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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No. 1545-0052

2016

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▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2016 or tax year beginning January , 2016, and ending December , 20 16

Name of foundation The Lundeen Foundation		A Employer identification number 41-1321858
Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) 218-736-4866
107 North Court Street		
City or town, state or province, country, and ZIP or foreign postal code Fergus Falls, MN 56537		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 2,129,081 19	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1,250			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	67,636.62	67,636.62	N/A	
	5a Gross rents			N/A	
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,210.93			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)			0	
	8 Net short-term capital gain			N/A	
	9 Income modifications				
	10a Gross sales less returns and allowances			N/A	
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)			N/A		
11 Other income (attach schedule)	(985.88)		N/A		
12 Total. Add lines 1 through 11	69,111.67	67,636.62	N/A		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.			N/A	
	14 Other employee salaries and wages			N/A	
	15 Pension plans, employee benefits			N/A	
	16a Legal fees (attach schedule)	55,030	55,030	N/A	55,030
	b Accounting fees (attach schedule)			N/A	
	c Other professional fees (attach schedule)			N/A	
	17 Interest			N/A	
	18 Taxes (attach schedule) (see instructions)	153.43	153.43	N/A	153.43
	19 Depreciation (attach schedule) and depletion			N/A	
	20 Occupancy			N/A	
	21 Travel, conferences, and meetings			N/A	
	22 Printing and publications			N/A	
	23 Other expenses (attach schedule)	25	25	N/A	25
	24 Total operating and administrative expenses. Add lines 13 through 23	55,208.43	55,208.43	N/A	55,208.43
	25 Contributions, gifts, grants paid	97,000			97,000
26 Total expenses and disbursements. Add lines 24 and 25	152,208.43	55,208.43	N/A	152,208.43	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(83,096.76)				
b Net investment income (if negative, enter -0-)		12,428.19			
c Adjusted net income (if negative, enter -0-)			N/A		

For Paperwork Reduction Act Notice, see instructions.

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Form **990-PF** (2016)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing		3,128 99	165 56	165 56
	2 Savings and temporary cash investments				
	3 Accounts receivable ▶				
	Less: allowance for doubtful accounts ▶				
	4 Pledges receivable ▶				
	Less: allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach schedule) ▶				
	Less: allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments—U.S. and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule)		1,091,299 96		1,278,242 92
	c Investments—corporate bonds (attach schedule)		909,465 28		850,672 67
	11 Investments—land, buildings, and equipment: basis ▶				
Liabilities	Less: accumulated depreciation (attach schedule) ▶				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		2,003,894 23		2,129,081 15
	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ▶)				
	23 Total liabilities (add lines 17 through 22)				
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see instructions)		2,003,894 23	2,129,081.19	
	31 Total liabilities and net assets/fund balances (see instructions)		2,003,894 23	2,129,081.19	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,003,894 23
2 Enter amount from Part I, line 27a	2	(83,096.76)
3 Other increases not included in line 2 (itemize) ▶	3	208,283.68
4 Add lines 1, 2, and 3	4	2,129,081.15
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	2,129,081 15

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Vanguard Short-Term Investment-Grade Fund 8215 631shs	P	Various	12-22-16
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a	87,250	N/A	88,235 88	(985 88)
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a	N/A	N/A	N/A	N/A
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	(985 88)
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8		3	0

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.

N/A

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015			
2014			
2013			
2012			
2011			
2	Total of line 1, column (d)		2
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
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5		4
5	Multiply line 4 by line 3		5
6	Enter 1% of net investment income (1% of Part I, line 27b)		6
7	Add lines 5 and 6		7
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.		8
			152,208 43

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	N/A	
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		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a		
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		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2017 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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Minnesota		
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? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	✓	
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

Part VII-A Statements Regarding Activities (continued)

	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	✓
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	✓
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	✓
14 The books are in care of ▶ David F. Lundeen Telephone no. ▶ 218-736-4866 Located at ▶ 107 North Court Street, Fergus Falls, MN ZIP+4 ▶ 56537-2106		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 0		
16 At any time during calendar year 2016, 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	✓
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	✓
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
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 2016?	1c	✓
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2016 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016.</i>)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?**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? ☐ 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**6b**

