

Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 7 of the instructions.

Part I Identification of Applicant

Form fields for 1a-10: 1a Full name of organization (Deer Lake Association of Itasca County), 1b c/o Name (Robert W. Johnson, PA), 1c Address (1732 Grand Avenue), 1d City or town, state, and ZIP code (St. Paul, MN. 55105), 5 Date incorporated or formed (10/2/96), 6 Activity codes (350, 351, 355), 7 Check here if applying under section: a 501(e), b 501(f), c 501(k), 8-10 Questions regarding previous applications, Form 990 filing, and tax returns.

11 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 11, on page 3.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents. a Corporation, b Trust, c Association.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here: Signature of Maxima Gwendly, Title of authority of signer: President, Date

Handwritten signature: Maxima Gwendly

Part II Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

The Deer Lake Association of Itasca County is a membership organization made up of year round residents of Deer Lake as well as people who use Deer Lake and the surrounding area for summer time recreational activity. Its members include property owners, summer time renters and other casual users of the lake and the surrounding area. The members of the Assn. have one main purpose and that is to protect the lake and the surrounding area from the pollution and erosion that have destroyed the the beauty and the usefulness of so many Minnesota Lakes. In order to accomplish this mission the members have to first educate themselves as to the ways to keep the lake from deteriorating and then to get this message out to the lake users, many of whom are not members of the Association. In this area social gatherings are held during the summer months and outside experts are invited to speak on such subjects as erosion control of the shoreline, proper boat speed on the lake, fish stocking placements of bouys, testing for water purity and the like. Local law enforcement people are asked to discuss water safety and how to prevent breakins and watercraft thefts. At these social gatherings, volunteers are signed up to aid in various projects such as shore line policing and picking up trash along county highways. The local school also volunteers to do year long studies on such things as water clarity, water purity and lake level determinations. All of these projects were started and backed by the association. The Association also assists the DNR in placing and retrieving bouys that broken free of their mourings.

- 2 What are or will be the organization's sources of financial support? List in order of size.

Memberships
Fund Raisers
Donations

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

Letters and hand outs asking people to join (See attachment 6) 4

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Maxine Gunsolly-802 2nd Ave. Grand Rapids, MN. Pres	none
Lew Johnston-2105 Quail Creek Drive, Lawrence Kansas Vice President	none
Jane W. Graham-2300 Mckinney Lake Rd. Apt 308 Grand Rapids, MN. 55744 Secretary	none
Douglas Widen-6573 Berkshire Lane N. Maple Grove, MN. 55311 Treasurer	none
(Board Mambers-See attachment 2)	

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.) Yes No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

NA

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? . . . Yes No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? . . . Yes No

b Is the organization a party to any leases? . . . Yes No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? . . . Yes No

If "Yes," complete the following:

- a Describe the organization's membership requirements and attach a schedule of membership fees and dues. Any person, firm, association, corporation or other legal entity owning property or residing during all or part of a year within 1000 feet of the ordinary high water mark of Deer Lake is eligible. \$ 25.00 full
- b Describe the organization's present and proposed efforts to attract members and attach a copy of any 12.50 Associat descriptive literature or promotional material used for this purpose.

Word of mouth, notice of membership meetings, dues notices, invitations to join

- c What benefits do (or will) the members receive in exchange for their payment of dues?
News letter, membership Minnesota Lakes Assn, three or four educational and social meetings, years educational material

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? . . . N/A Yes No

If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

Sell T-shirts and sweat shirts with Deer Lake Logo to members \$ 14.00 for T-shirts-\$ 20.00 for sweat shirts.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? . . . N/A Yes No

If "Yes," explain how the recipients or beneficiaries are or will be selected.

13 Does or will the organization attempt to influence legislation? . . . Yes No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? . . . Yes No

If "Yes," explain fully.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? Yes No
If you answer "Yes," do not answer questions on lines 2 through 7 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See Specific Instructions, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-2 C.B. 490, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? Yes No

If "No," your organization is requesting an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? Yes No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Line 5, on page 4 before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? Yes No

7 If you answer "Yes" to question 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

8 Is the organization a private foundation?

- Yes (Answer question 9.)
 No (Answer question 10 and proceed as instructed.)

