

For calendar year 2018, or tax year beginning 01-01-2018, and ending 12-31-2018

Name of foundation MARK AND KAREN RAUENHORST FOUNDATION		A Employer identification number 41-1925821	
Number and street (or P O box number if mail is not delivered to street address) C/O TAX DEPT 10350 BREN RD W		Room/suite	B Telephone number (see instructions) (952) 656-4800
City or town, state or province, country, and ZIP or foreign postal code MINNETONKA, MN 553439014		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) ▶ \$ 4,539,405	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) <u>(Part I, column (d) must be on cash basis)</u>		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	6,188	6,188		
	4 Dividends and interest from securities	27,359	101,805		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10 _____	-81,867			
	b Gross sales price for all assets on line 6a _____ 990,966				
	7 Capital gain net income (from Part IV, line 2)		350,080		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	197,242	37,460		
	12 Total. Add lines 1 through 11	148,922	495,533		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	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)	9,333	0		9,333
	17 Interest		6,917		
	18 Taxes (attach schedule) (see instructions)	2,362	4,654		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	14,824	87,852		6,786
	24 Total operating and administrative expenses. Add lines 13 through 23	26,519	99,423		16,119
	25 Contributions, gifts, grants paid	731,000			731,000
	26 Total expenses and disbursements. Add lines 24 and 25	757,519	99,423		747,119
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-608,597			
	b Net investment income (if negative, enter -0-)		396,110		
c Adjusted net income (if negative, enter -0-)					

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			
	2 Savings and temporary cash investments	1,413,036	1,017,948	1,017,948
	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)	1,589,136	1,069,030	1,068,959
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	2,566,819	2,452,498	2,452,498
	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)	5,568,991	4,539,476	4,539,405	
Liabilities	17 Accounts payable and accrued expenses		2,400	
	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)	0	2,400	
	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		5,568,991	4,537,076	
30 Total net assets or fund balances (see instructions)		5,568,991	4,537,076	
31 Total liabilities and net assets/fund balances (see instructions) .	5,568,991	4,539,476		

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	5,568,991
2 Enter amount from Part I, line 27a	2	-608,597
3 Other increases not included in line 2 (itemize) ▶ _____	3	0
4 Add lines 1, 2, and 3	4	4,960,394
5 Decreases not included in line 2 (itemize) ▶ _____	5	423,318
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	4,537,076

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 See Additional Data Table				
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
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	350,080
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 does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see 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))
2017	410,603	4,911,169	0 083606
2016	338,901	4,412,632	0 076802
2015	266,573	5,128,957	0 051974
2014	335,011	5,135,955	0 065229
2013	168,317	4,508,827	0 037331

2 Total of line 1, column (d)	2	0 314942
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	0 062988
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	5,062,013
5 Multiply line 4 by line 3	5	318,846
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,961
7 Add lines 5 and 6	7	322,807
8 Enter qualifying distributions from Part XII, line 4	8	747,119

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	3,961
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	3,961
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	3,961
6	Credits/Payments		
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	5,291
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	5,000
d	Backup withholding erroneously withheld	6d	0
7	Total credits and payments. Add lines 6a through 6d.	7	10,291
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
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	6,330
11	Enter the amount of line 10 to be Credited to 2019 estimated tax ▶ 4,000 Refunded ▶	11	2,330

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	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? (see Instructions for 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>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
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? <i>If "Yes," attach a detailed description of the activities</i>	2	No
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>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	Yes
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>	5	No
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	Yes
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>	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MN		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i> .	8b	Yes
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 2018 or the taxable year beginning in 2018? See the instructions for Part XIV <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions.	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	Yes	
14	The books are in care of ► ADLER MANAGEMENT LLC Telephone no ► (952) 656-4800			

Located at **►** 10350 BREN ROAD WEST MINNETONKA MN ZIP+4 **►** 553439014

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —check here ►	15		
16	At any time during calendar year 2018, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes", enter the name of the foreign country ►	16	Yes	No

