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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation
McFADDEN CHARITABLE TRUST
C/O THE PEOPLES BANK

Number and street (or P O box number if mail is not delivered to street address) Room/suite
PO BOX 307

City or town, state, and ZIP code
SMITH CENTER KS 66967-0307

A Employer identification number
48-6319389

B Telephone number (see page 10 of the instructions)
785-282-6682

C If exemption application is pending, check here ▶ ☐
D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B) check here ▶

H Check type of organization ☐ Section 501(c)(3) exempt private foundation
☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 4,346,636

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

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 page 11 of the instructions))

	Line	Description	(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	88,658	88,658	88,658	
	4	Dividends and interest from securities	18,724	18,724	18,724	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	10,020			
	b	Gross sales price for all assets on line 6a 1,152,309				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) Stmt 2	177,532	177,532	177,532	
	12	**Total.** Add lines 1 through 11	294,934	284,914	284,914	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) Stmt 3	810	810	810	810
	c	Other professional fees (attach schedule) Stmt 4	20,302	20,302	20,302	20,302
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 5	2,217	2,217	2,217	2,217
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) Stmt 6	66,967	66,967	66,967	64,967
	24	**Total operating and administrative expenses.** Add lines 13 through 23	90,296	90,296	90,296	88,296
	25	Contributions, gifts, grants paid	213,774			213,774
	26	**Total expenses and disbursements.** Add lines 24 and 25	304,070	90,296	90,296	302,070
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-9,136			
	b	**Net investment income** (if negative, enter -0-)		194,618		
	c	**Adjusted net income** (if negative, enter -0-)			194,618	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	252,109	90,515	90,515
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) Stmt 7	1,937,483	1,905,810	1,897,395
	b	Investments—corporate stock (attach schedule) See Stmt 8	528,702	615,253	647,680
	c	Investments—corporate bonds (attach schedule) See Stmt 9	146,392	242,687	249,081
	11	Investments—land, buildings, and equipment basis ▶ 1,541,400 Less accumulated depreciation (attach sch) ▶ Stmt 10	1,541,400	1,541,400	1,455,270
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) See Statement 11	5,410	6,695	6,695
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,411,496	4,402,360	4,346,636
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)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	4,411,496	4,402,360	
	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			
	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 page 17 of the instructions)	4,411,496	4,402,360	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	4,411,496	4,402,360	

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	4,411,496
2	Enter amount from Part I, line 27a	2	-9,136
3	Other increases not included in line 2 (itemize) ▶ See Statement 12	3	
4	Add lines 1, 2, and 3	4	4,402,360
5	Decreases not included in line 2 (itemize) ▶ See Statement 13	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,402,360

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	N/A			
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				
b				
c				
d				
e				

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

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

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 pages 13 and 17 of the 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 page 18 of 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))
2009	324,203		
2008	286,148		
2007	281,575		
2006	205,074	4,189,287	0.048952
2005	213,965	4,189,287	0.051074

2	Total of line 1, column (d)	2	0.100026
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.050013
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	0
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,946
7	Add lines 5 and 6	7	1,946
8	Enter qualifying distributions from Part XII, line 4	8	302,070

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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 ▶ [X] and enter 1% of Part I, line 27b			1	1,946
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	1,946
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	1,946
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,212		
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	2,212
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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	266
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 266 **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

				Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		1a		X
b	*Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?*		1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities				
c	Did the foundation file **Form 1120-POL** for this year?	N/A	1c		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______				
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______				
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?		4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ KS				
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE PEOPLES BANK PO BOX 307 Telephone no ▶ 785-282-6682

Located at ▶ SMITH CENTER KS ZIP+4 ▶ 66967

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

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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 page 22 of the instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	N/A	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ 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 page 22 of the instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 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 2010 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 2010)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? N/A **5b**

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X (No)

If "Yes" to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the 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
See Statement 14				

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the 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 page 23 of the 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 page 24 of the 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 page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	0
b	Average of monthly cash balances			1b	0
c	Fair market value of all other assets (see page 25 of the instructions)			1c	0
d	**Total** (add lines 1a, b, and c)			1d	0
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	0
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)			4	0
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	0
6	**Minimum investment return.** Enter 5% of line 5			6	0

Part XI Distributable Amount (see page 25 of the 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	
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,946		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,946
3	Distributable amount before adjustments Subtract line 2c from line 1			3	
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	0

Part XII Qualifying Distributions (see page 25 of the 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	302,070
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	302,070
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 page 26 of the instructions)	5	1,946
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	300,124

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 page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					0
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only					
b Total for prior years 20____ , 20____ , 20____					
3 Excess distributions carryover, if any, to 2010					
a From 2005	216,777				
b From 2006					
c From 2007	286,071				
d From 2008	290,384				
e From 2009	328,627				
f **Total** of lines 3a through e		1,121,859			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 302,070					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2010 distributable amount					
e Remaining amount distributed out of corpus		302,070			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,423,929			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		216,777			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		1,207,152			
10 Analysis of line 9					
a Excess from 2006					
b Excess from 2007	286,071				
c Excess from 2008	290,384				
d Excess from 2009	328,627				
e Excess from 2010	302,070				

