Form 990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to public Inspection

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

Name of foundation THE LEONARD RYDELL FOUNDATION	**A Employer identification number** 45-0459133
Number and street (or P O box number if mail is not delivered to street address) 2700 SO WASHINGTON ST, P.O. BOX 13398 — Room/suite	**B** Telephone number 701-772-7211
City or town, state, and ZIP code GRAND FORKS, ND 58208-3398	**C** If exemption application is pending, check here ▶ ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	**D** 1 Foreign organizations, check here ▶ ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	**E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 744,517. — **J** Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*	**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

		Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received	80,000.		N/A	
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	14,472.	14,472.		STATEMENT 1
	4	Dividends and interest from securities	6,264.	6,264.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	12,557.			
	b	Gross sales price for all assets on line 6a 269,457.				
	7	Capital gain net income (from Part IV, line 2)		12,557.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total** Add lines 1 through 11	113,293.	33,293.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees STMT 3	206.	0.		206.
	b	Accounting fees STMT 4	858.	0.		858.
	c	Other professional fees STMT 5	2,569.	1,284.		1,285.
	17	Interest				
	18	Taxes STMT 6	979.	0.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 7	15.	0.		0.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	4,627.	1,284.		2,349.
	25	Contributions, gifts, grants paid	26,175.			26,175.
	26	**Total expenses and disbursements** Add lines 24 and 25	30,802.	1,284.		28,524.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	82,491.			
	b	**Net investment income** (if negative, enter -0-)		32,009.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	37,726.	61,193.	61,193.
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock			
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 8	565,277.	624,192.	683,324.
	14	Land, buildings, and equipment: basis ▶ Less accumulated depreciation ▶			
	15	Other assets (describe ▶ INTEREST RECEIVABLE)	397.	506.	0.
	16	**Total assets** (to be completed by all filers)	603,400.	685,891.	744,517.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	603,400.	685,891.	
	30	**Total net assets or fund balances**	603,400.	685,891.	
	31	**Total liabilities and net assets/fund balances**	603,400.	685,891.	

Part III **Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	603,400.
2	Enter amount from Part I, line 27a	2	82,491.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	685,891.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	685,891.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	ALERUS FINANCIAL-DETAIL ATTACHED	P		
b	ALERUS FINANCIAL-DETAIL ATTACHED	P		
c	CAPITAL GAINS DIVIDENDS			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	154,800.		153,658.	1,142.
b	114,046.		103,242.	10,804.
c	611.			611.
d				
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				1,142.
b				10,804.
c				611.
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 12,557.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 } 3 N/A

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	30,425.	639,877.	.047548
2010	20,482.	520,416.	.039357
2009	27,697.	449,492.	.061618
2008	26,326.	508,664.	.051755
2007	23,757.	561,982.	.042274

2	**Total** of line 1, column (d)	2	.242552
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.048510
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	692,040.
5	Multiply line 4 by line 3	5	33,571.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	320.
7	Add lines 5 and 6	7	33,891.
8	Enter qualifying distributions from Part XII, line 4	8	28,524.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary-see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	640.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3	Add lines 1 and 2			3	640.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	640.
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	560.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	560.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	80.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶		**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ ND			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ ALERUS FINANCIAL - ATTN. MARK HALL Telephone no. ▶ 701-795-3200

Located at ▶ 401 DEMERS AVE, GRAND FORKS, ND ZIP+4 ▶ 58201

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

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (**1**) any purchase by the foundation or disqualified persons after May 26, 1969; (**2**) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (**3**) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A | **5b** | | |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

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

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

If "Yes" to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

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

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

Total number of others receiving over $50,000 for professional services ▶ 0

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	702,579.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	702,579.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	702,579.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	10,539.
5	**Net value of noncharitable-use assets**. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	692,040.
6	**Minimum investment return**. Enter 5% of line 5	6	34,602.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	34,602.
2a	Tax on investment income for 2012 from Part VI, line 5 2a 640.		
b	Income tax for 2012. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	640.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	33,962.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	33,962.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	33,962.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	28,524.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions**. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	28,524.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	28,524.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				33,962.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			25,711.	
b Total for prior years: 2007 , ____ , ____		393.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007 ____				
b From 2008 ____				
c From 2009 ____				
d From 2010 ____				
e From 2011 ____				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 28,524.				
a Applied to 2011, but not more than line 2a			25,711.	
b Applied to undistributed income of prior years (Election required - see instructions) *		393.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				2,420.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				31,542.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2013** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008 ____				
b Excess from 2009 ____				
c Excess from 2010 ____				
d Excess from 2011 ____				
e Excess from 2012 ____				

* SEE STATEMENT 10

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 11

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

MARK HALL, ALERUS FINANCIAL, 701-795-3200
401 DEMERS AVE, GRAND FORKS, ND 58201

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

PRESCRIBED APPLICATION FORM

c Any submission deadlines:

JULY PRECEDING THE BEGINNING OF THE SCHOOL YEAR

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

EDUCATIONAL SCHOLARSHIPS ONLY - MAXIMUM OF $2,000 PER AWARD.

