----|---|----|-----------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 395,008 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 285,012 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 109,996 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 1,718,934 |
| 5 | Net unrealized gains (losses) on investments | 5 | 133,319 |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 84,400 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 2,046,649 |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☒

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

| | Yes | No |
|----|-------------------------------------|-------------------------------------|
| 2a | | <input checked="" type="checkbox"/> |
| 2b | <input checked="" type="checkbox"/> | |
| 2c | <input checked="" type="checkbox"/> | |
| 3a | | <input checked="" type="checkbox"/> |
| 3b | | |

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012Open to Public
Inspection

Name of the organization

LUVERNE AREA COMMUNITY FOUNDATION

Employer identification number

41-1512905**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state.
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

| | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1–9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|---|----|--|----|---|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| (A) | | | | | | | | | |
| (B) | | | | | | | | | |
| (C) | | | | | | | | | |
| (D) | | | | | | | | | |
| (E) | | | | | | | | | |
| Total | | | | | | | | | |

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.") | | 709,327 | 316,648 | 301,747 | 321,783 | 1,649,505 |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | 709,327 | 316,648 | 301,747 | 321,783 | 1,649,505 |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4 | | | | | | 1,649,505 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 7 Amounts from line 4 | | 709,327 | 316,648 | 301,747 | 321,783 | 1,649,505 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | 27,729 | 41,545 | 52,557 | 121,831 |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | 1,771,336 |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐**Section C. Computation of Public Support Percentage**

| | | |
|---|-----------|---------|
| 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | 93.12 % |
| 15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | 95.04 % |
| 16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/> | | |
| b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| 17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/> | | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12) | | | | | | |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17 | 18 | % |

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012Open to Public
Inspection

Name of the organization

Employer identification number

LUVERNE AREA COMMUNITY FOUNDATION**41-1512905****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

| | (a) Donor advised funds | (b) Funds and other accounts |
|--|-------------------------|------------------------------|
| 1 Total number at end of year | 1 | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | 6,500 | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

| | |
|--|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

| | |
|--|------|
| (i) Revenues included in Form 990, Part VIII, line 1 | ► \$ |
| (ii) Assets included in Form 990, Part X | ► \$ |

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

| | |
|--|------|
| a Revenues included in Form 990, Part VIII, line 1 | ► \$ |
| b Assets included in Form 990, Part X | ► \$ |

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- ☐ **a** Public exhibition
☐ **b** Scholarly research
☐ **c** Preservation for future generations
☐ **d** Loan or exchange programs
☐ **e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

- c** Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

| | Amount |
|-----------|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐ Yes ☐ No

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 216,554 | 218,995 | 197,723 | 120,533 | |
| b Contributions | | 1,260 | 39,929 | 142,595 | |
| c Net investment earnings, gains, and losses | | 289 | 19,027 | 213 | |
| d Grants or scholarships | 6,500 | 2,894 | 35,413 | 62,187 | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | 1,096 | 2,271 | 3,431 | |
| g End of year balance | 210,054 | 216,554 | 218,995 | 197,723 | |

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a** Board designated or quasi-endowment ☐ %
b Permanent endowment ☐ %
c Temporarily restricted endowment ☐ %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i)** unrelated organizations
(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

| | Yes | No |
|---------------|-----|----------|
| 3a(i) | | X |
| 3a(ii) | | X |
| 3b | | |

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---------------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | | | |
| e Other | | | | |

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|--|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| (I) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 12) | | |

Part VIII Investments—Program Related. See Form 990, Part X, line 13

| (a) Description of investment type | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|--|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| (10) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 13) | | |

Part IX Other Assets. See Form 990, Part X, line 15

| (a) Description | (b) Book value |
|--|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 15) | |

Part X Other Liabilities. See Form 990, Part X, line 25

| 1. (a) Description of liability | (b) Book value |
|--|----------------|
| (1) Federal income taxes | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| (10) | |
| (11) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25) | |

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

| | | | |
|----------|--|-----------|----------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 528,327 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | 133,319 |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII) | 2d | |
| e | Add lines 2a through 2d | 2e | 133,319 |
| 3 | Subtract line 2e from line 1 | 3 | 395,008 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 395,008 |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

| | | | |
|----------|---|-----------|----------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 285,012 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII) | 2d | |
| e | Add lines 2a through 2d | 2e | |
| 3 | Subtract line 2e from line 1 | 3 | 285,012 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 285,012 |

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information (continued)

SCHEDULE G
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information Regarding**
Fundraising or Gaming ActivitiesComplete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the
organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012Open to Public
Inspection

Name of the organization

LUVERNE AREA COMMUNITY FOUNDATION

Employer identification number

41-1512905**Part I****Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17
Form 990-EZ filers are not required to complete this part.**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** ☐ Mail solicitations **e** ☐ Solicitation of non-government grants
- b** ☐ Internet and email solicitations **f** ☐ Solicitation of government grants
- c** ☐ Phone solicitations **g** ☐ Special fundraising events
- d** ☐ In-person solicitations

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees
or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?☐ Yes ☐ No**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be
compensated at least \$5,000 by the organization.

| (i) Name and address of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col. (i) | (vi) Amount paid to (or retained by) organization |
|--|---------------|--|----|--------------------------------------|--|---|
| | | Yes | No | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| Total | | | | | | |