DAA

Part XIV Private Operating Foundations (see page 27 of the 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 2010, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(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 page 28 of the 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))

N/A

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

N/A

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

N/A

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

SCHOLARSHIP QUALIFICATIONS LIST ATTACHED

c Any submission deadlines

SCHOLARSHIPS BY APR 1 ANNUALLY, OTHER ORGANIZATIONS DEC 1

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

See Statement 15

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 Statement 16				213,774
Total			▶ 3a	213,774
b Approved for future payment N/A				
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) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			25	88,658	
4 Dividends and interest from securities			25	18,724	
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			25	177,532	
8 Gain or (loss) from sales of assets other than inventory					10,020
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		284,914	10,020

13 **Total.** Add line 12, columns (b), (d), and (e) 13 294,934

(See worksheet in line 13 instructions on page 29 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 page 29 of the 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) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

THE PEOPLES BANK, TRUSTEE

Barbara K Simmons | 5-13-11 | Trust Officer

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
Mary E Anderson, CPA	Mary E Anderson CPA	04/25/11	

Firm's name ▶	Anderson Reichert & Anderson LLC CPAs	PTIN	P01247105
Firm's address ▶	129 W. Main	Firm's EIN ▶	20-3838707
	Osborne, KS 67473	Phone no	785-346-5427

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description: Whom Sold	Date Acquired	Date Sold	How Received / Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
BERKSHIRE HATHAWAY INC	4/06/10	4/05/10	Purchase $ 12,172	$ 7,371	$	$	$ 4,801
FEDERAL HOME LOAN MTGE	12/22/09	2/22/10	Purchase 45,000	45,000			
FEDERAL NATL MORTGAGE	10/13/09	3/25/10	Purchase 30,000	30,090			-90
FEDERAL NATL MORTGAGE SCC	3/16/10	9/10/10	Purchase 85,000	85,000			
FEDERAL NATL MORTGAGE ASSN	Various	8/13/10	Purchase 90,000	90,000			
FEDERAL NATL MORTGAGE ASSN	Various	10/23/01	Purchase 105,000	105,000			
FEDERAL NATL MORTGAGE ASSN	Various	9/03/10	Purchase 80,000	80,000			
FEDERATED GNMA TRUST	8/17/10	12/17/10	Purchase 4,000	4,067			-67
FEDERATED GHMA TRUST	8/17/10	12/22/10	Purchase 15,682	15,933			-251
FEDERATED INCOME TRUST	8/10/10	12/17/10	Purchase 19,610	20,000			-390
FEDERATED TOTAL RETURN TRST	8/10/10	12/22/10	Purchase 19,664	20,000			-336
VANGUARD FIXED INCOME GNMA PORTFOLIO	8/13/10	12/17/10	Purchase 19,711	20,000			-289
FEDERAL HOME LOAN MTGAGE	5/27/10	5/12/10	Purchase 20,000	20,002			-2
MIDWAY COOP DEF PATR-DIV	Various	12/22/10	Purchase 244	244			
FEDERAL HOME LOAN MTGE	Various	2/08/10	Purchase 175,000	175,000			
FEDERAL HOME LOAN MTG	11/30/04	1/29/10	Purchase 25,000	24,625			375
FEDERAL HOME LOAN BANK	11/09/07	6/21/10	Purchase 5,000	5,000			

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description Whom Sold	Date Acquired	Date Sold	How Received Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
FEDERAL HOME LOAN BANK	9/20/07	9/10/10	Purchase $ 40,000	$ 40,000	$	$	$
FEDERAL FARM CREDIT	1/27/10	10/27/10	Purchase 40,000	40,004			-4
FEDERAL NATL MORTGAGE ASSN	Various	4/19/10	Purchase 57,265	56,937			328
FEDERAL NATL MORTGAGE ASSN	Various	8/30/10	Purchase 45,000	45,000			
FEDERAL NATL MORTGAGE ASSN	Various	6/17/10	Purchase 65,000	65,000			
FEDERAL NATL MORTGAGE ASSN	Various	12/03/10	Purchase 110,000	107,611			2,389
FRONTIER COMMUNICATIONS COR	3/19/09	8/02/10	Purchase 92	93			-1
MCDONALDS CORP	Various	4/05/10	Purchase 6,466	1,805			4,661
PROCTER &GAMBLES	Various	4/05/10	Purchase 9,566	6,842			2,724
SEALED AIR CORP NEW COM	Various	9/30/10	Purchase 22,275	25,971			-3,696
US BANKCORP DEL COM	Various	1/04/10	Purchase 4,562	4,765			-203
VANGUARD 500 INDEX	1/16/01	12/22/10	Purchase 1,000	929			71
Total			$ 1,152,309	$ 1,142,289	$ 0	$ 0	$ 10,020