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
UNIVERSITY OF WISCONSIN MARATHON COUNTY 518 SO 7TH AVENUE WAUSAU, WI 54401	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	268.
MINOT STATE UNIVERSITY MOORHEAD 1104 7TH AVE SO MOORHEAD, MN 56563	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
GEORGIA STATE UNIVERSITY PO BOX 4017 ATLANTA , GA 30302	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	1,063.
UNIVERSITY OF PIKEVILLE 147 SYCAMORE ST PIKEVILLE, KY 41501	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
ST CLOUD STATE UNIVERSITY 720 4TH AVE SO ST CLOUD, MN 56301	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				26,175.
b Approved for future payment NONE				
Total ▶ 3b				0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	14,472.	
4 Dividends and interest from securities			14	6,264.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	12,557.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		33,293.	0.

13 **Total** Add line 12, columns (b), (d), and (e) 13 33,293.

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

▶ Wesley Rydell | 3-12-13 ▶ President

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
MARK MILLER		3/12/13		P00014209

Firm's name ▶ BRADY, MARTZ AND ASSOCIATES, P.C.

Firm's EIN ▶ 45-0310328

Firm's address ▶ P.O. BOX 14296
GRAND FORKS, ND 58208-4296

Phone no. 701-775-4685

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2012

Name of the organization

THE LEONARD RYDELL FOUNDATION

Employer identification number

45-0459133

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.** **Schedule B (Form 990, 990-EZ, or 990-PF) (2012)**

223451
12-21-12

Name of organization	Employer identification number
THE LEONARD RYDELL FOUNDATION	45-0459133

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	TEAM CHEVROLET 2014 EAST 20TH PLACE SCOTTSBLUFF, NE 69361	$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
2	TEAM CHEVROLET-TOYOTA MATCH 2014 EAST 20TH PLACE SCOTTSBLUFF, NE 69361	$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
3	RESSLER MOTOR COMPANY 8474 HUFFINE LANE, PO BOX 400 BOZEMAN, MT 59718	$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
4	NORFOLK MOTOR CO 1123 SO 20TH ST NORFOLK, NE 68701	$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
5	OWATONNA FORD CHRYSLER 1001 HOFFMAN DR OWATONNA , MN 55060	$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
6	APPLE FORD SHAKOPEE 1624 WESTON COURT SHAKOPEE , MN 55379	$ 30,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
THE LEONARD RYDELL FOUNDATION	45-0459133

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	**(b) Description of noncash property given**	**(c) FMV (or estimate) (see instructions)**	**(d) Date received**
		$	
(a) No. from Part I	**(b) Description of noncash property given**	**(c) FMV (or estimate) (see instructions)**	**(d) Date received**
		$	
(a) No. from Part I	**(b) Description of noncash property given**	**(c) FMV (or estimate) (see instructions)**	**(d) Date received**
		$	
(a) No. from Part I	**(b) Description of noncash property given**	**(c) FMV (or estimate) (see instructions)**	**(d) Date received**
		$	
(a) No. from Part I	**(b) Description of noncash property given**	**(c) FMV (or estimate) (see instructions)**	**(d) Date received**
		$	

Name of organization

THE LEONARD RYDELL FOUNDATION

Employer identification number

45-0459133

Part III *Exclusively* **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e)** and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $________________
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SOUTH DAKOTA STATE UNIVERSITY PO BOX 2201 BROOKINGS, SD 57007	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
SOUTH DAKOTA STATE UNIVERSITY PO BOX 2201 BROOKINGS, SD 57007	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
NATIONAL PARK COMMUNITY COLLEGE 101 COLLEGE DRIVE HOT SPRINGS, AR 71913	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	1,907.
WINONA STATE UNIVERSITY PO BOX 5838 WINONA, MN 55987	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
NORTHLAND COMMUNITY & TECHNICAL COLLEGE 2022 CENTRAL AVE NE EAST GRAND FORKS, MN 56721	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
UNIVERSITY OF NORTH DAKOTA 264 CENTENNIAL DR GRAND FORKS, ND 58202	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
NORTHERN STATE UNIVERSITY 1200 SOUTH JAY STREET ABERDEEN, SD 57401	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
LARAMIE COUNTY COMMUNITY COLLEGE 1400 EAST COLLEGE DR CHEYENNE, WY 82007	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
UNIVERSITY OF WISCONSIN OSHKOSH PO BOX 2423 OSHKOSH, WI 54903	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	2,000.
GEORGIA STATE UNIVERSITY PO BOX 4017 ATLANTA, GA 30302	NONE	EDUCATIONAL ORGANIZATION	SCHOLARSHIP	937.
Total from continuation sheets				18,844.