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from
registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events |
|---|---|---------------------------------|---------------------------------|---------------------|----------------------------------|
| | | CHARITY DINNER/ (event type) | ANNUAL FUNDRAIS (event type) | 1 (total number) | (add col (a) through col (c)) |
| Revenue | 1 Gross receipts | 75,095 | 19,817 | 6,186 | 101,098 |
| | 2 Less Contributions | 75,095 | 19,817 | 6,186 | 101,098 |
| | 3 Gross income (line 1 minus line 2) | | | | |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | | | | |
| | 7 Food and beverages | | | | |
| | 8 Entertainment | | | | |
| | 9 Other direct expenses | | | | |
| | 10 Direct expense summary Add lines 4 through 9 in column (d) | | | | |
| 11 Net income summary Combine line 3, column (d), and line 10 | | | | | |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col (a) through col (c)) |
|-----------------|--|---|---|---|---|
| | | | | | |
| Revenue | 1 Gross revenue | | | | |
| Direct Expenses | 2 Cash prizes | | | | |
| | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| | 6 Volunteer labor | <input type="checkbox"/> Yes % <input type="checkbox"/> No | <input type="checkbox"/> Yes % <input type="checkbox"/> No | <input type="checkbox"/> Yes % <input type="checkbox"/> No | |
| | 7 Direct expense summary Add lines 2 through 5 in column (d) | | | | |
| | 8 Net gaming income summary Combine line 1, column d, and line 7 | | | | |

9 Enter the state(s) in which the organization operates gaming activities

a Is the organization licensed to operate gaming activities in each of these states?

☐ Yes ☐ No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

☐ Yes ☐ No

b If "Yes," explain

- 11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity operated in
- | | | |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ►

Address ►

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b If "Yes," enter the amount of gaming revenue received by the organization ► \$ and the amount of gaming revenue retained by the third party ► \$
- c If "Yes," enter name and address of the third party

Name ►

Address ►

16 Gaming manager information

Name ►

Gaming manager compensation ► \$

Description of services provided ►

☐ Director/officer
☐ Employee
☐ Independent contractor

17 Mandatory distributions

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions)

**SCHEDULE I
(Form 990)**Department of the Treasury
Internal Revenue Service**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2012Open for public
inspection

Name of the organization

LUVERNE AREA COMMUNITY FOUNDATION

Employer identification number

41-1512905**Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

☒ Yes ☐ No**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed

| 1 | (a) Name and address of organization or government | (b) EIN | (c) IRC section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|-----|---|---------|-------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| (1) | LUVERNE COMMUNITY HOSPICE 1600 N KNISS AVE LUVERNE MN 56156 | | 3 | 103,795 | | | | |
| (2) | SANFORD HOSPITAL 1600 N KNISS AVE LUVERNE MN 56156 | | | 45,189 | | | | |
| (3) | MATTHEW 6 OUTREACH MINISTRIES 1005 N. JACKSON ST LUVERNE MN 56156 | | 3 | 6,050 | | | | |
| (4) | LUVERNE BACKPACK PROGRAM PO BOX 912 LUVERNE MN 56156 | | 3 | 14,000 | | | | CHILD FOOD PROGRAM |
| (5) | ROCK COUNTY FOODSHELF LUVERNE MN 56156 | | 3 | 10,000 | | | | |
| (6) | | | | | | | | |
| (7) | | | | | | | | |
| (8) | | | | | | | | |
| (9) | | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▲

3 Enter total number of other organizations listed in the line 1 table ▲

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2012)

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
 Part III can be duplicated if additional space is needed

| | (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Part I, Line 2 - Procedures for Monitoring the Use of Grant Funds

REQUIRES A COMPLETION REPORT.

SCHEDULE O
 (Form 990 or 990-EZ)

 Department of the Treasury
 Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

 Complete to provide information for responses to specific questions on
 Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

 Open to Public
 Inspection

Employer identification number

41-1512905

LUVERNE AREA COMMUNITY FOUNDATION
Form 990 - Organization's Mission or Most Significant Activities

LUVERNE AREA COMMUNITY FOUNDATION IS A PUBLICLY SUPPORTED COMMUNITY FOUNDATION THAT ATTRACTS, MANAGES, AND DISTRIBUTES CHARITABLE CONTRIBUTIONS AND GRANTS TO ITS PRIMARY SERVICE AREA, ROCK COUNTY, MINNESOTA, WHICH HAS A POPULATION OF APPROXIMATELY 10,000.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

THE BOARD REVIEWS THE FORM 990 AT ITS NEXT MEETING AFTER PREPARATION.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

ALL PERFORMANCE AND COMPENSATION TO BE PAID TO LACF'S EXECUTIVE DIRECTOR OR ANY OTHER EMPLOYEES ARE REVIEWED ANNUALLY BY THE EXECUTIVE COMMITTEE WHICH CONSISTS ONLY OF INDEPENDENT BOARD MEMBERS AND THEN A RECOMMENDATION IS MADE TO THE ENTIRE BOARD FOR APPROVAL.

Form 990, Part VI, Line 15b - Compensation Process for Officers

ALL PERFORMANCE AND COMPENSATION TO BE PAID TO LACF'S EXECUTIVE DIRECTOR OR ANY OTHER EMPLOYEES ARE REVIEWED ANNUALLY BY THE EXECUTIVE COMMITTEE WHICH CONSISTS ONLY OF INDEPENDENT BOARD MEMBERS AND THEN A RECOMMENDATION IS MADE TO THE ENTIRE BOARD FOR APPROVAL.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

LACF'S ORGANIZATION DOCUMENTS AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

Name of the organization

LIVERNE AREA COMMUNITY FOUNDATION

Employer identification number

41-1512905

Form 990, Part XI, Line 9 - Other Changes in Net Assets Explanation

| | | |
|----------------------------|----|--------|
| CASH TO ACCRUAL CONVERSION | \$ | 0 |
| SECT 481(a) | \$ | 84,400 |

Form 990, Part XII, Line 1 - Change in Accounting Method Explanation

TAXPAYER IS ELECTING TO CONVERT FROM THE CASH TO ACCRUAL METHOD OF ACCOUNTING IN ORDER TO BE MORE CONSISTENT WITH THE ORGANIZATIONS AUDIT REPORT AND ANNUAL REPORTING REQUIREMENTS TO THE STATE OF MINNESOTA.