9 If you answer "Yes" to question 8, does the organization claim to be a private operating foundation?

- Yes (Complete Schedule E.)
 No

After answering question 9 on this line, go to line 15 on page 7.

10 If you answer "No" to question 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | | |
|---|---|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.) | Sections 509(a)(1) and 170(b)(1)(A)(i) |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C.) | Sections 509(a)(1) and 170(b)(1)(A)(iii) |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through d, g, h, or i (MUST COMPLETE SCHEDULE D.) | Section 509(a)(3) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit. | Sections 509(a)(1) and 170(b)(1)(A)(iv) |
| h | <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. | Sections 509(a)(1) and 170(b)(1)(A)(vi) |
| i | <input checked="" type="checkbox"/> As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). | Section 509(a)(2) |
| j | <input checked="" type="checkbox"/> The organization is a publicly supported organization but is not sure whether it meets the public support test of block h or block i. The organization would like the IRS to decide the proper classification. | Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15. If you checked box g in question 10, go to questions 12 and 13. If you checked box h, i, or j, in question 10, go to question 11.

Part III Technical Requirements (Continued)

- 11 If you checked box h, i, or j in question 10, has the organization completed a tax year of at least 8 months?
 Yes—Indicate whether you are requesting:
 A definitive ruling (Answer questions 12 through 15.)
 An advance ruling (Answer questions 12 and 15 and attach two Forms 872-C completed and signed.)
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.

- 12 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

none

- 13 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:
 a Enter 2% of line 8, column (e), Total, of Part IV-A. \$ 273.16
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.

- 14 If you are requesting a definitive ruling under section 509(a)(2), check here and:
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see Specific Instructions, Part II, Line 4d, on page 3.)
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		x	A
Is the organization, or any part of it, a school?		x	B
Is the organization, or any part of it, a hospital or medical research organization?		x	C
Is the organization a section 509(a)(3) supporting organization?		x	D
Is the organization a private operating foundation?		x	E
Is the organization, or any part of it, a home for the aged or handicapped?		x	F
Is the organization, or any part of it, a child care organization?		x	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		x	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		x	I

Part IV Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From 1/1 to 6/30/97	(b) 19..96..	(c) 19..95..	(d) 19..94..	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see pages 5 and 6 of the instructions)	0	0	0	0	0
	2 Membership fees received	3,662.49	3,595.00	3,875.37	2,525.00	13,657.86
	3 Gross investment income (see instructions for definition)					
	4 Net income from organization's unrelated business activities not included on line 3					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)					
	8 Total (add lines 1 through 7)	3,662.49	3,595.00	3,875.37	2,525.00	13,657.86
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22.	(1,211.12)	2,444.01	0	0	1,232.89
	10 Total (add lines 8 and 9)	2,451.37	6,039.01	3,875.37	2,525.00	14,890.75
	11 Gain or loss from sale of capital assets (attach schedule)					
	12 Unusual grants					
	13 Total revenue (add lines 10 through 12)	2,451.37	6,039.01	3,875.37	2,525.00	14,890.75
Expenses	14 Fundraising expenses	0	0	0	0	
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	105.00	632.00			
	16 Disbursements to or for benefit of members (attach schedule)	192.83	87.86	33.00		
	17 Compensation of officers, directors, and trustees (attach schedule)	0	0	0		
	18 Other salaries and wages	23.50				
	19 Interest					
	20 Occupancy (rent, utilities, etc.)	55.00	110.00	117.00	117.00	
	21 Depreciation and depletion					
	22 Other (attach schedule)	932.51	3,548.47	2,419.25	1,923.63	
	23 Total expenses (add lines 14 through 22)	1,308.84	4,548.33	2,569.25	2,040.63	
	24 Excess of revenue over expenses (line 13 minus line 23)	1,142.53	1,490.68	1,306.12	484.37	

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)