Realized Gain/Loss Report

Start Date: 01/01/2012
End Date: 12/31/2012

THE LEONARD RYDELL FOUNDATION AGENCY

Description	Sold	Acquired	Proceeds	Cost	Gain/Loss	Covered
** SHORT TERM CAPITAL GAIN (LOSS)						
237 31 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	01/18/2012	10/19/2011	237.31	249.69	12 38-	
25 SHARES OF SPDR TR UNIT SER 1	01/13/2012	09/29/2011	3,204.90	2,907.98	296.92	Covered
52.91 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	05/05/2011	476.19	500.00	23.81-	
30.884 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	05/16/2011	277.95	290.00	12.05-	
484 15 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	01/23/2012	05/24/2011	484.15	509.72	25 57-	
1355.018 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	01/23/2012	02/15/2011	12,384.87	12,466.17	81.30-	
301 422 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	01/23/2012	10/12/2011	2,755.00	2,755.00	0.00	
1156.47 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	01/23/2012	01/17/2012	10,570.13	10,558.57	11.56	Covered
25 SHARES OF GILEAD SCI INC	01/23/2012	09/27/2011	1,178 68	1,006.34	172.34	Covered
14 SHARES OF SPDR TR UNIT SER 1	01/23/2012	09/29/2011	1,842.41	1,628.47	213.94	Covered
198 3 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	01/26/2012	10/20/2011	198 30	212.65	14.35-	
15 SHARES OF NOBLE CORPORATION COM	01/24/2012	07/18/2011	517.33	551.83	34.50-	Covered
20 SHARES OF NOBLE CORPORATION COM	01/24/2012	10/13/2011	689.77	612.20	77.57	Covered
5 SHARES OF BARD C R INC COM	01/25/2012	07/18/2011	467.83	556.14	88.31-	Covered
15 SHARES OF AFLAC INC	01/30/2012	10/13/2011	718.34	603.30	115.04	Covered
15 SHARES OF JUNIPER NETWORKS INC	01/31/2012	06/02/2011	314.51	503.95	189.44-	Covered
20 SHARES OF JUNIPER NETWORKS INC	01/31/2012	07/18/2011	419.34	603.40	184.06-	Covered
35 SHARES OF SELECT SECTOR SPDR TR HEALTH CARE	02/03/2012	01/23/2012	1,262.49	1,250.55	11.94	Covered
197.39 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	02/16/2012	10/19/2011	197.39	207.69	10.30-	
740.17 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	02/22/2012	05/24/2011	740.17	779.26	39.09-	
10 SHARES OF VANGUARD MID CAP GROWTH ETF	02/22/2012	05/16/2011	674.40	681.90	7 50-	Covered
25 SHARES OF VANGUARD MID CAP GROWTH ETF	02/22/2012	08/19/2011	1,685.99	1,394.12	291.87	Covered
176.89 UNITS OF	02/28/2012	10/20/2011	176.89	189.69	12.80-	

FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018						
15 SHARES OF VANGUARD MID CAP VALUE ETF	03/13/2012	05/16/2011	860.16	866.54	6.38-	Covered
179.87 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	03/16/2012	10/19/2011	179.87	189.26	9.39-	
67.5 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	03/16/2012	01/23/2012	67 50	69.34	1.84-	
221.8 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	03/21/2012	05/24/2011	221.80	233.51	11.71-	
153.9 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	03/27/2012	10/20/2011	153 90	165.03	11.13-	
2776 99 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	03/27/2012	03/20/2012	25,465.00	25,437.23	27.77	Covered
248.399 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	03/27/2012	01/17/2012	2,277.82	2,267.88	9.94	Covered
1092.896 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	03/27/2012	02/02/2012	10,021.85	10,000.00	21.85	Covered
255.761 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	03/27/2012	03/20/2012	2,345 33	2,342.77	2.56	Covered
65 SHARES OF SPDR TR UNIT SER 1	04/12/2012	02/22/2012	8,983.63	8,847.59	136.04	Covered
310.35 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	04/17/2012	10/19/2011	310.35	326.55	16 20-	
103.12 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	04/17/2012	01/23/2012	103.12	105.92	2.80-	
260.89 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	04/17/2012	03/26/2012	260.89	269.98	9.09-	
479.95 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	04/23/2012	05/24/2011	479.95	505.30	25.35-	
178.61 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	04/26/2012	10/20/2011	178.61	191.53	12.92-	
152.37 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	05/16/2012	10/19/2011	152.37	160.32	7.95-	
92.01 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	05/16/2012	01/23/2012	92.01	94.51	2.50-	
387 87 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	05/16/2012	03/26/2012	387 87	401.38	13 51-	
472.78 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	05/22/2012	05/24/2011	472 78	497.75	24.97-	
168.03 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	05/29/2012	10/20/2011	168.03	180.19	12 16-	
45 SHARES OF MARKET VECTORS	05/24/2012	02/21/2012	1,842.96	1,789.85	53.11	Covered
126.86 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	06/18/2012	10/19/2011	126.86	133 48	6.62-	
161 19 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	06/18/2012	01/23/2012	161.19	165.57	4.38-	
428.67 UNITS OF FEDERAL HOME LOAN MTG CORP POOL	06/18/2012	03/26/2012	428.67	443.61	14 94-	