✓

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

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?**7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
David F. Lundeen, 107 North Court Street, Fergus Falls, MN 56537	Chair person, about 7 hours	See Part 16a	0	0
Mary D. Lundeen, 705 West Lakeside Drive, Fergus Falls, MN 56537	Trustee	Less than 1hr	0	0
Victor G. Lundeen, Jr., 117 East Channing Ave, Fergus Falls, MN 56537	Trustee	Less than 1hr	0	0
SEE ATTACHED SHEET FOR ADDITIONAL ENTRIES				

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	\$2,100,000 ±
b	Average of monthly cash balances	1b	\$165-2,600 ±
c	Fair market value of all other assets (see instructions)	1c	\$2,100,000 ±
d	Total (add lines 1a, b, and c)	1d	Various
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	Various
2	Acquisition indebtedness applicable to line 1 assets	2	None
3	Subtract line 2 from line 1d	3	Various
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	Various
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	Various
6	Minimum investment return. Enter 5% of line 5	6	N/A

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	Various
2a	Tax on investment income for 2016 from Part VI, line 5	2a	
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	Various
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	Various

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	152,208 43
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	2,100,000 ±
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	152,208 43
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	

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)

N/A		(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1	Distributable amount for 2016 from Part XI, line 7				
2	Undistributed income, if any, as of the end of 2016:				
a	Enter amount for 2015 only				
b	Total for prior years: 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2016:				
a	From 2011				
b	From 2012				
c	From 2013				
d	From 2014				
e	From 2015				
f	Total of lines 3a through e				
4	Qualifying distributions for 2016 from Part XII, line 4: ► \$				
a	Applied to 2015, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see instructions)				
c	Treated as distributions out of corpus (Election required—see instructions)				
d	Applied to 2016 distributable amount				
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	Enter the net total of each column as indicated below:				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b	Prior years' undistributed income. Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see instructions				
e	Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount—see instructions				
f	Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8	Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)				
9	Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2012				
b	Excess from 2013				
c	Excess from 2014				
d	Excess from 2015				
e	Excess from 2016				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling N/A

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

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

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

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

David F. Lundeen, 107 North Court Street, Fergus Falls, MN 56537 (218) 736-4866

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

In letter form ☐ IRS letter granting S501 (c) (3) status' or Other charitable history

- c** Any submission deadlines:

by November 15 of each year

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

Preference may be given to organizations in the Fergus Falls area

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

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

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

- | | | | |
|--|-------|-----|----|
| <p>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?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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.</p> | | Yes | No |
| | | | |
| | 1a(1) | | ✓ |
| | 1a(2) | | ✓ |
| | | | |
| | 1b(1) | | ✓ |
| | 1b(2) | | ✓ |
| | 1b(3) | | ✓ |
| | 1b(4) | | ✓ |
| | 1b(5) | | ✓ |
| | 1b(6) | | ✓ |
| | 1c | | ✓ |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

Signature of officer or trustee

4-28-17
Date

Chairperson
Title

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

Paid
Preparer
Use Only

Print/Type preparer's name

David F. Lundeen

Preparer's signature

Nov 24 J. H. H. H. H.

Date:

 $7 = 48 \div 1$

Check ☒ if self-employed

PTIN

41-1736992

Firm's name ► David F. Lundeen Law Office

Firm's address ► 107 North Court Street, Fergus Falls, MN 56537-2106

Firm's EIN ▶ 41-1736992

Phone no.	218-736-4866
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Schedule of Grants and Contributions Paid During the Year
(Part XV, Line 3a)