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
FARM CROP SALES	$ 103,432	$ 103,432	$ 103,432
CROP INSURANCE	17,855	17,855	17,855
FARM SERVICE AGENCY PAYMENTS	13,272	13,272	13,272
FARM PATRONAGE DIVIDENDS	3,058	3,058	3,058
FARM RENTS	26,340	26,340	26,340
UNUSED SCHOLARSHIPS RETURNED	2,875	2,875	2,875
RENTAL BUILDINGS	1,900	1,900	1,900
OIL LEASES	8,800	8,800	8,800
Total	$ 177,532	$ 177,532	$ 177,532

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAX PREPARATION FEES	$ 810	$ 810	$ 810	$ 810
Total	$ 810	$ 810	$ 810	$ 810

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TRUST RETAINER FEES	$ 3,600	$ 3,600	$ 3,600	$ 3,600
MANAGEMENT FEES	16,702	16,702	16,702	16,702
Total	$ 20,302	$ 20,302	$ 20,302	$ 20,302

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Prior year Federal tax payment	$ 2,140	$ 2,140	$ 2,140	$ 2,140
Foreign taxes withheld	77	77	77	77
Total	$ 2,217	$ 2,217	$ 2,217	$ 2,217

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Expenses				
FARM FERTILIZER & CHEMICALS	28,739	28,739	28,739	28,739
FARM INSURANCE	6,931	6,931	6,931	6,931
FARM PROPERTY TAXES	8,794	8,794	8,794	6,794
FARM MACHINE HIRE	3,809	3,809	3,809	3,809
FARM MANAGEMENT FEE	15,083	15,083	15,083	15,083
OTHER RENTAL EXPENSE	2,484	2,484	2,484	2,484
BOND AMORT & MISCELLANEOUS	1,127	1,127	1,127	1,127
Total	$ 66,967	$ 66,967	$ 66,967	$ 64,967

Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FEDERAL HOME LOAN BANK 6.0%	$ 140,022	$ 140,008	Cost	$ 142,442
FEDERAL HOME LOAN BANK 6.235%	85,000	85,000	Cost	87,275
FEDERAL HOME LOAN BANK 6.%	10,000	10,000	Cost	10,279
FEDERAL HOME LOAN BANK 6.%	150,000		Cost	
FEDERAL HOME LOAN BANK 5.5%	45,000	45,000	Cost	47,992
FEDERAL HOME LOAN BANK 6%	5,033		Cost	
FEDERAL HOME LOAN BANK 6%	20,000	20,000	Cost	21,079
FEDERAL HOME LOAN BANK 5.9.%	25,430	25,267	Cost	26,558
FEDERAL NATL MORTGAGE ASSN 6.0	10,000	10,000	Cost	10,166
FEDERAL NATL MORTGAGE ASSN 5.625	4,943		Cost	
FEDERAL HOME LOAN BANK 5.8%	51,702	51,101	Cost	52,341
FEDERAL HOME LOAN BANK 5.25%	25,036		Cost	
FEDERAL HOME LOAN BANK 5%	75,000	75,000	Cost	78,324
FEDERAL HOME LOAN BANK 5%	15,000		Cost	
FEDERAL HOME LOAN BANK 5.75%	42,689	42,063	Cost	43,338
FEDERAL HOME LOAN BANK 5.%	25,000	25,000	Cost	26,473
FEDERAL HOME LOAN BANK 5.10%	5,000	5,000	Cost	5,491
FEDERAL FARM CREDIT 6.0%	41,359		Cost	
FEDERAL FARM CREDIT 5.2%	97,020	97,020	Cost	102,281
FEDERAL FARM CREDIT 5%	40,000	40,000	Cost	42,266
FEDERAL HOME LOAN BANK 5.625%	30,000	30,000	Cost	32,485
FEDERAL HOME LOAN MTGE 5%	24,625		Cost	
FEDERAL HOME LOAN MTGE 5.3%	20,194		Cost	
FEDERAL HOME LOAN MTGE 6.0%	25,000		Cost	
FEDERAL HOME LOAN MTGE 5.5	41,894	41,162	Cost	42,006
FEDERAL HOME LOAN MTGE 5.%	11,994		Cost	

Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FEDERAL NATL MTGE ASSN 5.4%	$ 20,038	$	Cost	$
FEDERAL NATL MTGE ASSN 4.0%	20,000		Cost	
FEDERAL NATL MTGE ASSN 4.5%	30,000		Cost	
FEDERAL NATL MTGE ASSN 5.0%	30,090		Cost	
FEDERAL NATL MTGE ASSN 4.0%	35,000		Cost	
FEDERAL NATL MTGE ASSN 4.5%	15,000		Cost	
FEDERAL NATL MTGE ASSN 3.0%	15,000		Cost	
FEDERAL NATL MTGE ASSN 3.0%	15,000		Cost	
FEDERAL NATL MTGE ASSN 4.0%	40,000		Cost	
FEDERAL NATL MTGE ASSN 5.0%	75,000		Cost	
FEDERAL NATL MTGE ASSN 4.0%	25,000		Cost	
FEDERAL NATL MTGE ASSN 3.0%	50,000		Cost	
FEDERAL NATL MTGE ASSN 3.0%	15,000		Cost	
FEDERAL NATL MTGE ASSN 4.0%	75,000		Cost	
FEDERAL NATL MTGE ASSN 4.0%	50,000		Cost	
FEDERAL NATL MTGE ASSN 5.55%	15,489	15,168	Cost	15,018
FEDERAL NATL MTGE ASSN 5.18%	40,165		Cost	
FEDERAL NATL MTGE ASSN 5.0%	22,609		Cost	
FEDERAL NATL MTGE ASSN 5.0%	20,000		Cost	
FEDERAL NATL MTGE ASSN 5.5%	15,028		Cost	
FEDERAL NATL MTGE ASSN 5.78%	15,706	15,434	Cost	16,018
FEDERAL NATL MTGE ASSN 5.95%	15,565	15,193	Cost	15,348
FEDERAL NATL MTGE ASSN 6.31%	91,125	88,754	Cost	91,138
FEDERAL NATL MTGE ASSN 6.28%	26,568	25,801	Cost	26,200
FEDERAL NATL MTGE ASSN 5.21%	10,047		Cost	

Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
POTTAWATOMIE CO KS USD 320 BD	$ 51,012	$	Cost	$
CHANUTE KS ELECT REV BD	37,100		Cost	
ALMA SCHOOL USD BOND 5.25%		101,821	Cost	93,438
BEL AIRE KS PUB BLDG REV BD 4/152		40,000	Cost	39,034
BEXAR CNTY TX GO BOND 6.571%		20,237	Cost	18,940
BRIDGEPORT CONN BAB 6.571%		42,871	Cost	40,271
CASPER MY COM COLLEGE BAB		40,458	Cost	38,740
CHANUTE KS ELECT LT & GAS REV BD		36,125	Cost	36,874
CLARK MO BAB CNTY CTHOUSE 6.5		40,528	Cost	38,656
DICKINSON CO KS USD 487 6.38%		97,218	Cost	93,787
DOUGLAS CNTY NE BAB 7.34%		56,650	Cost	54,957
ILLINOIS STATE TAXABLE TO 4.35%		23,738	Cost	23,440
STATE OF ILLINOIS BAB 5.363%		40,463	Cost	39,121
KANSAS CITY MO TAXABLE REV 5.362%		30,601	Cost	31,109
KS ST DEV FIN AUTHR REV BOND 5.7		30,000	Cost	30,096
MCHENRY ILL BAB GO 4.8		40,144	Cost	36,378
PARK CITY KS TAXABLE SERIES A 6.35%		81,393	Cost	81,688
POTT CO KS USD 320 5.875%		51,012	Cost	51,992
ROSEMONT ILL TAXABLE GO BOND5%		59,497	Cost	55,836
SPRINGFIELD OH USD GO 5.25%		25,423	Cost	23,065
TOPEKA KS GO BOND 4.15%		20,000	Cost	18,224
UNION MO WTR & SEWER 4.75%		103,160	Cost	95,484
WILL CNTY IL USD 122 6.1%		22,500	Cost	21,747

Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Total	$ 1,937,483	$ 1,905,810		$ 1,897,395

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ABBOTT LABS	$ 6,155	$ 24,890	Cost	$ 24,913
AT&T	21,214	21,214	Cost	22,035
ALTRIA GROUP INC		3,970	Cost	4,924
AMERICAN ELECT PWR INC		1,733	Cost	1,799
AQUA AMERICA INC	23,254	23,254	Cost	22,480
BERKSHIRE HATHAWAY CL B	14,661	7,290	Cost	12,017
CVS CAREMARK CORPORATION		1,752	Cost	1,739
CARNIVAL CORP	6,870	6,870	Cost	5,764
CISCO	4,655	13,925	Cost	14,161
COCA COLA CO	13,040	13,040	Cost	19,731
COMMERCE BANCSHARES INC	8,714	9,017	Cost	10,330
CONAGRA INC	18,520	18,520	Cost	16,935
DANAHER	4,725	4,725	Cost	9,434
SPDR DOW JONES INDUSTRIAL	41,414	41,414	Cost	46,252
DISNEY WALT CO	1,528	1,528	Cost	3,751
DOW CHEM CO	36,750	36,750	Cost	34,140
DUKE ENERGY CORP	11,697	11,697	Cost	14,248
EXELON CORP		4,896	Cost	4,164
EXXON MOBIL CORP	18,203	18,203	Cost	29,248
FIDELITY SELECT PORTFOLIO	258	258	Cost	386

