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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

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning , 2017, and ending , 20

Name of foundation ARLIN FALCK FOUNDATION	A Employer identification number 41-1925877
Number and street (or P.O box number if mail is not delivered to street address) 12743 BUCKLEY ROAD	Room/suite	B Telephone number (see instructions) 507-724-3348
City or town, state or province, country, and ZIP or foreign postal code CALEDONIA, MN 55921	C If exemption application is pending, check here ▶ ☐

6

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) ▶ $ 4,948,770 73

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) (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)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	28,896 13	28,896 13		
	4	Dividends and interest from securities	88,076 13	88,076 13		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		16,712 07		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less. Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	153 45	153 45		
	12	**Total.** Add lines 1 through 11	117,125 71	133,837 78		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	53,280 00	10,080 00		43,200 00
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	4,288 70	4,288 70		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	6,791 93	1,487 13		3,304 80
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	1,152 21			1,152 21
	22	Printing and publications				
	23	Other expenses (attach schedule)	869 98			869 98
	24	**Total operating and administrative expenses.** Add lines 13 through 23	66,382 82	15,855 83		48,526 99
	25	Contributions, gifts, grants paid	159,458 16			159,458 16
	26	**Total expenses and disbursements.** Add lines 24 and 25	225,840 98	15,855 83		207,985 15
	27	Subtract line 26 from line 12.				
	a	**Excess of revenue over expenses and disbursements**	(108,715 27)			
	b	**Net investment income** (if negative, enter -0-)		117,981.95		
	c	**Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	1,875,387 11	1,923,166 89	1,918,348 75
	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 ▶	20,936 61	16,160 12	16,160 12
	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)	2,316,060 02	2,183,777 74	3,014,260 86
	c Investments—corporate bonds (attach schedule)	103,246 00	103,246 00	1 00
	11 Investments—land, buildings, and equipment: basis ▶			
	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)	4,315,629 74	4,226,350 75	4,948,770 73
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 (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)			
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	4,315,629 74	4,226,350 75	
	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)	4,315,629 74	4,226,350 75	
	31 **Total liabilities and net assets/fund balances** (see instructions)	4,315,629 74	4,226,350 75	

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	4,315,629 74
2	Enter amount from Part I, line 27a	2	(108,715.27)
3	Other increases not included in line 2 (itemize) ▶ REALIZED GAINS/BASIS ADJUSTMENTS	3	19,436 28
4	Add lines 1, 2, and 3	4	4,226,350 75
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,226,350 75

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (for example, 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	PUBLICLY TRADED SECURITIES - MORGAN STANLEY			
b	CAPITAL GAIN DISTRIBUTION - MORGAN STANLEY			
c	PUBLICLY TRADED SECURITIES - MORGAN STANLEY			
d	PUBLICLY TRADED SECURITIES - THE BLACKSTONE GROUP LP (K-1)			
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	310,041 45		310,565 88	(524 43)
b	5,580 44			5,580 44
c	629,604 54		618,029 48	11,575 06
d	81 00			81 00
e				

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	16,712 07
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8 . . .	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation doesn't 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))
2016	232,504 80	4,855,166 98	0478881
2015	279,583 61	5,214,275 31	0536189
2014	243,243 22	5,204,308 53	.0467388
2013	292,616 90	5,125,226 27	.0570935
2012	171,726 82	5,124,538 70	0335107

2	**Total** of line 1, column (d) . . .	2	2388500
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years . . .	3	0477700
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5 . . .	4	5,095,095 28
5	Multiply line 4 by line 3 . . .	5	243,392.70
6	Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	1,179 82
7	Add lines 5 and 6 . . .	7	244,572.52
8	Enter qualifying distributions from Part XII, line 4 . . .	8	207,985.15

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	2,359	64
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	2,359	64
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	2,359	64
6	Credits/Payments.				
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a 2,066 43			
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	2,066	43
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	293	21
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 2018 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		✔
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		✔
	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		✔
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation. ▶ $ 0 00 **(2)** On foundation managers. ▶ $ 0 00			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0 00			
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		✔
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		✔
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✔
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by *General Instruction T.*	5		✔
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	✔	
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	✔	
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?* If "No," attach explanation	8b	✔	
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 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV	9		✔
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		✔

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?	13	✔	

Website address ▶ N/A

14 The books are in care of ▶ KATHLEEN V NELSON Telephone no. ▶ 507-724-3348
Located at ▶ 12743 BUCKLEY ROAD, CALEDONIA, MN ZIP+4 ▶ 55921-2808

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 2017, 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? ☐ 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	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 2017?	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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? ☐ Yes ☑ 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	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 ___ , 20 ___ , 20 ___ , 20 ___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2017 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 2017.)	3b	N/A	
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 2017?	4b		✔