SCHEDULE G
(Form 990 or
990-EZ)
Fundraising Other Events
2012

For calendar year 2012, or tax year beginning

, and ending

Name

Employer Identification Number

LUVERNE AREA COMMUNITY FOUNDATION
41-1512905

| | | (a) Other event | (b) Other event | (c) Other event | (d) Total other events (add col (a) through col (c)) |
|-----------------|---|---------------------------------------|-----------------|-----------------|--|
| | | <u>TOUR OF TABLES</u> (event type) | (event type) | (event type) | |
| Revenue | 1 Gross receipts | 6,186 | | | 6,186 |
| | 2 Less Charitable contributions | 6,186 | | | 6,186 |
| | 3 Gross income (line 1 minus line 2) | | | | |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | | | | |
| | 7 Food/beverages | | | | |
| | 8 Entertainment | | | | |
| | 9 Other expenses | | | | |

Taxable Interest on Investments

| <u>Description</u> | | <u>Unrelated</u> | <u>Exclusion</u> | <u>Postal</u> | <u>Acquired after</u> | <u>US</u> |
|--------------------|---------------|----------------------|------------------|---------------|-----------------------|----------------------|
| | <u>Amount</u> | <u>Business Code</u> | <u>Code</u> | <u>Code</u> | <u>6/30/75</u> | <u>Obs (\$ or %)</u> |
| INTEREST | \$ 13,146 | | 14 | | | |
| Total | \$ 13,146 | | | | | |

Taxable Dividends from Securities

| <u>Description</u> | | <u>Unrelated</u> | <u>Exclusion</u> | <u>Postal</u> | <u>Acquired after</u> | <u>US</u> |
|--------------------|---------------|----------------------|------------------|---------------|-----------------------|----------------------|
| | <u>Amount</u> | <u>Business Code</u> | <u>Code</u> | <u>Code</u> | <u>6/30/75</u> | <u>Obs (\$ or %)</u> |
| DIVIDENDS | \$ 39,411 | | 14 | | | |
| Total | \$ 39,411 | | | | | |

7692 LUVERNE AREA COMMUNITY FOUNDATION

41-1512905

FYE: 12/31/2012

Federal Statements

Form 990, Part IX, Line 24e - All Other Expenses

| Description | Total Expenses | Program Service | Management & General | Fund Raising |
|---------------------------|-------------------|--------------------|-------------------------|-----------------|
| DUES | \$ 827 | \$ | \$ 827 | \$ |
| OFFICE EXPENSE | 766 | | 766 | |
| TELEPHONE | 581 | | 581 | |
| CREDIT CARD FEES | 519 | | | 519 |
| COMPUTER EXPENSES | 410 | | 410 | |
| OTHER | 350 | | 350 | |
| TOUR OF TABLES | 345 | | | 345 |
| BAD DEBTS | 200 | | 200 | |
| GENERAL FOUNDATION SUPPOR | 108 | | | 108 |
| Total | \$ 4,106 | \$ 0 | \$ 3,134 | \$ 972 |

7692 LUVERNE AREA COMMUNITY FOUNDATION
41-1512905
FYE: 12/31/2012

Federal Statements

Schedule A, Part II, Line 8(e)

| Description | Amount |
|-------------|------------------|
| INTEREST | \$ 13,146 |
| DIVIDENDS | 39,411 |
| Total | <u>\$ 52,557</u> |

Schedule A, Part II, Line 12

| Description | Amount |
|------------------------|-------------|
| ANNUAL FUNDRAISER | \$ |
| CHARITY DINNER/AUCTION | |
| TOUR OF TABLES | |
| Total | <u>\$ 0</u> |

Application for Change in Accounting Method

OMB No 1545-0152

| | | | |
|---|--|---|---|
| Name of filer (name of parent corporation if a consolidated group) (see instructions) LUVERNE AREA COMMUNITY FOUNDATION | | Identification number (see instructions) 41-1512905 | |
| Number, street, and room or suite no. If a P O box, see the instructions PO BOX 623 | | Principal business activity code number (see instructions) 813000 | |
| City or town, state, and ZIP code LUVERNE,MN 56156 | | Tax year of change begins (MM/DD/YYYY) 01/01/2012 | Tax year of change ends (MM/DD/YYYY) 12/31/2012 |
| Name of applicant(s) (if different than filer) and identification number(s) (see instructions) | | Name of contact person (see instructions) BARB BERGHORST | |
| | | Contact person's telephone number 507-449-9900 | |

If the applicant is a member of a consolidated group, check this box ☐

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☒

Check the box to indicate the type of applicant.

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Cooperative (Sec. 1381) |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957) | <input type="checkbox"/> S corporation |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) | <input type="checkbox"/> Insurance co. (Sec. 831) |
| | <input type="checkbox"/> Other (specify) ▶ |
| <input checked="" type="checkbox"/> Exempt organization. Enter Code section ▶ 501(c)(3) | |

Check the appropriate box to indicate the type of accounting method change being requested.
(see instructions)

- ☐ Depreciation or Amortization
- ☐ Financial Products and/or Financial Activities of Financial Institutions
- ☒ Other (specify) ▶ **CASH BASIS TO ACCRUAL**

Caution. To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

Part I Information For Automatic Change Request

- 1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions.

▶ (a) Change No. **122** (b) Other ☐ Description ▶

- 2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.