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FRANKLIN STRATEGIC SER	$ 2,000	$ 2,000	Cost	$ 2,688
GENERAL ELEC CO	22,075	22,075	Cost	14,632
HEINZ CO	1,675	1,675	Cost	2,473
HOME DEPOT INC	5,924	5,924	Cost	7,012
ILLINOIS TOOL WORKS INC		2,339	Cost	2,670
I SH S&P UTILITIES	7,949	7,949	Cost	7,208
INTEL CORP	11,878	14,073	Cost	9,464
ISHARE S&P	21,828	21,828	Cost	29,795
JP MORGAN CHASE & CO		10,185	Cost	10,605
JOHNSON & JOHNSON	33,267	33,267	Cost	37,110
KIMBERLEY CLARK CORP		12,844	Cost	12,608
KRAFT FOODS INC	1,116	1,116	Cost	1,576
LOWES COS INC		4,652	Cost	5,016
MCDONALD CORP	2,685	879	Cost	3,838
MEDTRONIC INC		20,904	Cost	22,625
METLIFE INC		11,442	Cost	13,332
MICROSOFT	13,952	13,952	Cost	11,722
MIDWAY COOP OSBORNE	10	10	Cost	10
MONSANTO CO		6,953	Cost	6,964
NOKIA CORP ADR	16,951	16,951	Cost	10,888
NORTHERN INTL GROWTH EQUITY	15,000	15,000	Cost	12,378
PPG INDUSTRIES INC		6,054	Cost	8,407
PEABODY ENERGY CORP	7,866	7,866	Cost	9,597
PEPSICO	10,506	15,403	Cost	21,232
PROCTER & GAMBLE CO	15,223	8,381	Cost	9,650
PROGRESS ENERGY INC	21,971	21,971	Cost	21,740

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
QUEST DIAGNOSTICS INC	$	$ 2,861	Cost	$ 2,699
SOUTHERN COMPANY		6,670	Cost	7,646
SPDR 500 TRUST	11,359	11,359	Cost	12,575
SEALED AIR CORP	25,971		Cost	
TEMPLETON FCS FOREIGN FD	2,000	2,000	Cost	1,386
US BANCORP COM	4,763		Cost	
VALERO ENERGY CORP	8,902	8,902	Cost	3,468
VANGUARD 500 INDEX TR	2,629	1,700	Cost	1,820
VANGUARD INDEX TRU STK MKT	1,333	1,333	Cost	1,444
VANGUARD INTL EQUITY INDEX	2,000	2,000	Cost	2,085
VERIZON COMMUNICATIONS INC	1,502	1,408	Cost	1,789
WALGREEN	11,860	11,860	Cost	10,714
WELLS FARGO & CO	9,727	9,727	Cost	6,198
S&P SPDR FINANCIALS	3,122	3,122	Cost	319
GUGGGENHEIM BRIC ETF		1,672	Cost	1,846
Total	$ 528,702	$ 615,253		$ 647,680

Statement 9 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ALCO INC 6.0%	$ 14,341	$ 14,657	Cost	$ 15,646
CIT GROUP 7.0%	634	1,738	Cost	1,846
ISHARES INV GRAUB CORP BOND	14,421	14,421	Cost	16,266
AMEREN ENERGY 6.3%		34,906	Cost	33,966
CIT GROUP INC 7.0%	950	2,582	Cost	2,742
CIT GROUP INC 7.0%	950	2,547	Cost	2,722

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CIT GROUP INC 7.0%	$ 1,584	$ 4,216	Cost	$ 4,542
CIT GROUP INC 7.0%	2,218	5,893	Cost	6,351
FORTUNE BRAND INC 5.125%	22,814	22,986	Cost	23,022
JC PENNY COMPANY 7.95%		11,338	Cost	10,900
WM WRIGLEY JR CO 4.65%	48,880	48,880	Cost	51,856
ZURICH REINSURANCE 7.125%	39,600	39,600	Cost	41,602
POWERSHARES BUILD AM BOND ETF		38,923	Cost	37,620
Total	$ 146,392	$ 242,687		$ 249,081

Federal Statements

Statement 10 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
FARM REAL ESTATE 17-7-12 OB CO KS	$ 92,000	$ 92,000	$	$ 74,940
FARM REAL ESTATE 15-7-12 OB CO KS	64,000	64,000		41,960
FARM REAL ESTATE 26-6-14 OB CO KS	36,000	36,000		39,790
FARM REAL ESTATE 17-5-14 OB CO KS	117,000	117,000		126,980
FARM REAL ESTATE 34-6-14 OB CO KS	78,000	78,000		66,290
FARM REAL ESTATE 35-6-14 OB CO KS	78,000	78,000		40,570
FARM REAL ESTATE 31-6-13 OB CO KS	185,000	185,000		130,250
FARM REAL ESTATE 32-6-13 OB CO KS	96,250	96,250		71,760
FARM REAL ESTATE 5-7-13 OB COUNTY KS	13,750	13,750		10,530
FARM REAL ESTATE 6-7-12 OB COUNTY KS	50,000	50,000		42,430
FARM REAL ESTATE 4-7-12 OB COUNTY KS	57,000	57,000		41,620
FARM REAL ESTATE 4-6-16 RO COUNTY KS	150,000	150,000		194,160
FARM REAL ESTATE 9-9-27 SD COUNTY KS	222,300	222,300		235,340
FARM REAL ESTATE 25-9-27 SD COUNT KS	302,100	302,100		338,650
Total	$ 1,541,400	$ 1,541,400	$ 0	$ 1,455,270