Current tax year
Date... 6/30/97

Assets		
1	Cash	\$ 6,246.63
2	Accounts receivable, net	
3	Inventories, T-shirts and sweat shirts for sale	1,300.00
4	Bonds and notes receivable (attach schedule)	
5	Corporate stocks (attach schedule)	
6	Mortgage loans (attach schedule)	
7	Other investments (attach schedule)	
8	Depreciable and depletable assets (attach schedule)	
9	Land	
10	Other assets (attach schedule)	
11	Total assets (add lines 1 through 10)	\$ 7,546.63
Liabilities		
12	Accounts payable	
13	Contributions, gifts, grants, etc., payable	
14	Mortgages and notes payable (attach schedule)	
15	Other liabilities (attach schedule)	
16	Total liabilities (add lines 12 through 15)	
Fund Balances or Net Assets		
17	Total fund balances or net assets	\$ 7,546.63
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	\$ 7,546.63

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Power of Attorney and Declaration of Representative

OMB No. 1545-0150
 Expires 2-29-96

▶ For Paperwork Reduction and Privacy Act Notice, see the Instructions.

Part I Power of Attorney (Please type or print.)

1 Taxpayer Information (Taxpayer(s) must sign and date this form on page 2, line 9.)

Taxpayer name(s) and address Deer Lake Association of Itasca County o/o Robert W. Johnson, PA 1732 Grand Avenue, St. Paul, MN. 55105	Social security number(s) _____ _____ _____ Daytime telephone number (612) 699-1499	Employer identification number 41-1853300 Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

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

Name and address Robert W. Johnson 1732 Grand Avenue St. Paul, MN, 55105	CAF No. Telephone No. (612) 699-1499 Fax No. (612) 699-0134 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address John M. Knox 1732 Grand Avenue St. Paul, MN. 55105	CAF No. Telephone No. (612) 699-1499 Fax No. (612) 699-0134 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>
Name and address	CAF No. Telephone No. () Fax No. () Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax Matters

Type of Tax (Income, Employment, Excise, etc.)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s)
Apply for exemption	Form 1023	1993-1997

4 Specific Use Not Recorded on Centralized Authorization File (CAF).— If the power of attorney is for a specific use not recorded on CAF, please check this box. (See Line 4—Specific Uses Not Recorded on CAF on page 3.) ▶

5 Acts Authorized.—The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described in line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below) or the power to sign certain returns (see Line 5—Acts Authorized on page 4).
 List any specific additions or deletions to the acts otherwise authorized in this power of attorney:

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.

Note: The tax matters partner/person of a partnership or S corporation is not permitted to authorize representatives to perform certain acts. See the Instructions for more information.

6 Receipt of Refund Checks.—If you want to authorize a representative named in line 2 to receive, BUT NOT TO ENDORSE OR CASH, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

DLA BOARD MEMBERS

President ----- Maxine Gunsolly 7/93 7/97 (Officers - elected yearly)
805 2nd Ave. NW
Grand Rapids, MN 55744

Vice Pres. ----- Lew Johnston 7/93 -7/97
2105 Quail Creek Drive
Lawrence, KS 66047

Secretary ----- Mrs. Holt ^{GRAHAM} ~~Graham~~ 7/93 -7/97
2300 McKinney Lake Rd. -- Apt. 308
Grand Rapids, MN 55744

Treasurer ----- Douglas Widen 7/93 - 7/97
6573 Berkshire Lane N.
Maple Grove, MN 55311

Mrs. Gerry Ratzlaff 7/94 - 7/97 -- (Board Members - elected for a
10377 Rich Valley Blvd. 3 year term)
Inver Grove Heights, MN 55077

Mrs. Daryl Sauer 7/94 - 7/97
Rt. 1, Box 200 A
Deer River, MN 56636

Jim Kasper 7/95 - 7/98
1300 Deer Lake Way
Deer River, MN 56636

Neal Sorensen 7/95 - 7/98
132 Peninsula Rd.
Medicine Lake, MN 55441

Mrs. Bob DeGuseppi 7/94 - 7/97
Rt. 1, Box 175A
Deer River, MN 56636

Dick Baldwin 7/96 - 7/99
4854 Thomas Ave. So.
Mpls., MN 55410

Douglas Hanson 7/96 - 7/99
1336 Hallam St.
Mohtomedi, MN 55115