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

			Yes	No
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**	N/A	
	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			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		✔
	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**	N/A	

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

1 List all officers, directors, trustees, and 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
KATHLEEN V NELSON 12743 BUCKLEY ROAD, CALEDONIA, MN	PRESIDENT 22 5 HR	40,320 00	0 00	0 00
DALE EVAVOLD PO BOX 478, RUSHFORD, MN	SECRETARY 1 HR	6,480 00	0 00	0 00
ALAN C ANDERSON 121 14TH ST NE, ROCHESTER, MN	TREASURER 1 HR	6,480 00	0 00	0 00

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	
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	3,151,976 60
b	Average of monthly cash balances	1b	2,000,966 47
c	Fair market value of all other assets (see instructions)	1c	19,742 49
d	**Total** (add lines 1a, b, and c)	1d	5,172,685 56
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	5,172,685 56
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	77,590 28
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,095,095 28
6	**Minimum investment return.** Enter 5% of line 5	6	254,754 76

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	254,754 76
2a	Tax on investment income for 2017 from Part VI, line 5	2a	2,359 64		
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,359 64
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	252,395 12
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	252,395 12
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	252,395 12

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	207,985 15
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
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	207,985 15
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	207,985 15

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 2016	(c) 2016	(d) 2017
1	Distributable amount for 2017 from Part XI, line 7				252,395 12
2	Undistributed income, if any, as of the end of 2017:				
a	Enter amount for 2016 only			86,275 80	
b	Total for prior years. 20___,20___,20___		0 00		
3	Excess distributions carryover, if any, to 2017:				
a	From 2012				
b	From 2013				
c	From 2014				
d	From 2015				
e	From 2016				
f	**Total** of lines 3a through e	0 00			
4	Qualifying distributions for 2017 from Part XII, line 4 ▶ $ 207,985 15				
a	Applied to 2016, but not more than line 2a			86,275 80	
b	Applied to undistributed income of prior years (Election required—see instructions)		0 00		
c	Treated as distributions out of corpus (Election required—see instructions)	0 00			
d	Applied to 2017 distributable amount				121,709 35
e	Remaining amount distributed out of corpus	0 00			
5	Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a).)	0 00			0 00
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0 00			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0 00		
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 00		
d	Subtract line 6c from line 6b. Taxable amount—see instructions		0 00		
e	Undistributed income for 2016. Subtract line 4a from line 2a. Taxable amount—see instructions			0 00	
f	Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				130,685 77
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)	0 00			
8	Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)	0 00			
9	**Excess distributions carryover to 2018.** Subtract lines 7 and 8 from line 6a	0 00			
10	Analysis of line 9:				
a	Excess from 2013				
b	Excess from 2014				
c	Excess from 2015				
d	Excess from 2016				
e	Excess from 2017				

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 2017, 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			
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email address of the person to whom applications should be addressed.

ARLIN FALCK FOUNDATION
KATHLEEN V NELSON, 12743 BUCKLEY ROAD, CALEDONIA, MN 55921 (507)724-3348

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

AS PER FOUNDATION GRANT APPLICATION AVAILABLE AT ADDRESS INDICATED IN 2a

c Any submission deadlines:

NOVEMBER 1

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

SCHOLARSHIPS FOR STUDENTS WHO RESIDE IN FILLMORE & HOUSTON COUNTIES, MN AND ALLAMAKEE & WINNESHIEK COUNTIES, IA AND INTEND TO STUDY BUSINESS SUBJECTS. GRANTS FOR ENTITIES THAT HAVE 501(c)(3) DESIGNATION OR MUNICIPALITIES IN THE SAME FOUR COUNTY AREAS, FOR COMMUNITY PROJECTS.

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*				
SEE SCHEDULE ATTACHED				159,458 16
Total . . . . . . ▶ **3a**				159,458 16
b *Approved for future payment*				
NONE				
Total . . . . . . ▶ **3b**				

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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	28,896 13	
4 Dividends and interest from securities			14	88,076 13	
5 Net rental income or (loss) from real estate.					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a OTHER INCOME			14	153 45	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				117,125 71	

13 Total. Add line 12, columns (b), (d), and (e) 13 117,125 71

(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). (See instructions.)
	N/A

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) (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)		✔
	(2) Other assets	1a(2)		✔
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✔
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✔
	(3) Rental of facilities, equipment, or other assets	1b(3)		✔
	(4) Reimbursement arrangements	1b(4)		✔
	(5) Loans or loan guarantees	1b(5)		✔
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✔
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✔

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (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