Federal Statements

Statement 11 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MINERAL LEASE INTEREST	$ 803	$ 803	Cost	$ 803
DEFERRED PATRONAGE DIVIDENDS-MIDWAY	4,607	5,892	Cost	5,892
Total	$ 5,410	$ 6,695		$ 6,695

Statement 12 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
ROUNDING	$
Total	$ 0

Statement 13 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
INCOME TAXES PAID	$
Total	$ 0

Federal Statements

Statement 14 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
THE PEOPLES BANK 136 S MAIN ST SMITH CENTER KS 67967	TRUSTEE	10.00	0	0	0
OLIN HYDE 825 C 388 DR OSBORNE KS 67473	DIRECTOR	10.00	0	0	0
DONALD WEIS 20052 HIWAY 281 SMITH CENTER KS 67473	DIRECTOR	10.00	0	0	0
PAUL GREGORY 124 WEST MAIN OSBORNE KS 67473	DIRECTOR	10.00	0	0	0
GREG MICK 874 S 170TH AVE OSBORNE KS 67473	DIRECTOR	10.00	0	0	0
TERRY ZVOLANEK 122 SOUTH 9TH OSBORNE KS 67473	DIRECTOR	10.00	0	0	0

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
SCHOLARSHIP QUALIFICATIONS LIST ATTACHED

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
SCHOLARSHIPS BY APR 1 ANNUALLY, OTHER ORGANIZATIONS DEC 1

Statement 15 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
AS PER McFADDEN MEMORIAL SCHOLARSHIP STIPULATIONS (COPY ATTACHED)

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
CITY OF OSBORNE OSBORNE KS 67437	128 NORTH 1ST ST COMMUNITY SERVI		CHARITABLE	5,500
OSBORNE UNITED METHODIST OSBORNE KS 67473	113 N 3RD RELIGIOUS		CHARITABLE	6,000
DOWNS ART COUNCIL DOWNS KS 67437	PO BOX 211 COMMUNITY SERVI		CHARITABLE	2,500
OSBORNE MINISTERIAL ALLIA OSBORNE KS 67473	NORTH 2ND ST COMMUNITY SERVI		COMMUNITY SERVICE	2,000
PORTIS PRIDE PORTIS KS 67474	MAIN STREET COMMUNITY SERV		COMMUNITY SERVICE	1,000
NORTHERN KANSAS ASSOCIATI OSBORNE KS 67473	121 W WASHINGTON COMMUNITY SERIV		EDUCATIONAL GRANT	2,500
OSBORNE PUBLIC LIBRARY OSBORNE KS 67473	325 WEST MAIN COMMUNITY SERVI		EDUCATIONAL GRANT	1,138
OSBORNE CO MEMORIAL HOSP OSBORNE KS 67473	424 W NEW HAMPSHIRE COMMUNITY SERVI		OPERATING GRANT	66,176
OSBORNE FORD FUND OSBORNE KS 67473	102 W MAIN COMMUNITY SERV		OPERATING GRANT	1,250
AMERICAN LEGION POST 87 OSBORNE KS 67473	WEST MAIN STREET COMMUNITY SERVI		OPERATING GRANT	400
OSBORNE COUNTY FAIR OSBORNE KS 67473	COURT HOUSE COMMUNITY SERVI		OPERATING GRANT	12,500
KANSAS NATURAL RESOURCE F OSBORNE KS 67473	1117 WEST HIWAY 24 COMMUNITY SERVI		COMMUNITY SERVICE	250
METRO COLLEGE OF DENVER DENVER CO 80217	SPEER BLVD & COLFAX EDUCATIONAL		SCHOLARSHIP	700
UNIVERSITY OF NO COLO GREELEY CO 80113	2045 10TH AVE EDUCATIONAL		SCHOLARSHIPS	1,000
BAKER UNIVERSITY BALDWIN CITY KS 66066	618 EIGHTH ST EDUCATIONAL		SCHOLARSHIPS	1,250
BARTON CO JUCO GREAT BEND KS 67530	RR 1 EDUCATIONAL		SCHOLARSHIPS	1,350
CLOUD CO COMM COLLEGE CONCORDIA KS 66901	2221 CAMPUS DRIVE EDUCATIONAL		SCHOLARSHIPS	2,550
COLBY COMM COLLEGE COLBY KS 67701	1255 S RANGE EDUCATIONAL		SCHOLARSHIPS	700