Note. Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests

- | | Yes | No |
|---|--------------------------|-------------------------------------|
| 3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)

Barbara J Berghorst 10-28-13
Signature and date
Barbara J Berghorst Treasurer
Name and title (print or type)

Matt Taubert 10/28/13
Signature of individual preparing the application and date
MATT TAUBERT
Name of individual preparing the application (print or type)
MEULEBROECK, TAUBERT & CO., PLLP
Name of firm preparing the application

Part II Information For All Requests (continued)

Yes No

- 4c** Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)? ☐ Yes ☒ No
- d** Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? ☐ Yes ☒ No
If "Yes," attach the consent statement from the director.
- e** Is the request to change the method of accounting being filed under the 90-day or 120-day window period? ☐ Yes ☒ No
If "Yes," check the box for the applicable window period and attach the required statement (see instructions).
☐ 90 day ☐ 120 day. Date examination ended ▶ _____
- f** If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination.
Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____
- g** Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? ☐ Yes ☒ No
- 5a** Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? ☐ Yes ☒ No
If "Yes," enter the name of the (check the box) ☐ Appeals officer and/or ☐ counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court.
Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____
- b** Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? ☐ Yes ☒ No
- c** Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? ☐ Yes ☒ No
If "Yes," attach an explanation
- 6** If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.
- 7** If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? ☐ Yes ☒ No
If "Yes," the applicant is **not** eligible to make the change
- 8a** Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? ☐ Yes ☒ No
- b** If "Yes," attach an explanation.
- 9a** Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? ☐ Yes ☒ No
- b** If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.
- c** If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation
- 10a** Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? ☐ Yes ☒ No
- b** If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).
- 11** Is the applicant requesting to change its **overall** method of accounting? ☐ Yes ☒ No
If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.

Present method: ☒ Cash ☐ Accrual ☐ Hybrid (attach description)

Proposed method: ☐ Cash ☒ Accrual ☐ Hybrid (attach description)

Part II Information For All Requests (continued)

Yes No

12 If the applicant is either (i) **not** changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:

- a** The item(s) being changed.
- b** The applicant's present method for the item(s) being changed.
- c** The applicant's proposed method for the item(s) being changed.
- d** The applicant's present overall method of accounting (cash, accrual, or hybrid).

13 Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.

14 Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions
If "No," attach an explanation.

15a Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?

- b** If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.

16 Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?

17 If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.

| 1st preceding year ended mo | yr | 2nd preceding year ended mo | yr | 3rd preceding year ended mo | yr |
|--------------------------------|----|--------------------------------|----|--------------------------------|----|
| \$ | | \$ | | \$ | |

Part III Information For Advance Consent Request

NA

Yes No

18 Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request?

If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.

19 Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.

20 Attach a copy of all documents related to the proposed change (see instructions)

21 Attach a statement of the applicant's reasons for the proposed change

22 If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed?
If "No," attach an explanation.

23a Enter the amount of **user fee** attached to this application (see instructions) ► \$

- b** If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).

Part IV Section 481(a) Adjustment

Yes No

24 Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment?
If "Yes," do not complete lines 25, 26, and 27 below

25 Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income ► \$ +337,600 Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.

Part IV Section 481(a) Adjustment (continued)

| Yes | No |
|-------------------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> |

- 26 If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? **N/A**
- 27 Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? **N/A**
- If "Yes," attach an explanation.

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method** (see instructions)

- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

- | | Amount |
|---|-------------|
| a Income accrued but not received (such as accounts receivable) | \$ 404,010 |
| b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method | |
| c Expenses accrued but not paid (such as accounts payable) | 66,410 |
| d Prepaid expenses previously deducted | |
| e Supplies on hand previously deducted and/or not previously reported | |
| f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II | |
| g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ► | |
| h Net section 481(a) adjustment (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (–) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25. | \$ +337,600 |

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? ☒ Yes ☐ No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

Part II Change to the Cash Method For Advance Consent Request (see instructions)**N/A**

Applicants requesting a change to the cash method must attach the following information:

- A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations

Schedule B—Change to the Deferral Method for Advance Payments (see instructions)**N/A**

- If the applicant is requesting to change to the Deferral Method for advance payments described in section 502 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
 - A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
 - If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)–(c) of Rev. Proc. 2004-34
 - If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)–(f) of Rev. Proc. 2004-34.
- If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following:
 - A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1)
 - A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3)
 - A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
 - A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

Schedule C—Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

N/A

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

Part II Change in Pooling Inventories

N/A

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)**Part I Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.) **N/A**

- 1** To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a** Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? ☐ Yes ☐ No
- b** If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? ☐ Yes ☐ No
If line 2b is "No," attach an explanation.
- c** If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? ☐ Yes ☐ No
- d** If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? ☐ Yes ☐ No
If line 2d is "Yes," attach an explanation of what cost comparison the applicant will use to determine a contract's completion factor.
If line 2d is "No," attach an explanation of what method the applicant is using and the authority for its use.
- 3a** Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? ☐ Yes ☐ No
- b** If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c** Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4** To determine a contract's completion factor using the percentage-of-completion method
- a** Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? ☐ Yes ☐ No
- b** If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? ☐ Yes ☐ No
- 5** Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.) **N/A**

- 1** Attach a description of the inventory goods being changed.
- 2** Attach a description of the inventory goods (if any) NOT being changed.
- 3a** Is the applicant subject to section 263A? If "No," go to line 4a ☐ Yes ☐ No
- b** Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No
If "No," attach a detailed explanation.

4a Check the appropriate boxes below.