Kathleen N Nelson | 5/15/18 | President

Signature of officer or trustee | Date | 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	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MARY MARK PATTEN	Mary Mark Patten	5-14-18		P00594052
Firm's name ▶ ALAN C ANDERSON CHARTERED, CPA			Firm's EIN ▶	41-1326473
Firm's address ▶ 121 14TH ST NE, SUITE B, ROCHESTER, MN 55906			Phone no	507-288-3947

ARLIN FALCK FOUNDATION
Return of Private Foundation
Supporting Schedule
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Other Income - Form 990-PF, Part I, Line 11	Amount
Morgan Stanley - (1099-MISC Box 3)	$ 87.45
The Blackstone Group, LP-(K-1)	66.00
Total other income	$ 153.45

Other Professional Fees - Form 990-PF, Part I, Line 16c	
Morgan Stanley investment and management service fees	$ 4,288.70
Total other professional fees	$ 4,288.70

Taxes - Form 990-PF, Part I, Line 18	
Estimated tax on net investment income	$ 2,000.00
Payroll tax	4,075.92
Foreign tax	716.01
Total taxes	$ 6,791.93

Other Expenses - Form 990-PF, Part I, Line 23	
Office expense	$ 152.98
Filing fees	25.00
Insurance	692.00
Total other expenses	$ 869.98

Other Notes and Loans Receivable - Form 990-PF, Part II, Line 7 - End of Year Book Value	
Hesper-Mabel Area Historical Society	$ 16,160.12
Total other notes and loans receivable	$ 16,160.12

Investments - Corporate Stock - Form 990-PF, Part II, Line 10b - End of Year Book Value	
Aberdeen Asia Pacific Prime Income	$ 10,115.21
Adient PLC	419.27
Alcoa Corp	506.53
Allete Inc New	80,290.00
Alliant Energy Corp	57,746.50
American Intl Group WTS	85.00
Arconic Inc	1,243.14
AT&T Inc	32,665.72
Berkshire Hathaway Cl-B	14,474.16
Bristol Myers Squibb Co	7,200.78
CBS Corp New	7,110.34
Chesapeake Energy Corp	5,737.24
Chevron Corporation	64,329.00
Coca Cola Co	11,038.21
Comcast Corp Cl A New	23,072.60
Comcast Corp	19,628.55
ConocoPhillips	20,414.04
Consolidated Edison Inc	20,205.00
Devon Energy Corp New	8,883.52
DNP Select Income Inc	25,676.20

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ARLIN FALCK FOUNDATION
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Investments - Corporate Stock - Form 990-PF, Part II, Line 10b - End of Year Book Value (continued)	Amount
DTE Energy Company	$ 16,717.00
Duke Energy Corp New	4,759.77
Entercom Communications CP	1,017.18
ESC Seventy Seven	343.06
Exxon Mobil Corp	19,605.37
Fastenal Co	10,375.03
Ford Motor Company New	9,743.59
Ford Motor Co New	14,988.00
Franklin Income Fund Cl A	45,585.79
General Electric Co	22,013.60
General Electric Co	21,803.32
Glaxosmithkline PLC	10,659.80
Glaxosmithkline PLC	13,972.98
Glaxosmithkline PLC	3,979.80
Halyard Health Inc	541.81
Hawaiian Electric Ind	35,488.63
Hershey Company	21,269.08
Hologic Inc	11,355.80
Hormel Foods Corporation	10,220.84
Hormel Foods Corporation	23,319.00
Intel Corp	9,824.86
Ishares S & P 500 Growth ETF	20,028.81
Ishares S & P 500 Value ETF	23,159.77
Ishares S & P Mid-Cap 400 G ETF	10,488.46
Ishares S & P Mid-Cap 400 V ETF	11,962.79
Ishares S & P Small-Cap 600 V ETF	8,421.47
Ishares Small-Cap 600 G ETF	7,502.00
Johnson Ctls Intl PLC	2,129.73
JP Morgan Chase & Co	19,805.81
Kimberly Clark Corp	12,506.98
Kinder Morgan Inc	105,415.83
Kinder Morgan Inc	555,959.96
Libby Inc	18,070.00
Liberty All-Star Equity Fund	21,655.97
Lincoln National Corp Ind	47,022.30
Mallinckrodt Public Ltd Co	294.11
Mattel Inc	14,317.48
Medtronic PLC	7,258.75
Merck & Co Inc New	47,409.88
Microsoft Corp	9,100.93
Mondelez Intl Inc	12,493.98
Novartis Ag ADR	27,057.11
One Gas Inc	697.53
Oneok Inc New	4,803.48
Pentair Ltd	734.05
Pepsico Inc	5,561.40
PG&E Corporation	92,800.00

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Investments - Corporate Stock - Form 990-PF, Part II,
Line 10b - End of Year Book Value (continued)