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

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

1a	During the year did the foundation (either directly or indirectly)		Yes	No
	(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. Organizations relying on a current notice regarding disaster assistance check here. ► ☐	1b		No
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 2018?	1c		No
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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? If "Yes," list the years ► 20____, 20____, 20____, 20____ ☐ Yes ☒ No			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions).	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? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2018 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 2018).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2018?	4b		No

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
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945–5(d)	☐ Yes ☐ No	
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? If "Yes" to 6b, file Form 8870		6b No
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
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment during the year?	☐ Yes ☒ No	

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
MARK RAUENHORST C/O TAX DEPT 10350 BREN ROAD WEST MINNETONKA, MN 55343	VP/SEC /CHAIR (AS REQUIRED) 0 25	0	0	0
KAREN RAUENHORST C/O TAX DEPT 10350 BREN ROAD WEST MINNETONKA, MN 55343	PRESIDENT (AS REQUIRED) 0 25	0	0	0
TAMMY CROSBY C/O TAX DEPT 10350 BREN ROAD WEST MINNETONKA, MN 55343	VP/TREAS/DIR (AS REQUIRED) 0 00	0	0	0
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
Total number of other employees paid over \$50,000.				0

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

3 **Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".**

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

Total number of others receiving over \$50,000 for professional services. **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 PLANNING AND CARRYING OUT GRANT-MAKING TO OTHER UNRELATED CHARITABLE ORGANIZATIONS	0
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 NONE	0
2	
All other program-related investments. See instructions.	
3 	0
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	1,282,045
b	Average of monthly cash balances.	1b	603,894
c	Fair market value of all other assets (see instructions).	1c	3,253,160
d	Total (add lines 1a, b, and c).	1d	5,139,099
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	5,139,099
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	77,086
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	5,062,013
6	Minimum investment return. Enter 5% of line 5.	6	253,101

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	253,101
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	3,961
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	3,961
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	249,140
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	249,140
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	249,140

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	747,119
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	747,119
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	3,961
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	743,158

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				249,140
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2018				
a From 2013.				
b From 2014. 92,794				
c From 2015. 16,940				
d From 2016. 121,215				
e From 2017. 167,725				
f Total of lines 3a through e.	398,674			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 747,119				
a Applied to 2017, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2018 distributable amount.				249,140
e Remaining amount distributed out of corpus	497,979			
5 Excess distributions carryover applied to 2018 (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	896,653			
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 2017 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019				0
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			
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	896,653			
10 Analysis of line 9				
a Excess from 2014. 92,794				
b Excess from 2015. 16,940				
c Excess from 2016. 121,215				
d Excess from 2017. 167,725				
e Excess from 2018. 497,979				

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 2018, enter the date of the ruling. ▶

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

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
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))

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. 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

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

c Any submission deadlines

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

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 Additional Data Table				
Total			▶ 3a	
b <i>Approved for future payment</i>				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2018)

Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | No |
| 1a(2) | | No |
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |
| 1c | | No |

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**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d			
List and describe the kind(s) of property sold (e g , real estate, (a) 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)
1 SHORT TERM GAINS FROM K-1S	P	2018-01-01	2018-12-31
1 LONG TERM GAINS FROM K-1S	P	2017-12-16	2018-12-31
SECTION 1231 GAINS FROM K-1S	P	2018-01-01	2018-12-31
297 SH CVS HEALTH CORP		2011-02-03	2018-03-23
148 SH MCKESSON CORP		2010-04-01	2018-03-23
359 SH MERCK & CO INC		2009-01-06	2018-03-23
343 SH WALGREENS BOOTS ALLIANCE INC		2011-10-26	2018-03-23
3000 SH GRACO INC		2010-01-11	2018-03-23
3000 SH GRACO INC		2010-01-11	2018-04-17
CAPITAL GAIN DISTRIBUTIONS	P	2017-12-31	2018-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
			10,966
			177,427
			2,839
18,366			8,616
20,850			11,055
19,519			12,612
22,724			12,073
134,922			63,767
140,907			110,412
			20,054

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	Adjusted basis (j) as of 12/31/69	Excess of col (i) (k) over col (j), if any	
			10,966
			177,427
			2,839
			8,616
			11,055
			12,612
			12,073
			63,767
			110,412
			20,054