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
DORDT COLLEGE SIOUX CENTER IA 51250	498 4TH AVE NE EDUCATIONAL		SCHOLARSHIPS	1,000
FT HAYS STATE UNIVERSITY HAYS KS 67601	800 PARK ST EDUCATIONAL		SCHOLARSHIPS	15,200
KANSAS UNIVERSITY MEDICAL KANSAS CITY KS 66103	3901 RAINBOW BLVD EDUCATIONAL		SCHOLARSHIPS	2,250
HUTCHINSON COMM COLLEGE HUTCHINSON KS 67501	1300 N PLUM EDUCATIONAL		SCHOLARSHIPS	450
CALVIN COLLEGE GRAND RAPIDS MI 49546	3201 BURTON SE EDUCATIONAL		SCHOLARSHIPS	1,250
KANSAS STATE UNIVERSITY MANHATTAN KS 67503	ANDERSON AVE EDUCATIONAL		SCHOLARSHIPS	18,050
KANSAS UNIVERSITY LAWRENCE KS 67773	MT OREAD EDUCATIONAL		SCHOLARSHIPS	8,125
NC VO-TECH SCHOOL BELOIT KS 67420	BOX 507 EDUCATIONAL		SCHOLARSHIPS	3,450
COFFEYVILLE COMM COLLEGE COFFEY VILLE KS 66762	1701 S BROADWAY EDUCATIONAL		SCHOLARSHIPS	625
MCPHERSON COLLEGE MCPHERSON KS 67460	1600 E EUCLID EDUCATIONAL		SCHOLARSHIPS	2,000
STERLING COLLEGE STERLING KS 67579	BROADWAY & COOPER EDUCATIONAL		SCHOLARSHIPS	2,400
UNIVERSITY OF NEBRASKA-KE KEARNEY NE 68845	UNIVERSITY DRIVE EDUCATIONAL		SCHOLARSHIPS	1,250
WASHBURN UNIVERSITY TOPEKA KS 67001	S KANSAS AVE EDUCATIONAL		SCHOLARSHIPS	3,250
WICHITA STATE UNIVERSITY WICHITA KS 67220	5015 E 29TH EDUCATIONAL		SCHOLARSHIPS	1,250
BETHANY COLLEGE LINDSBORG KS 67456	335 WEST SWENSSON EDUCATIONAL		SCHOLARSHIPS	2,500
SOUTHEAST COMMUNITY COLL LINCOLN NE 68520	800 O STREET EDUCATIONAL		SCHOLARSHIPS	700
GENEVA COLLEGE BEAVER FALLS PA 15010	3200 COLLEGE AVE EDUCATIONAL		SCHOLARSHIPS	450
SALINA VO-TECHNICAL SALINA KS 67401	2562 CENTENNIAL RD EDUCATIONAL		SCHOLARSHIPS	700

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
BROWN MACKIE COLLEGE SALINA KS 67401	2106 S 9TH EDUCATIONAL		SCHOLARSHIPS	700
KANSAS WESLEYAN UNIVERSIT SALINA KS 67401	100 E CLAFLIN AVE EDUCATIONAL		SCHOLARSHIPS	6,000
HIGHLAND JUNIOR COLLEGE HIGHLAND KS 66035	606 W MAIN EDUCATIONAL		SCHOLARSHIPS	625
EMPORIA STATE UNIVERSITY EMPORIA KS 66801	1200 COMMERCIAL ST EDUCATIONAL		SCHOLARSHIPS	450
MID-AMERICAN NAZARENE COL OLATHE KS 66061	2030 E COLLEGE WAY EDUCATIONAL		SCHOLARSHIPS	1,250
OSBORNE SENIOR CENTER OSBORNE KS 67473	108 W MAIN COMMUNITY SERVI		COMMUNITY SERVICE	3,000
HEARTLAND SERVICE OSBORNE KS 67473	CITY OFFICE 128 N 1ST COMMUNITY SERVI		COMMUNITY SERVICE	2,250
OSBORNE CO SHERIFF DEPT OSBORNE KS 67473	COURT HOUSE COMMUNITY SERVI		COMMUNITY SERVICE	3,835
PORTIS HI CLASS OF 1960 PORTIS KS 67474	CITY OFFICE 128 N 1ST ST COMMUNITY SERVI		COMMUNITY SERVICE	250
NATOMA PARK PROJECT NATOMA KS 67651	CITY OFFICE 2ND & MAIN COMMUNITY SERVI		COMMUNITY SERVICE	5,000
OSBORNE COUNTRY CLUB OSBORNE KS 67473	CITY OFFICE 128 N 1ST COMMUNITY SERVI		COMMUNITY SERVICE	5,000
ALTON PRIDE ALTON KS 67623	CITY OFFICE MILL & NICHOL COMMUNITY SERVI		COMMUNITY SERVICE	500
DOWNS HISTORICAL SOCIETY DOWNS KS 67437	CITY OFFICE 715 RAILROAD COMMUNITY SERVI		COMMUNITY SERVICE	500
NATOMA HERITAGE SEEKERS I NATOMA KS 67651	CITY OFFICE 2ND & MAIN COMMUNITY SERVI		COMMUNITY SERVICE	500
UNIFIED SCHOOL DIST #399 NATOMA KS 67651	CITY OFFICE 2ND & MAIN COMMUNITY SERVI		COMMUNITY SERVICE	1,300
OSBORNE ALUMNI ASSOC OSBORNE KS 67473	N 1ST STREET COMMUNITY SERVI		COMMUNITY SERVICE	1,000
ROSE VALLEY METHODIST CH DOWNS KS 67437	107 CO 685 RELIGIOUS		RELIGIOUS	5,000
WESTERN GOVERNORS UNIV SALT LAKE CITY TN 84107	4001 S 700 EAST STE 700 EDUCATIONAL		EDUCATIONAL	450