Identification methods:

Specific identification

FIFO

LIFO

Other (attach explanation)

Valuation methods:

Cost

Cost or market, whichever is lower

Retail cost

Retail, lower of cost or market

Other (attach explanation)

| Inventory Being Changed | | Inventory Not Being Changed |
|-------------------------|-----------------|-----------------------------|
| Present method | Proposed method | Present method |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

- b** Enter the value at the end of the tax year preceding the year of change
- 5** If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions)
- a** Copies of Form(s) 970 filed to adopt or expand the use of the method
- b** **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
- c** **Only for applicants requesting an automatic change.** The statement required by section 22.01(5) of the Appendix of Rev Proc 2008-52 (or its successor).

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)). **N/A****Section A—Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

| | Present method | Proposed method |
|--|----------------|-----------------|
| 1 Direct material | | |
| 2 Direct labor | | |
| 3 Indirect labor | | |
| 4 Officers' compensation (not including selling activities) | | |
| 5 Pension and other related costs | | |
| 6 Employee benefits | | |
| 7 Indirect materials and supplies | | |
| 8 Purchasing costs | | |
| 9 Handling, processing, assembly, and repackaging costs | | |
| 10 Offsite storage and warehousing costs | | |
| 11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle | | |
| 12 Depletion | | |
| 13 Rent | | |
| 14 Taxes other than state, local, and foreign income taxes | | |
| 15 Insurance | | |
| 16 Utilities | | |
| 17 Maintenance and repairs that relate to a production, resale, or long-term contract activity | | |
| 18 Engineering and design costs (not including section 174 research and experimental expenses) | | |
| 19 Rework labor, scrap, and spoilage | | |
| 20 Tools and equipment | | |
| 21 Quality control and inspection | | |
| 22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant | | |
| 23 Licensing and franchise costs | | |
| 24 Capitalizable service costs (including mixed service costs) | | |
| 25 Administrative costs (not including any costs of selling or any return on capital) | | |
| 26 Research and experimental expenses attributable to long-term contracts | | |
| 27 Interest | | |
| 28 Other costs (Attach a list of these costs.) | | |

Part III Method of Cost Allocation (see instructions) (continued)

N/A

Section C—Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

| | Present method | Proposed method |
|---|----------------|-----------------|
| 1 Marketing, selling, advertising, and distribution expenses | | |
| 2 Research and experimental expenses not included in Section B, line 26 | | |
| 3 Bidding expenses not included in Section B, line 22 | | |
| 4 General and administrative costs not included in Section B | | |
| 5 Income taxes | | |
| 6 Cost of strikes | | |
| 7 Warranty and product liability costs | | |
| 8 Section 179 costs | | |
| 9 On-site storage | | |
| 10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 | | |
| 11 Other costs (Attach a list of these costs.) | | |

Schedule E—Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

Note. See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section ▶
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? ☐ Yes ☐ No
If "Yes," state the election made ▶
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No
- c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g))
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L, the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1))
 - e The useful life, recovery period, or amortization period of the property.
 - f The applicable convention of the property.
 - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

**Power of Attorney
and Declaration of Representative**

▶ Type or print. ▶ See the separate instructions.

OMB No 1545-0150

For IRS Use Only

Received by

Name

Telephone

Function

Date

Part I Power of Attorney

Caution: A separate Form 2848 should be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer must sign and date this form on page 2, line 7

Taxpayer name and address

Taxpayer identification number(s)

41-1512905

Daytime telephone number

Plan number (if applicable)

507-220-2424**LUVERNE AREA COMMUNITY FOUNDATION****PO BOX 623****LUVERNE****MN 56156-0623**

hereby appoints the following representative(s) as attorney(s)-in-fact.

2 Representative(s) must sign and date this form on page 2, Part II

Name and address

MATT TAUBERT**216 East Main St****Pipestone****MN 56164**CAF No **1205-19278R**PTIN **P00901322**Telephone No **507-825-4288**

Fax No

Check if to be sent notices and communications ☐Check if new Address ☐ Telephone No ☐ Fax No ☐

Name and address

CAF No

PTIN

Telephone No

Fax No

Check if to be sent notices and communications ☐Check if new Address ☐ Telephone No ☐ Fax No ☐

Name and address

CAF No

PTIN

Telephone No

Fax No

Check if new Address ☐ Telephone No ☐ Fax No ☐

to represent the taxpayer before the Internal Revenue Service for the following matters

3 Matters

| Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, etc.) (see instructions for line 3) | Tax Form Number (1040, 941, 720, etc.) (if applicable) | Year(s) or Period(s) (if applicable) (see instructions for line 3) |
|---|---|---|
| INCOME | 3115 | 2011, 2012 |
| | | |
| | | |

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4 **Specific Uses Not Recorded on CAF** ▶ ☐

5 Acts authorized. Unless otherwise provided below, the representatives generally are authorized to receive and inspect confidential tax information and to perform any and all acts that I can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The representative(s), however, is (are) not authorized to receive or negotiate any amounts paid to the client in connection with this representation (including refunds by either electronic means or paper checks). Additionally, unless the appropriate box(es) below are checked, the representative(s) is (are) not authorized to execute a request for disclosure of tax returns or return information to a third party, substitute another representative or add additional representatives, or sign certain tax returns

☐ Disclosure to third parties, ☐ Substitute or add representative(s), ☐ Signing a return, _____

☐ Other acts authorized _____ (see instructions for more information)

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. An enrolled actuary may only represent taxpayers to the extent provided in section 10 3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan agent may only represent taxpayers to the extent provided in section 10 3(e) of Circular 230. A registered tax return preparer may only represent taxpayers to the extent provided in section 10 3(f) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (level k) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific deletions to the acts otherwise authorized in this power of attorney

- 6 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here ▶ ☐

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

- 7 Signature of taxpayer.** If a tax matter concerns a year in which a joint return was filed, the husband and wife must each file a separate power of attorney even if the same representative(s) is (are) being appointed. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED TO THE TAXPAYER.