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, (a) 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)
ADLER ENERGY FINANCE II LLC		P	2017-12-31	2018-12-31
1	ADLER NGP XI, LLC	P	2017-12-31	2018-12-31
ADLER SG SMALL BUYOUT FUND III, LLC		P	2017-12-31	2018-12-31
ADLER TRANSPORTATION RECOVERY FUND, LLC		P	2017-12-31	2018-12-31
ADLER 2018 ALTERNATIVE INVESTMENTS LLC		P	2018-02-08	2018-12-31
ADLER OPPORTUNISTIC DEBT III, LLC		P	2018-06-08	2018-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
78,624			9,951
211,763			-110,042
111,042			31,493
158,750			-25,606
47,070			14,631
26,429			-168

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			9,951
			-110,042
			31,493
			-25,606
			14,631
			-168

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AIM HIGHER FOUNDATION 10350 BREN ROAD WEST MINNETONKA, MN 55343	NO RELATIONSHIP TO ANY SUBST	PC	PROGRAMMATIC EXPENSES	111,000
AIM HIGHER FOUNDATION 10350 BREN ROAD WEST MINNETONKA, MN 55343	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	200,000
AIM HIGHER FOUNDATION 10350 BREN ROAD WEST MINNETONKA, MN 55343	NO RELATIONSHIP TO ANY SUBST	PC	PROGRAMMATIC EXPENSES	111,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
ABRIA PREGNANCY RESOURCES 2200 UNIVERSITY AVE W ST PAUL, MN 55114	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	3,000
ASCENSION SCHOOL 1726 DUPONT AVE N MINNEAPOLIS, MN 55411	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	5,000
BENILDE ST MARGARET'S SCHOOL 2501 MN 100 ST LOUIS PARK, MN 55416	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	1,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
BIG BROTHERS BIG SISTERS OF THE GREATER TWIN CITIES 2550 UNIVERSITY AVE W ST PAUL, MN 55114	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	500
CARMEN PAMPA FUND 2048 HAMLINE AVE N ST PAUL, MN 55113	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	1,000
CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAIT PAUL AND MINNEAPOLIS 1200 SECOND AVENUE SOUTH ST PAUL, MN 55403	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	10,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
CATHOLIC RELIEF SERVICES - USCCB 228 WEST LEXINGTON STREET BALTIMORE, MD 21201	NO RELATIONSHIP TO ANY SUBST	PC	YOUTH BUILDERS PROGRAM	100,000
CATHOLIC SERVICES APPEAL FOUNDATION 12805 HIGHWAY 55 SUITE 210 PLYMOUTH, MN 55441	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	10,000
COMMONBOND COMMUNITIES 1080 MONTREAL AVENUE ST PAUL, MN 55116	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	10,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
CREIGHTON UNIVERSITY 2500 CALIFORNIA PLAZA OMAHA, NE 68178	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	15,000
CREIGHTON UNIVERSITY 2500 CALIFORNIA PLAZA OMAHA, NE 68178	NO RELATIONSHIP TO ANY SUBST	PC	SCHOLARSHIP FUND	2,000
CREIGHTON UNIVERSITY 2500 CALIFORNIA PLAZA OMAHA, NE 68178	NO RELATIONSHIP TO ANY SUBST	PC	TRUSTEE SCHOLARS PROGRAM	2,500
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
FOUNDATIONS AND DONORS INTERESTED IN CATHOLIC ACTIVITIES INC 4201 CONNECTICUT AVE NW STE 505 WASHINGTON, DC 20008	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	5,000
FRIENDS OF ASCENSION1726 AVE N MINNEAPOLI, MN 55411	NO RELATIONSHIP TO ANY SUBST	PC	SPECIAL NEEDS AT CHRISTMAS	1,000
HAMMER RESIDENCES INC 1909 WAYZATA BLVD WAYZATA, MN 553919614	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	5,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
HOLY NAME OF JESUS CHURCH OF MEDINA 155 COUNTY ROAD 24 WAYZATA, MN 553919614	NO RELATIONSHIP TO ANY SUBST	PC	FALL FESTIVAL	2,000
HOLY NAME OF JESUS CHURCH OF MEDINA 155 COUNTY ROAD 24 WAYZATA, MN 553919614	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	43,000
JESUITS MIDWEST 1010 N HOOKER STREET CHICAGO, IL 60642	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	1,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
LAUNCH NETWORK3028 N MARION ST DENVER, CO 80205	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	10,000
MINNEAPOLIS LEAGUE OF CATHOLIC WOMEN 310 E 38TH ST 205 MINNEAPOLIS, MN 55409	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	500
RISEN CHRIST CATHOLIC SCHOOL 1120 E 37TH ST MINNEAPOLIS, MN 55407	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	25,000
Total ► 3a				731,000