#E03077 (14 DAY DELAY) 3% 03/01/2027						
271.11 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	06/26/2012	10/20/2011	271.11	290.72	19.61-	
55 SHARES OF VANGUARD LONG TERM GOV BOND ETF	07/10/2012	12/21/2011	4,345.47	4,088.15	257.32	Covered
60 SHARES OF VANGUARD LONG TERM GOV BOND ETF	07/10/2012	12/21/2011	4,740.52	4,459.80	280.72	Covered
20 SHARES OF VANGUARD LONG TERM GOV BOND ETF	07/10/2012	03/21/2012	1,580.17	1,405.60	174.57	Covered
340.14 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	07/17/2012	10/19/2011	340.14	357.89	17 75-	
386.44 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	07/17/2012	01/23/2012	386.44	396.95	10.51-	
788.64 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	07/17/2012	03/26/2012	788.64	816.12	27.48-	
230.95 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	07/26/2012	10/20/2011	230.95	247.66	16.71-	
124.6 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	08/16/2012	10/19/2011	124.60	131.10	6.50-	
646 7 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	08/16/2012	01/23/2012	646.70	664.28	17.58-	
907.04 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	08/16/2012	03/26/2012	907.04	938.64	31.60-	
10 SHARES OF HONEYWELL INTL INC COM	08/15/2012	07/19/2012	584.20	579.79	4.41	Covered
10 SHARES OF BERKSHIRE HATHAWAY *B*	08/15/2012	01/30/2012	846.68	785.29	61.39	Covered
184.44 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	08/28/2012	10/20/2011	184.44	197.78	13.34-	
203.41 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	09/18/2012	10/19/2011	203.41	214.03	10.62-	
901.38 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3 5% 01/01/2042	09/18/2012	01/23/2012	901.38	925.89	24.51-	
1048.82 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	09/18/2012	03/26/2012	1,048.82	1,085.36	36.54-	
161.73 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	09/26/2012	10/20/2011	161.73	173.43	11.70-	
219.17 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	10/16/2012	10/19/2011	219.17	230.61	11 44-	
711.03 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3 5% 01/01/2042	10/16/2012	01/23/2012	711 03	730.36	19.33-	
958.68 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	10/16/2012	03/26/2012	958.68	992.08	33.40-	
10 SHARES OF KRAFT FOODS GROUP INC	10/23/2012	06/28/2012	461.41	392.20	69.21	Covered
5 SHARES OF KRAFT FOODS GROUP INC	10/23/2012	08/15/2012	230.70	213.59	17.11	Covered
514.777 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/09/2012	01/18/2012	5,466.93	5,487.52	20.59-	Covered

52.778 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/09/2012	01/25/2012	560.51	562.61	2.10-	Covered
159.325 SHARES OF FIDELITY SPARTAN SHORT TERM TREASURY BOND INDEX ADVTG	11/09/2012	02/02/2012	1,692.03	1,700.00	7.97-	Covered
30 SHARES OF SELECT SECTOR SPDR TR INDL	11/08/2012	10/08/2012	1,092.59	1,112.95	20.36-	Covered
15 SHARES OF COMCAST CORP NEW CL A	11/13/2012	05/24/2012	545.07	437.77	107.30	Covered
842.41 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	11/16/2012	01/23/2012	842.41	865.31	22.90-	
923.91 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	11/16/2012	03/26/2012	923.91	956.10	32.19-	
581.798 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	12/13/2012	05/30/2012	5,370.00	5,335.09	34.91	Covered
1876.49 SHARES OF FEDERATED ULTRASHORT BOND FUND # 108	12/13/2012	11/02/2012	17,320.00	17,320.00	0.00	Covered
45 SHARES OF JOHNSON CONTROLS INC	12/13/2012	08/15/2012	1,273.74	1,187.09	86.65	Covered
811.44 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #G08473 (14 DAY DELAY) 3.5% 01/01/2042	12/18/2012	01/23/2012	811.44	833.50	22.06-	
810.92 UNITS OF FEDERAL HOME LOAN MTG CORP POOL #E03077 (14 DAY DELAY) 3% 03/01/2027	12/18/2012	03/26/2012	810.92	839.18	28.26-	
** TOTAL SHORT TERM CAPITAL GAIN (LOSS)			154,799.84	153,658.15	1,141.69	