Recipient Name and address	Organization Status	Purpose of grant or contribution	Amount
Fergus Falls Area Family YMCA (operating fund) 1164 North Friberg Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$6,000.00
Fergus Falls Area Family YMCA (Foundation) 1164 North Friberg Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$6,000.00
A Center for the Arts 124 West Lincoln Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$12,000.00
PioneerCare Foundation 1006 Sheridan Street South Fergus Falls, MN 56537	Public charity	General Operations	\$6,000.00
Lake Region Healthcare Foundation 712 Cascade Street South Fergus Falls, MN 56537	Public charity	General Operations	\$5,000.00
Fergus Falls Concert Association 3724 Pebble Hills Drive Fergus Falls, MN 56537	Public charity	General Operations and Endowment Fund	\$4,000.00
Fergus Area College Foundation Minnesota State Community and Technical College 1414 College Way Fergus Falls, MN 56537	Public charity	Scholarship Endowment	\$5,000.00
Fergus Falls Community Food Shelf P.O. Box 136 Fergus Falls, MN 56537	Public charity	General Operations	\$5,000.00
Otter Tail County Historical Society 1110 Lincoln Avenue West Fergus Falls, MN 56537	Public charity	General Operations	\$5,000.00
Salvation Army 622 East Vernon Avenue Post Office Box 727 Fergus Falls, MN 56537	Public charity	General Operations	\$5,000.00

Schedule of Grants and Contributions Paid During the Year
(Part XV, Line 3a)

Recipient Name and address	Organization Status	Purpose of grant or contribution	Amount
Pioneer Public Television 120 West Schlieman Avenue Appleton, MN 56208	Public charity	General Operations	\$3,000.00
Prairie Public Broadcasting 207 North Fifth Street Fargo, ND 58108-3240	Public charity	General Operations	\$3,000.00
Minnesota Public Radio Concordia College 901 South Eighth Street Moorhead, MN 56562	Public charity	General Operations	\$3,000.00
Fergus Falls Public Library Expendable Fund 205 East Hampden Avenue Fergus Falls, MN 56537-2930	Public charity	General Operations,	\$3,000.00
Oak Grove Cemetery Association of Fergus Falls 1214 Foothill Court Fergus Falls, MN 56537	Public charity	General Operations	\$2,000.00
Fergus Falls 544 Education Foundation 518 Friberg Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$3,000.00
Fergus Falls Public Library Foundation West Central Initiative Post Office Box 318 Fergus Falls, MN 56538-0318	Public charity	General Operations	\$5,000.00
Lutheran Brethren Homes 805 East Channing Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$1,000.00
Friends of the Boundary Waters Wilderness 401 North Third Street Suite 290 Minneapolis, MN 55401	Public charity	General Operations	\$1,200.00

Explanation for part X

Line 1(b) Average Monthly Cash Values:

Line 1(e) Reduction Claimed for blockage or Other Factors Reported on Lines 1a and 1c; and

Line 4 Cash Deemed Held for Charitable Activities

For most of the year 2016, the average monthly cash balance was \$3,129, (2 months) and \$2,629 (5 months) and \$2,451 (4 months). It was then \$2,705 for ten days, \$601,680 for a day, before it was reduced to \$165 for a week. The balance of The foundation assets were fully invested throughout the year.

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

- (1) Contributions to charities, in the range of: \$65,000 to \$97,000 (\$81,700 in 2013 \$74,850 in 2014, \$67,100 in 2015, and \$97,000 in 2016).
- (2) Legal fees for handling investments and foundation operations, in the range of: \$50,000 to \$58,005 (\$58,005 in 2013, \$53,800 in 2014, \$55,000 in 2015, and \$55,030 in 2016).
- (3) IRS excise taxes, Minnesota registration filing fees, and miscellaneous expenses, in the range of \$600 to \$1,100 were paid (\$390.65 in 2012, \$591 in 2013, \$357.50 in 2014, \$160.91 in 2015, and \$178.43 in 2016).

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (Part VIII, Line 1) (continued)

(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
E. Daniel Lundeen II 917 Winstead Street, Great Falls, VA 22066	Trustee, Less than 1 hour	0	0	0
Paul V. Lundeen 715 Sunset Drive, Fergus Falls, MN 56537	Trustee, Less than 1 hour	0	0	0

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

*Chairperson is an attorney who administers the foundation, including investments, income, expenses, etc.; manages its operations; prepares its reports and IRS Form 990-PF; coordinates all foundation matters for the trustees, its contributions, gifts and grants; handles its correspondence; prepares, keeps and maintains its books and records; and handles all matters for the foundation, for which he is paid the amount shown in Part 1, Line 16a