Form 990PF Part XV Line 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>				
ST PATER CLAVER CATHOLIC SCHOOL 1496 BELLEVUE ST GREEN BAY, WI 54311	NO RELATIONSHIP TO ANY SUBST	PC	RELEVANT RADIO	10,000
SISTERS OF ST JOSEPH OF CARONDELET MINISTRIES FOUNDATION 1884 RANDOLPH AVE ST PAUL, MN 55105	NO RELATIONSHIP TO ANY SUBST	PC	CARONDELET GALA	5,000
ST AGNES SCHOOL530 LAFOND AVE ST PAUL, MN 55103	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	1,000
Total ► 3a				731,000

Form 990PF Part XV Line 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>				
ST CATHERINE UNIVERSITY 2004 RANDOLPH AVE F-12 ST PAUL, MN 55105	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	2,500
ST PASCAL BAYLON CATHOLIC SCHOOL 1757 CONWAY ST ST PAUL, MN 55106	NO RELATIONSHIP TO ANY SUBST	PC	SCHOOL	25,000
ST THOMAS ACADEMY 949 MENDOTA HEIGHTS ROAD MENDOTA HEIGHTS, MN 55120	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	1,000
Total ▶ 3a				731,000

Form 990PF Part XV Line 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>				
UNIVERSITY OF NOTRE DAME 400 MAIN BUILDING NOTRE DAME, IN 46556	NO RELATIONSHIP TO ANY SUBST	PC	MENDOZA COLLEGE OF BUSINESS DISCRETIONARY FUND	10,000
WATER MISSIONP O BOX 71489 NORTH CHARLESTON, SC 29415	NO RELATIONSHIP TO ANY SUBST	PC	GENERAL OPERATIONS	2,000
Total ▶ 3a				731,000

TY 2018 All Other Program Related Investments Schedule

Name: MARK AND KAREN RAUENHORST FOUNDATION
EIN: 41-1925821

Category	Amount
NONE	0

TY 2018 Investments Corporate Stock Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821**Investments Corporation Stock Schedule**

Name of Stock	End of Year Book Value	End of Year Fair Market Value
SECURITIES AT NATIONAL FINANCIAL SERVICES	1,069,030	1,068,959

TY 2018 Investments - Other Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821**Investments Other Schedule 2**

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INVESTMENT IN ADLER BOND FUND	FMV	559,733	559,733
INVESTMENT IN ADLER EQUITY FUND	FMV	1,892,765	1,892,765

TY 2018 Other Decreases Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821

Description	Amount
FAIR MARKET VALUE ADJUSTMENT - PASS-THROUGH ENTITIES	88,737
FAIR MARKET VALUE ADJUSTMENT - MARKETABLE SECURITIES	334,581

TY 2018 Other Expenses Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MISCELLANEOUS EXPENSES	14,824	74,834		6,786
PORTFOLIO EXPENSES FROM K-1	0	13,018		0

TY 2018 Other Income Schedule

Name: MARK AND KAREN RAUENHORST FOUNDATION

EIN: 41-1925821

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
PARTNERSHIP INCOME	197,242	37,460	197,242

TY 2018 Other Professional Fees Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MANAGEMENT FEES	6,033	0		6,033
TAX SERVICE FEES	3,300	0		3,300

TY 2018 Taxes Schedule**Name:** MARK AND KAREN RAUENHORST FOUNDATION**EIN:** 41-1925821

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX EXPENSE	2,362	4,654		0