Barbara J Berghorst
Signature

10-28-13
Date

Treasurer
Title (if applicable)

Barbara J Berghorst
Print Name

PIN Number

LUVERNE AREA COMMUNITY FOUNDATION
Print name of taxpayer from line 1 if other than individual

Part III Declaration of Representative

Under penalties of perjury, I declare that

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service,
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning practice before the Internal Revenue Service,
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there, and
- I am one of the following
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below
 - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below
 - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230
 - d Officer—a bona fide officer of the taxpayer's organization
 - e Full-Time Employee—a full-time employee of the taxpayer
 - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister)
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U S C 1242 (the authority to practice before the Internal Revenue Service is limited by section 10 3(d) of Circular 230)
 - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions.
 - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10 4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the instructions.
 - k Student Attorney or CPA—receives permission to practice before the IRS by virtue of his/her status as a law, business, or accounting student working in LITC or STCP under section 10 7(d) of Circular 230. See instructions for Part II for additional information and requirements
 - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10 3(e))

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN LINE 2 ABOVE. See the instructions for Part II

Note: For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column. See the instructions for Part II for more information

| Designation — Insert above letter (a-r) | Licensing jurisdiction (state) or other licensing authority (if applicable) | Bar, license, certification, registration, or enrollment number (if applicable) See instructions for Part II for more information | Signature | Date |
|---|---|---|--------------------|----------|
| b | MINNESOTA | | <i>Matt Tahlit</i> | 10/28/13 |
| | | | | |
| | | | | |

**LUVERNE AREA COMMUNITY FOUNDATION
LUVERNE, MINNESOTA**

INDEPENDENT AUDITOR'S REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

**Meulebroeck, Taubert & Co., PLLP
Certified Public Accountant
P.O. Box 707
Pipestone, MN 56164**

Luverne Area Community
Foundation
Luverne, Minnesota

CONTENTS OF REPORT

| | <u>PAGE</u> |
|--|--------------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| Exhibit A Statement of Financial Position | 2 |
| Exhibit B Statement of Activities | 3 |
| Exhibit C Schedule of Functional Expenses | 4 |
| Exhibit D Statement of Cash Flows | 5 |
| NOTES TO THE FINANCIAL STATEMENTS | 6 - 8 |

MEULEBROECK, TAUBERT & CO., PLLP
CERTIFIED PUBLIC ACCOUNTANTS

41-1512905

PO Box 685
109 S Freeman Avenue
Luverne, Minnesota 56156
507 283-4055 Fax 507 283-4076
contactl@mtcocpa.com

PO Box 707
216 East Main
Pipestone, Minnesota 56164
507 825-4288 Fax 507 825-4280
contactp@mtcocpa.com

Russell, Minnesota 56169
507 823-4391
Tyler, Minnesota 56178
507 247-3939
Lake Wilson, Minnesota 56151
507 879-3538

PARTNERS

David L. Meulebroeck, CPA
Matthew A. Taubert, CPA
David W. Friedrichsen, CPA
Daryl J. Kanthak, CPA

WITH THE FIRM

Amanda K. Baarson Sandy, CPA
Amy L. Mollberg, CPA
Marjorie R. Winter, CPA
Sally Helgeson, CPA
Michael K. Dubbelde, PA

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Luverne Area Community Foundation
Luverne, Minnesota

We have audited the accompanying statement of financial position of the Luverne Area Community Foundation, (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the Luverne Area Community Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Luverne Area Community Foundation as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Meulebroeck, Taubert & Co. PLLP

Meulebroeck, Taubert & Co., PLLP
Certified Public Accountants

May 9, 2012

Luverne Area Community
Foundation
Luverne, Minnesota

Exhibit A

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

| | <u>2011</u> |
|--|------------------|
| <u>Assets</u> | |
| <u>Current Assets</u> | |
| Cash and Cash Equivalents | 123,872 |
| Investments | 1,596,167 |
| Accounts Receivable | 50 |
| Unconditional Promises to Give | 403,960 |
| Total Assets | <u>2,124,049</u> |
| <u>Liabilities and Net Assets</u> | |
| <u>Liabilities</u> | |
| Payroll Taxes Payable | 1,106 |
| Grants Payable | 10,500 |
| Legacy Payable | 55,910 |
| Total Liabilities | <u>67,516</u> |
| <u>Net Assets</u> | |
| Unrestricted | 1,706,533 |
| Temporarily Restricted | 350,000 |
| Permanently Restricted | -0- |
| Total Net Assets | <u>2,056,533</u> |
| Total Liabilities and Net Assets | <u>2,124,049</u> |

See accompanying notes to the financial statements.