	Amount
Pimco All Asset P	$ 25,368.65
Pimco GNMA P	23,163.48
QS S & P 500 Index A	73,173.26
Royce Global Value Tr Inc	698.01
Royce Value Trust Inc	12,774.70
Starbucks Corp Washington	17,789.01
Super Value Inc	7,323.75
Taiwan Semiconductor Mfg Co	10,365.05
TE Connectivity Ltd New	3,226.30
United Health Group Inc	10,110.19
Uniti Group Inc	3,341.32
US Bancorp Com New	14,944.89
Vanguard Sh Tm Invt Gr Inv	22,335.70
Vodafone Group PLC	23,921.56
Westar Energy Inc	106,598.74
Windstream Hldgs Inc	1,064.23
Xcel Energy Inc	22,495.00
Total investments - corporate stock	$2,183,777.74

Part II, Line 10c(b) & (c)
Investments - corporate bonds

Washington Mutual Bank	$103,246.00

Grants Paid - Form 990-PF, Part XV, Line 3a

Grace Place - Ministry Expansion PO Box 698 Rushford, MN 55971	$ 12,000.00
City of Eitzen - Playground Remodel PO Box 110 Eitzen, MN 55931	10,000.00
Eagle Bluff Environmental Learning Center - Skills Course Catalog Dist 28097 Goodview Drive Lanesboro, MN 55949	10,000.00
Good Earth Village - Winterization and Health Compliance of Lodge 25303 Old Town Drive Spring Valley, MN 55975	10,000.00
Hesper-Mabel Historical Society - Barn Improvements PO Box 56 Mabel, MN 55954	10,000.00

ARLIN FALCK FOUNDATION
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Grants Paid - Form 990-PF, Part XV, Line 3a (continued)	Amount
Monster Bash - Capital Campaign 155 Fourth Ave SE Harmony, MN 55939	$ 10,000.00
St. Benedict Catholic Church - Elevator Addition 307 West Main St Decorah, IA 52101	10,000.00
St. Benedict School - Security Improvements 402 Rural Ave Decorah, IA 52101	8,500.00
City of Lansing Police Dept - Project Safe Streets Radar Signs PO Box 470 Lansing, IA 52151	8,135.00
International Owl Center - Site Acquisition, 126 East Cedar St 2nd Property Houston, MN 55943	7,500.00
Caledonia Area Community Charities, Inc. - Carpeting, Fire System Updates, Defibrillator 900 North Kingston St Caledonia, MN 55921	6,700.00
Postville Volunteer Fire Dept, Inc - Fire Truck PO Box 38 Postville, IA 52162	6,000.00
Eitzen Fire & Rescue - Brush Truck Pump 202 East Main St Eitzen, MN 55931	5,663.00
SEMCAC - Senior Nutrition Program PO Box 549 Rushford, MN 55971	5,000.00
Houston County Care & Share - Christmas Gifts for Needy 138 East Main St Caledonia, MN 55921	4,000.00
Houston County Public Health - Pack & Play for Infants, Air Mattresses/Sheets 611 Vista Drive Caledonia, MN 55921	2,561.50

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Grants Paid - Form 990-PF, Part XV, Line 3a (continued)	Amount
City of Caledonia - Music in the Park 231 East Main St Caledonia, MN 55921	$ 2,000.00
Luther College - Women, Faith & Finance Seminar 700 College Drive Decorah, IA 52101	2,000.00
City of Caledonia - Flag Project 231 East Main St Caledonia, MN 55921	1,412.32
City of Rushford - Farmer's Market Signage PO Box 430 Rushford, MN 55971	1,000.00
St. Patrick School - White Board 200 2nd St Waukon, IA 52172	286.34
Scholarships	
Decorah High School 100 E. Claiborne Dr Decorah, IA 52101	5,600.00
LaCrescent High School 1301 Lancer Blvd LaCrescent, MN 55947	4,200.00
Allamakee High School 1059 Third Ave NW Waukon, IA 52172	3,450.00
So. Winneshiek High School PO Box 430 Calmar, IA 52132	2,350.00
Fillmore Central High School PO Box 599 Harmony, MN 55939	2,200.00
Rushford-Peterson High School 102 N Mill St Rushford, MN 55971	2,000.00
Postville High School 314 West Post St Postville, IA 52162	1,850.00

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Scholarships (continued)	Amount
Houston High School 306 W Elm St Houston, MN 55943	$ 1,600.00
Spring Grove High School 113 2nd Ave NW Spring Grove, MN 55974	1,050.00
Mabel-Canton High School 316 W Fillmore Ave Mabel, MN 55964	1,000.00
Lanesboro High School 100 Kirkwood St E Lanesboro, MN 55949	950.00
Turkey Valley High School 3219 Iowa 24 Jackson Junction, IA 52171	450.00
Total grants paid	$159,458.16