Part II Balance Sheets

		<u>Beginning of year</u>	<u>End of year</u>	
		<u>(a) Book Value</u>	<u>(b) Book Value</u>	<u>(c) Fair Market Value</u>
<u>Cash - Non-Interest-Bearing (Line 1)</u>				
Wells Fargo Bank Checking Account Balance		\$3,128.99	\$165.56	\$165.56
<u>Schedule of Investments - Corporate Stock (Line 10b)</u>				
Chevron Corporation- 976 shares	at 89.96	\$87,800.96	at 117.70	\$114,875.20
Imation Corporation- 40 shares)	at 1.37	\$54.80	at .82	\$32.80
Otter Tail Corporation- 4,000 shares	at 26.63	\$106,520.00	at 40.80	\$163,200.00
3M Company- 800 shares	at 150.64	\$120,512.00	at 178.57	\$142,856.00
Vang Total Stk Mkt Idx Fnd- 15,286.714 shares	at 50.79	\$776,412.20	at 56.08	\$857,278.92
TOTAL		\$1,091,299.96		\$1,278,242.92
<u>Schedule of Investments - Corporate Bonds (Line 10c)</u>				
Vanguard Federal Money Markey Fund	18,478.80	0	at \$1.00	\$18,478.80
Vanguard GNMA Fund -	5,458.008 at 10.66	\$58,182.36	at 10.54	\$57,527.40
Vang High-Yield Corporate Fund	69,510.791 shares at 5.54	\$385,089.78	shares at 5.83	\$405,247.91
Vang Short-Term Invet-Gde Fnd	12,798.623 shares at 10.56	\$135,153.46	4,582.992 shs at 10.63	\$48,717.20
Vang Inter-Term Invest-Gde Fnd	33,267.415 shares at 9.64	\$320,697.88	33,267.415 shs at 9.64	\$320,697.88
Vanguard Admirl Treas M Mkt Index Fund	3.48 shares at 1.00	\$3.48	at 1.00	\$3.48
Vanguard Prime M Mkt Index Fund	10.340.31 shares at 1.00	\$10,340.31		0
TOTAL		\$909,467.27		\$850,672.67
<u>Total Assets (Line 16)</u>		\$2,003,896.22		\$2,129,081.15

Schedule of Grants and Contributions Paid During the Year
(Part XV, Line 3a)

Recipient Name and address	Organization Status	Purpose of grant or contribution	Amount
Lakeland Hospice Foundation 805 East Channing Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$2,000.00
Fergus Falls Area Habitat for Humanity 1500 South Cascade Street Fergus Falls, MN 56537	Public charity	General Operations	\$1,500.00
Alzheimer's Association Minnesota-North Dakota Chapter 7900 West 78th Street, Suite 100 Minneapolis, MN 55439	Public charity	General Operatins	\$1,000.00
Claire Ann Shover Nursery School 522 Spruce Street Fergus Falls, MN 56537	Public charity	General Operations	\$1,000.00
Kaddatz Galleries 111 West Lincoln Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$1,200.00
Friends of the Prairie Wetlands Learning Center 602 State Highway 210 East P.O. Box 229 Fergus Falls, MN 56537-4217	Public charity	General Operations	\$1,200.00
Someplace Safe P.O. Box 815 Fergus Falls, MN 56537	Public charity	General Operations	\$1,000.00
Northern Lights Council Boy Scouts of America 4200 19th Avenue South Fargo, ND 58103	Public charity	General Operations,	\$1,000.00
Hillcrest Academy 610 Hillcrest Drive Fergus Falls, MN 56537	Secondary education	General Operations	\$800.00

Schedule of Grants and Contributions Paid During the Year
(Part XV, Line 3a)

Recipient Name and address	Organization Status	Purpose of grant or contribution	Amount
Walk MS - Fergus Falls, Minnesota National Multiple Sclerosis Society, Upper Midwest Chapter 200 12th Avenue South Minneapolis, MN 55415-1255	Public charity	General Operations	\$500.00
The Matthew House Post Office Box 91 Fergus Falls, MN 56537	Public charity	General Operations	\$1,300.00
Humane Society of Otter Tail County 1933 West Fir Avenue Fergus Falls, MN 56537	Public charity	General Operations	\$1,300.00
TOTAL			\$97,000.00