Luverne Area Community
Foundation
Luverne, Minnesota

Exhibit B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|--------------|
| Contributions and Pledges | 138,889 | - | - | 138,889 |
| Fund Raising | | | | |
| Hospice Bricks | 1,730 | | | 1,730 |
| Charity Dinner/Auction | 79,088 | | | 79,088 |
| Tour of Tables | 9,631 | | | 9,631 |
| Tree of Lights | 4,695 | | | 4,695 |
| Interest | 14,412 | | | 14,412 |
| Dividends | 27,133 | | | 27,133 |
| Net realized gains | 18,004 | | | 18,004 |
| Total revenue, gains and other support | 293,582 | - | - | 293,582 |
| Expenses | | | | |
| Program services | | | | |
| Grants/Support | | | | |
| General Fund | 14,425 | | | 14,425 |
| Healing Garden | 9,842 | | | 9,842 |
| Hospice | 35,525 | | | 35,525 |
| Hospital | 21,712 | | | 21,712 |
| Luverne Backpack Program | 24,200 | | | 24,200 |
| Luverne Schools | 2,895 | | | 2,895 |
| Matthew 6 | 1,425 | | | 1,425 |
| Perkins Fund | 2,000 | | | 2,000 |
| Sanford Physicians | 1,290 | | | 1,290 |
| Management and Administration | 36,835 | | | 36,835 |
| Fundraising | 35,474 | | | 35,474 |
| Bad Debt Losses | 2,200 | | | 2,200 |
| Net Unrealized Losses | 42,843 | | | 42,843 |
| Total Expenses | 230,666 | - | - | 230,666 |
| Change in net assets | 62,916 | - | - | 62,916 |
| Net assets at beginning of year | 1,643,617 | 350,000 | | 1,993,617 |
| Net assets at end of year | 1,706,533 | 350,000 | - | 2,056,533 |

See accompanying notes to the financial statements.

Luvernea Area Community
Foundation
Luverne, Minnesota

Exhibit C

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

| | | <u>Supporting Services</u> | | |
|---------------------------|-----------------|----------------------------|--------------------|--------------|
| | <u>Program</u> | <u>Management</u> | <u>Fundraising</u> | <u>Total</u> |
| | <u>Services</u> | <u>and</u> | | |
| | | <u>Administration</u> | | |
| Compensation | | 10,781 | 10,015 | 20,796 |
| Payroll Taxes | | 912 | 847 | 1,759 |
| Total payroll costs | -0- | 11,693 | 10,862 | 22,555 |
| Advertising | | | 5,457 | 5,457 |
| Computer | | 425 | | 425 |
| Grants/Support | 113,314 | | | 113,314 |
| Insurance | | 1,231 | | 1,231 |
| Investment Fees | | 5,451 | | 5,451 |
| Office Expense | | 2,179 | | 2,179 |
| Postage | | 548 | | 548 |
| Professional Fees | | 12,375 | | 12,375 |
| Telephone | | 552 | | 552 |
| Dues | | 1,256 | | 1,256 |
| Credit Card Fee Expense | | 613 | | 613 |
| Other Expenses | | 512 | | 512 |
| Charity Dinner/Auction | | | 19,155 | 19,155 |
| Total functional expenses | 113,314 | 36,835 | 35,474 | 185,623 |

See accompanying notes to the financial statements.

Luverne Area Community
Foundation
Luverne, Minnesota

Exhibit D

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

| | <u>2011</u> |
|--|-----------------------|
| <u>Cash Flows From Operating Activities</u> | |
| Change in net assets | 62,916 |
| Adjustments to Reconcile Change In Net Assets to Net Cash Provided (Used) by Operating Activities: | |
| Net realized (gain) on securities | (18,004) |
| Net unrealized loss on securities | 42,843 |
| Contributions of securities | (4,289) |
| Increase in Accounts Receivable | (50) |
| Decrease in net Unconditional Promises to Give | 67,764 |
| Increase in Payroll Taxes Payable | 101 |
| Decrease in Grants Payable | (42,237) |
| Decrease in Legacy Payable | (69,958) |
| | <u>39,086</u> |
| <u>Cash Flows From Investing Activities</u> | |
| Purchase of investment securities | (326,421) |
| Proceeds from redemption of investments | 195,899 |
| | <u>(130,522)</u> |
| Net cash provided (used) by investing activities | |
| Net increase (decrease) in cash and cash equivalents | (91,436) |
| Cash and cash equivalents beginning of year | 215,308 |
| Cash and cash equivalents end of year | <u><u>123,872</u></u> |

See accompanying notes to the financial statements.

Luverne Area Community
Foundation
Luverne, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 1 Summary of Significant Accounting Policies

Nature of Activities Luverne Area Community Foundation (the Corporation) was formed as a nonprofit organization. The purpose for which the Corporation was organized was to develop financial resources so as to guarantee and assist in providing community benefits to all persons in the area served. The Corporation's support comes primarily from individual donor's contributions.

Method of Accounting The financial statements of the Corporation have been prepared utilizing the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation The Corporation has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Corporation is required to present a statement of cash flows.

Promises to Give Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Investments The Corporation carries investments at their fair values in the statement of financial position. Realized and unrealized gains and losses for investments are recorded in the statement of activities.

Fair Value of Financial Instruments The carrying amounts of cash, certificates of deposit, taxes payable and grants payable approximate fair market values because of the short maturities of those instruments.

Cash Flows For purposes of the cash flow statement, the Corporation considers all cash and investments with a maturity of three months or less to be cash equivalents.

Luverne Area Community
Foundation
Luverne, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 1 **Summary of Significant Accounting Policies**-continued

Income Taxes The Organization is a not-for-profit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal income taxes.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 **Investments**

Investments as of December 31, 2011, are summarized as follows:

| Unrestricted: | <u>Cost</u> | <u>Fair Value</u> | <u>Carrying Value</u> |
|-------------------------|------------------|-------------------|-----------------------|
| Money Market Fund | 20,266 | 20,266 | 20,266 |
| US and Corporate Bonds | 175,065 | 211,935 | 211,935 |
| Certificates of Deposit | 199,875 | 200,884 | 200,884 |
| FNMA Pools | 9,200 | 9,928 | 9,928 |
| Mutual Funds | 1,031,158 | 1,153,154 | 1,153,154 |
| Total | <u>1,435,564</u> | <u>1,596,167</u> | <u>1,596,167</u> |

Note 3 **Promises to Give**

Unconditional Promises to give at December 31, 2011 are as follows:

| | |
|-------------|----------------|
| 2012 | 371,202 |
| 2013 – 2017 | <u>32,758</u> |
| Total | <u>403,960</u> |

Note 4 **Concentration of Credit Risk**

The Corporation maintains its cash accounts in banks. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Corporation has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash balances.