** LONG TERM CAPITAL GAIN (LOSS)

43.24 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	01/18/2012	07/29/2003	43.24	43.05	0.19
20 SHARES OF NEXTERA ENERGY INC	01/13/2012	10/30/2008	1,176.47	920.71	255.76
93.639 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	01/13/2010	842.75	857.73	14.98-
219.705 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	01/14/2010	1,977 35	2,012.50	35.15-
155.932 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	01/14/2010	1,403.39	1,428.34	24.95-
58 694 SHARES OF GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND	01/18/2012	08/09/2010	528.25	530.00	1 75-
466.15 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	01/26/2012	01/11/2006	466.15	464.40	1.75
1726.21 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5 5% 09/25/2034	01/26/2012	04/20/2005	1,726.21	1,747.79	21.58-
199 98 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5.75% 01/25/2036	01/26/2012	04/20/2007	199.98	198.23	1.75
9 33 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2 85872% 08/25/2034	01/26/2012	09/01/2004	9.33	9.48	0.15-
292 4 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5 15% 08/25/2035	01/26/2012	08/26/2005	292.40	290.98	1.42

33.24 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	01/26/2012	04/15/2004	33.24	33.20	0.04	
20 SHARES OF PEABODY ENERGY CORP	01/24/2012	07/13/2009	729.87	590.12	139.75	
10 SHARES OF BARD C R INC COM	01/25/2012	07/13/2009	935.66	733.46	202.20	
10 SHARES OF AFLAC INC	01/30/2012	06/05/2009	478.89	335.46	143.43	
30 SHARES OF AFLAC INC	01/30/2012	07/13/2009	1,436.68	901.03	535.65	
30000 UNITS OF US TREASURY NOTE 1.375% 09/15/2012	02/10/2012	08/17/2010	30,206.25	30,522.66	316.41-	
43.45 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	02/16/2012	07/29/2003	43.45	43.26	0.19	
35 SHARES OF KOHLS CORPORATION	02/21/2012	12/08/2010	1,822.91	1,899.14	76.23-	Non Covered
95 SHARES OF VANGUARD MID CAP GROWTH ETF	02/22/2012	03/11/2009	6,406.77	2,843.16	3,563.61	
201.7 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	02/28/2012	04/15/2004	201.70	201.45	0.25	
183 14 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	02/28/2012	01/11/2006	183.14	182.45	0.69	
123.43 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	02/28/2012	04/20/2005	123.43	124.97	1.54-	
8.77 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	02/28/2012	09/01/2004	8.77	8.91	0.14-	
623.41 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	02/28/2012	08/26/2005	623.41	620.39	3.02	
110 SHARES OF VANGUARD MID CAP VALUE ETF	03/13/2012	03/11/2009	6,307.87	2,765.34	3,542.53	
27.07 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	03/16/2012	07/29/2003	27.07	26.95	0.12	
15.882 SHARES OF VANGUARD FUND #1769	03/20/2012	06/16/2009	468.20	376.29	91.91	
37.714 SHARES OF VANGUARD FUND #1769	03/20/2012	08/09/2010	1,111.80	1,095.00	16.80	
79.323 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	03/20/2012	11/13/2009	1,649.13	1,509.52	139.61	
136 165 SHARES OF COHEN & STEERS INSTITUTIONAL GLOBAL REALTY FUND CLASS I	03/20/2012	08/09/2010	2,830.87	2,638.89	191.98	
63.94 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4 5% 02/25/2033	03/27/2012	04/15/2004	63.94	63.86	0.08	
342.54 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	03/27/2012	01/11/2006	342 54	341.26	1.28	
111.98 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	03/27/2012	04/20/2005	111.98	113.38	1 40-	
9.11 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	03/27/2012	09/01/2004	9.11	9.26	0.15-	
87.56 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	03/27/2012	08/26/2005	87.56	87.14	0.42	
29.3 UNITS OF	04/17/2012	07/29/2003	29.30	29.17	0.13	

FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033					
171 23 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	04/26/2012	04/15/2004	171.23	171.02	0.21
353 92 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	04/26/2012	01/11/2006	353.92	352.59	1.33
117 08 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	04/26/2012	04/20/2005	117 08	118.54	1 46-
8.16 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	04/26/2012	09/01/2004	8.16	8.29	0.13-
860.35 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	04/26/2012	08/26/2005	860.35	856.18	4.17
40 SHARES OF PRINCIPAL FINANCIAL GROUP	05/02/2012	12/10/2009	1,092.56	935.79	156.77
43 23 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	05/16/2012	07/29/2003	43.23	43.04	0.19
15 SHARES OF AMERICAN EXPRESS COMPANY	05/15/2012	11/21/2008	875.61	258.85	616.76
20 SHARES OF WELLS FARGO & COMPANY	05/16/2012	05/12/2009	646.43	497.74	148.69
40 SHARES OF GENERAL ELECTRIC COMPANY	05/22/2012	06/17/2010	763.77	632.70	131.07
1760.72 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	05/29/2012	04/20/2005	1,760.72	1,782.73	22.01-
721.29 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	05/29/2012	08/26/2005	721.29	717.80	3.49
100.6 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	05/29/2012	04/15/2004	100.60	100.47	0.13
9.69 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	05/29/2012	09/01/2004	9.69	9.85	0.16-
497.1 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	05/29/2012	01/11/2006	497.10	495.24	1.86
83.685 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	05/30/2012	01/17/2007	518.85	1,100.46	581.61-
137.323 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	05/30/2012	03/16/2007	851.40	1,963.71	1,112.31-
78.992 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	05/30/2012	05/16/2011	489.75	729.10	239.35-
31.84 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3 5% 06/15/2033	06/18/2012	07/29/2003	31.84	31.70	0.14
495.21 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	06/21/2012	05/24/2011	495.21	521.36	26 15-
10 54 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	06/26/2012	09/01/2004	10.54	10.71	0.17-
117.03 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	06/26/2012	04/20/2005	117.03	118.49	1.46-
556 66 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY	06/26/2012	08/26/2005	556.66	553 96	2 70

DELAY) 5.15% 08/25/2035					
482.98 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	06/26/2012	01/11/2006	482.98	481.17	1.81
30 SHARES OF GENERAL MILLS INC	06/28/2012	12/16/2004	1,126.84	725.74	401.10
15 SHARES OF THE MOSAIC COMPANY	07/03/2012	06/16/2011	837.52	945.71	108 19- Covered
20.51 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	07/12/2012	04/15/2004	20.51	20.48	0.03
23.67 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3 5% 06/15/2033	07/17/2012	07/29/2003	23.67	23.57	0.10
455 99 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	07/23/2012	05/24/2011	455.99	480.07	24 08-
30 SHARES OF GENERAL DYNAMICS	07/19/2012	02/14/2002	1,975.95	1,323.36	652.59
111.43 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	07/26/2012	04/20/2005	111.43	112.82	1.39-
7.91 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	07/26/2012	09/01/2004	7.91	8.04	0.13-
229.46 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	07/26/2012	08/26/2005	229.46	228.35	1.11
559.20 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	07/26/2012	01/11/2006	559.20	557.10	2.10
460.66 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5.75% 01/25/2036	07/26/2012	04/20/2007	460.66	456.63	4.03
8.40 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	07/26/2012	04/15/2004	8.40	8.39	0.01
20 SHARES OF BAXTER INTERNATIONAL INC	08/01/2012	08/02/2007	1,175.97	1,063.63	112.34
15 SHARES OF BAXTER INTERNATIONAL INC	08/01/2012	10/17/2007	881.98	830.88	51.10
42.7 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3 5% 06/15/2033	08/16/2012	07/29/2003	42.70	42.51	0.19
2 SHARES OF APPLE COMPUTER INC	08/15/2012	03/23/2009	1,261.65	214.09	1,047.56
3 SHARES OF APPLE COMPUTER INC	08/15/2012	07/13/2009	1,892.47	425.75	1,466.72
10 SHARES OF EXXON MOBIL CORP COM	08/15/2012	02/14/2002	879.59	391.83	487.76
569.00 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	08/21/2012	05/24/2011	569.00	599.05	30.05-
114.83 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5 5% 09/25/2034	08/28/2012	04/20/2005	114.83	116.27	1.44-
834.98 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5 75% 01/25/2036	08/28/2012	04/20/2007	834.98	827.67	7.31
8.11 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	08/28/2012	09/01/2004	8.11	8.24	0.13-
9.47 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	08/28/2012	04/15/2004	9.47	9.46	0.01
606.72 UNITS OF	08/28/2012	08/26/2005	606.72	603.78	2.94

STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035						
496.82 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5 5% 02/25/2018	08/28/2012	01/11/2006	496.82	494.96	1.86	
55.71 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	09/18/2012	07/29/2003	55.71	55.47	0.24	
504 3 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	09/21/2012	05/24/2011	504.30	530.93	26.63-	
129 92 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	09/26/2012	09/01/2004	129.92	132.01	2.09-	
306 83 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	09/26/2012	08/26/2005	306.83	305.34	1.49	
156 15 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	09/26/2012	04/15/2004	156.15	155.96	0.19	
1731.53 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	09/26/2012	04/20/2005	1,731.53	1,753.17	21.64-	
490 01 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	09/26/2012	01/11/2006	490.01	488.17	1.84	
15 SHARES OF EXPEDITORS INTERNATL OF WASH INC	10/08/2012	08/19/2008	527.69	530.86	3.17-	
15 SHARES OF EXPEDITORS INTERNATL OF WASH INC	10/08/2012	07/18/2011	527.69	731.99	204.30-	Covered
62.09 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	10/16/2012	07/29/2003	62.09	61.82	0.27	
1533.23 UNITS OF FEDERAL HOME LOAN MORTGAGE CORP (14 DAY DELAY) 3.5% 06/15/2033	10/17/2012	07/29/2003	1,586.89	1,526.53	60.36	
536.16 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	10/23/2012	05/24/2011	536.16	564.48	28.32-	
592.11 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5.15% 08/25/2035	10/26/2012	08/26/2005	592.11	589.24	2.87	
166.77 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	10/26/2012	10/20/2011	166 77	178.83	12.06-	
1259.85 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4.5% 02/25/2033	10/05/2012	04/15/2004	1,260.63	1,258.28	2.35	
932.08 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	10/26/2012	04/20/2005	932.08	943.73	11.65-	
8.75 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	10/26/2012	09/01/2004	8.75	8 89	0.14-	
800 63 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	10/26/2012	01/11/2006	800.63	797.63	3.00	
337.66 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5.75% 01/25/2036	10/26/2012	04/20/2007	337.66	334.71	2.95	
16 25 UNITS OF STRUCTURED ASSET SECURITES CORP (24 DAY DELAY) 4 5% 02/25/2033	10/26/2012	04/15/2004	16.25	16.23	0.02	
25 SHARES OF MICROSOFT CORPORATION	10/24/2012	02/14/2002	700.35	786.19	85.84-	
35 08 SHARES OF	11/02/2012	07/13/2009	236.79	233.98	2.81	

PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45						
25.498 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	11/02/2012	08/09/2010	172.11	205.00	32 89-	
12.015 SHARES OF PIMCO COMMODITY REAL RETURN STRATEGY FUND INST #45	11/02/2012	05/16/2011	81.10	110.90	29 80-	
13 544 SHARES OF DIMENSIONAL US SMALL CAP VALUE	11/02/2012	03/20/2009	360.00	157.38	202.62	
20.572 SHARES OF VANGUARD TOTAL BOND MARKET INDEX FUND 1351	11/02/2012	10/28/2011	230.00	225.06	4.94	
5.592 SHARES OF VANGUARD SMALL CAP GROWTH INDEX FUND #861	11/02/2012	04/26/2011	135.00	138.29	3.29-	
136.75 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	11/16/2012	10/19/2011	136.75	143.89	7.14-	
25 SHARES OF JOHNSON CONTROLS INC	11/14/2012	07/18/2011	626.51	1,010.48	383 97-	Covered
15 SHARES OF JOHNSON CONTROLS INC	11/14/2012	10/13/2011	375.90	472.20	96.30-	Covered
3 SHARES OF VISA INC	11/14/2012	11/10/2011	419.55	279.45	140.10	Covered
10 SHARES OF ACCENTURE PLC	11/16/2012	10/13/2011	661.67	573.40	88.27	Covered
485 11 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	11/21/2012	05/24/2011	485.11	510.73	25.62-	
337 07 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	11/27/2012	10/20/2011	337.07	361.45	24.38-	
98.75 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5 5% 09/25/2034	11/27/2012	04/20/2005	98.75	99.98	1.23-	
9 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	11/27/2012	09/01/2004	9.00	9.14	0.14-	
163.57 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5 75% 01/25/2036	11/27/2012	04/20/2007	163.57	162.14	1.43	
829.44 UNITS OF COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018	11/27/2012	01/11/2006	829.44	826.33	3.11	
518.5 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5 15% 08/25/2035	11/27/2012	08/26/2005	518.50	515.99	2.51	
5 SHARES OF JOHNSON CONTROLS INC	12/13/2012	10/13/2011	141.53	157.40	15.87-	Covered
123 57 UNITS OF FEDERAL HOME LOAN MTG ASSN POOL #E96873 14 DAY DELAY 4% 06/01/2018	12/18/2012	10/19/2011	123.57	130.02	6.45-	
509 49 UNITS OF GOVERNMENT NATL MORTGAGE ASSN POOL #4759 (19 DAY DELAY) 4% 08/20/2025	12/21/2012	05/24/2011	509.49	536.40	26.91-	
64 91 UNITS OF FEDERAL NATL MORTGAGE ASSN POOL #747873 4.5% 12/01/2018	12/27/2012	10/20/2011	64.91	69.61	4.70-	
2448.20 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5.75% 01/25/2036	12/04/2012	04/20/2007	2,263.05	2,426.78	163 73-	
73.77 UNITS OF CS FIRST BOSTON MTG SECURITIES (24 DAY DELAY) 5.5% 09/25/2034	12/27/2012	04/20/2005	73 77	74.69	0.92-	
833 54 UNITS OF	12/27/2012	01/11/2006	833.54	830.41	3.13	