Luverne Area Community
Foundation
Luverne, Minnesota

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 5 Restrictions on Net Assets

Temporarily restricted net assets are recorded as unconditional promises to give due to the inherent time restrictions of these receivables.

Unrestricted net assets of Luverne Area Community Foundation amounted to \$1,706,533 for the year ended December 31, 2011. Although grant recommendations are accepted from the donors or other advisors of these funds, the Corporation has ultimate discretion of those funds.

Note 6 Grants Payable

Unconditional grants are recognized as an expense in the period in which they are approved by the board of directors. All grants payable as of December 31, 2011 are expected to be paid in less than one year.

Note 7 Subsequent Events

Management has evaluated subsequent events to May 9, 2012, the date which the financial statements were available to be issued, and determined that no reportable events occurred.

Note 8 Fair Value Measurements

Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (FASB Statement No. 157), establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The following table presents the Corporation's fair value hierarchy for the financial assets measured at fair value on a recurring basis:

| | | Fair Value Measurements at <u>Reporting Date Using</u> |
|-------------------------|-------------------|--|
| <u>Description</u> | <u>12/31/2011</u> | Quoted Prices In Active Markets For Identical Assets <u>(Level 1)</u> |
| Money Market Fund | 20,266 | 20,266 |
| US and Corporate Bonds | 211,935 | 211,935 |
| Mutual Funds | 1,153,154 | 1,153,154 |
| Certificates of Deposit | 200,884 | 200,884 |
| FNMA Pools | 9,928 | 9,928 |
| Total | <u>1,596,167</u> | <u>1,596,167</u> |

Attachment to Form 3115

Luverne Area Community Foundation

41-1512905

Tax Year Ended December 31, 2012

Statement I- Schedule A Attachment

The cash method of accounting was used when preparing the balance sheet for the period ending December 31, 2011.

Statement II- Schedule A, Part I, Line 1, Detail

Income accrued but not received at December 31, 2011:

| | |
|--------------------------------|----------------|
| Estate Proceeds Receivable | 350,000 |
| Fundraising Pledges Receivable | 53,960 |
| Misc Accounts Receivable | <u>50</u> |
| Total: | <u>404,010</u> |

Expenses Accrued but not yet paid at December 31, 2011:

| | |
|---------------------------------------|---------------|
| Sanford Grant Payable | 10,000 |
| RC Council Grant Payable | 500 |
| Blue Mound Area Theatre Grant Payable | <u>55,910</u> |
| Total: | <u>66,410</u> |

Statement III- Schedule A, Part I, Line 2

Luverne Area Community Foundation is requesting permission to adopt the recurring item exception as part of its application to change from the cash to accrual method of accounting. This exception will be used with respect to all activities of Luverne Area Community Foundation and with respect to all types of items within such activities.

Statement IV- Information Required by Rev. Proc. 2011-14, Sec 5.01

Luverne Area Community Foundation hereby agrees to all of the conditions of Rev. Proc. 2011-14, including the requests to take the Section 481(a) adjustments into account over the four-year period beginning with 2012, as required by section 5.04 of that revenue procedure.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

(Rev. January 2013)

Department of the Treasury
Internal Revenue Service

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

| | | |
|---|--|--|
| Type or print File by the due date for filing your return. See instructions. | Name of exempt organization or other filer, see instructions LUVERNE AREA COMMUNITY FOUNDATION | Employer identification number (EIN) or 41-1512905 |
| | Number, street, and room or suite no. If a P.O. box, see instructions PO BOX 623 | Social security number (SSN) |
| | City, town, or post office, state, and ZIP code. For a foreign address, see instructions LUVERNE MN 56156-0623 | |

Enter the Return code for the return that this application is for (file a separate application for each return)

01

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|--------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

**EM, ILY CRABTREE
PO BOX 623**

- The books are in the care of ► **LUVERNE**

MN 56156

Telephone No ► **507-220-2424**

FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach

a list with the names and EINs of all members the extension is for

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15/13**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► ☒ calendar year **2012** or

► ☐ tax year beginning _____, and ending _____

- 2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

| | | |
|---|----|----|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2013)

T 5/10/13
A 5/10/13

• If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

| | | |
|---|--|--|
| Type or print File by the due date for filing your return. See instructions. | Enter filer's identifying number, see instructions | |
| | Name of exempt organization or other filer, see instructions LUVERNE AREA COMMUNITY FOUNDATION | Employer identification number (EIN) or 41-1512905 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 623 | Social security number (SSN) |
| City, town or post office, state, and ZIP code. For a foreign address, see instructions LUVERNE MN 56156-0623 | | |

Enter the Return code for the return that this application is for (file a separate application for each return)

01

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|--------------------|-------------|
| Form 990 or Form 990-EZ | 01 | | |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of **EMILY CRABTREE**

BOX 623, LUVERNE

MN 56156

Telephone No **507-220-2424**

FAX No

• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **11/15/13**

5 For calendar year **2012**, or other tax year beginning , and ending

6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

FINANCIAL AUDIT IS BEING COMPLETED AND TAX RETURN WILL BE COMPLETED BASED ON YEAR END FINANCIALS AFTER A REQUEST FOR ACCTING METHOD CHANGE.

| | | |
|---|----|----|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 8a | \$ |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b | \$ |
| c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 8c | \$ |

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Matt J. Smith**

Title **CPA**

Date **8/5/13**