COUNTRYWIDE HOME LOANS (24 DAY DELAY) 5.5% 02/25/2018					
1083.91 UNITS OF STRUCTURED ADJ RATE MTG LOAN (24 DAY DELAY) 5 15% 08/25/2035	12/27/2012	08/26/2005	1,083.91	1,078.66	5.25
160 12 UNITS OF JP MORGAN MORTGAGE TRUST (24 DAY DELAY) 5.75% 01/25/2036	12/27/2012	04/20/2007	160.12	158.72	1.40
378 39 UNITS OF MASTER ARM TRUST (24 DAY DELAY) FLTG RT 2.85872% 08/25/2034	12/27/2012	09/01/2004	378.39	384.48	6.09-
** TOTAL LONG TERM CAPITAL GAIN (LOSS)			114,046.19	103,242.22	10,803.97

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
ALERUS FINACIAL	9,563.
ALERUS FINACIAL-US GOVT	4,909.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	14,472.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ALERUS FINANCIAL	6,875.	611.	6,264.
TOTAL TO FM 990-PF, PART I, LN 4	6,875.	611.	6,264.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	206.	0.		206.
TO FM 990-PF, PG 1, LN 16A	206.	0.		206.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	858.	0.		858.
TO FORM 990-PF, PG 1, LN 16B	858.	0.		858.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRUSTEE FEES	2,569.	1,284.		1,285.
TO FORM 990-PF, PG 1, LN 16C	2,569.	1,284.		1,285.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX ON INVESTMENT INCOME	975.	0.		0.
FOREIGN TAX WITHHELD	4.	0.		0.
TO FORM 990-PF, PG 1, LN 18	979.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SEC OF STATE FILING FEE	15.	0.		0.
TO FORM 990-PF, PG 1, LN 23	15.	0.		0.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ALERUS AGENCY-BONDS	FMV	446,111.	468,887.
ALERUS AGENCY-COMMON STOCK	FMV	178,081.	214,437.
TOTAL TO FORM 990-PF, PART II, LINE 13		624,192.	683,324.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
WES RYDELL 3202 BELMONT ROAD GRAND FORKS, ND 58201	PRESIDENT & DIRECTOR 0.00	0.	0.	0.
DENNIS LUNDE 3901 2ND AVE SW FARGO, ND 58103	VICE-PRES. & DIRECTOR 0.00	0.	0.	0.
IVAN GANDRUD 9861 HIGHWAY 1804 NW BISMARCK, ND 58203	TREASURER & DIRECTOR 0.00	0.	0.	0.
RANDY NEHRING 4101 WEST 41ST ST SIOUX FALLS, SD 57116	SECRETARY & DIRECTOR 0.00	0.	0.	0.
JIM RYDELL 3521 INVERNESS WATERLOO, IA 50701	DIRECTOR 0.00	0.	0.	0.
CONNIE MONDRY 308 E LAKE GENEVA RD NE ALEXANDRIA, MN 56308	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION 53.4942(A)-3(D)(2) TO APPLY EXCESS QUALIFYING DISTRIBUTIONS TO PRIOR YEAR'S UNDISTRIBUTED INCOME

STATEMENT 10

PURSUANT TO IRC SEC. 4942(H)(2) AND REG. 53.4942(A)-3(D)(2), THE FOUNDATION HEREBY ELECTS TO TREAT CURRENT YEAR QUALIFYING DISTRIBUTION IN EXCESS OF THE IMMEDIATELY PRECEDING TAX YEAR'S UNDISTRIBUTED INCOME AS BEING MADE OUT OF UNDISTRIBUTED INCOME FOR THE TAX YEAR ENDING 12-31-2007 IN THE DOLLAR AMOUNT OF $393.

FORM 990-PF PART XV - LINE 1A STATEMENT 11

LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

WES RYDELL
DENNIS LUNDE
IVAN GANDRUD
RANDY NEHRING
JIM RYDELL