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
OKLAHOMA WESLEYAN UNIV BARTLESVILLE OK 74006	2201 SILVER LAKE ROAD EDUCATIONAL		EDUCATIONAL	1,250
OKLAHOMA STATE UNIV STILLWATER OK 74078	107 WHITEHURST EDUCATIONAL		EDUCATIONAL	1,250
Total				213,774

[Restated and Amended]

McFADDEN MEMORIAL SCHOLARSHIP

FILED
OSBORNE COUNTY, KS
'04 APR -2 P 4:41
CLERK DISTRICT COURT

WHEREAS, on the 5th day of November, 1992, O. C. McFadden and Beryl C. McFadden created the McFadden Charitable Trust, wherein O. C. McFadden and Beryl C. McFadden were the Grantors, and The Smith County State Bank & Trust Company of Smith Center, Kansas, was the Trustee; and,

WHEREAS, said trust instrument had as its stated purpose to devote the income to be derived from said trust exclusively for charitable, religious, scientific, literary or educational purposes, either directly or by contributions to organizations duly authorized to carry on charitable, religious, scientific, literary or educational activities; and,

WHEREAS, said trust instrument provided that all of the net distributable income of said Trust be distributed to, or for the benefit of, organizations duly authorized to carry on charitable, religious, scientific, literary or educational activities organized or operating in Osborne County, Kansas, as defined by Section 170(c) of the Internal Revenue Code of 1986, and that selection of the recipients shall be determined by a Board described in said trust instrument; and,

WHEREAS, Beryl C. McFadden departed this life in Osborne, Kansas, on April 15, 1999; and,

WHEREAS, O. C. McFadden departed this life in Osborne, Kansas, on January 6, 2002; and,

WHEREAS, the Trustee, mindful of the Grantors' intent, the provisions of said trust instrument, and the laws of the State of Kansas and of the United States of America, has determined that it is in the best interests of said trust and the beneficiaries that a scholarship be established which would award scholarships to qualified recipients pursuant to said trust and the guidelines created herein.

THEREFORE, in consideration of the premises, and keeping intact the intent of the Grantors, the Trustee hereby establishes the **McFADDEN MEMORIAL SCHOLARSHIP** for:

students residing in and graduating from high schools located in Osborne County, Kansas;

students living in Osborne County, Kansas, but graduating from a high school outside of Osborne County, Kansas;

residents of Osborne County, Kansas, who have earned a high school diploma or its equivalency.

The students who were eligible to apply for a scholarship under the terms of the McFadden Memorial Scholarship, dated February 7, 2002, will remain eligible to apply for and receive the scholarship after the date hereof.

The McFadden Memorial Scholarship (hereinafter "Scholarship") shall be for the following purposes, and operate under the following terms and conditions:

1. The Scholarship is established to assist deserving students in obtaining education or training in recognized:

colleges,

universities,

technical schools,

and any other recognized training or teaching facilities.

2. The Board created under paragraph 4 of the McFadden Charitable Trust shall select the recipients of the scholarships awarded. If in any given year a member of the Board is closely related to a

candidate, that Board member shall be excused from the selection or award process regarding that specific candidate.

3. Annually, and prior to high school graduation, the Board shall determine the amount of funds available for scholarships and shall select the worthy recipient or recipients of such scholarships.

4. The Board shall determine the qualifications for selecting the recipients of scholarships, which includes, but is not limited to:

scholastic ability

financial need

activities in school and community

leadership ability

writing ability

interest in college

The Board shall determine the weight given to each of the foregoing qualifications and any other qualifications the Board may determine. The Board shall determine the number of awards to be granted annually, and the amount of each award shall be at the discretion of the Board. The receipt of an award shall not entitle a recipient to awards for future years, but the Board, at its discretions, shall have the right to make additional award or awards to any recipient. A majority of the members of the Board shall determine the amount and recipient of any award and of any other decision relating to said Scholarship.

5. The Board shall have the discretion as to whether an award to any recipient shall be paid to the recipient in installments annually, semi-annually, quarterly, monthly or any other intervals. If an award is premised on the continuation of the recipient in his or her intended course of study as professed to

the Board, an abandonment of the same, for whatever reason, shall immediately terminate his or her right to any unpaid portion of such scholarship.

6. It is understood and intended by the undersigned that contributions to this Scholarship be deductible for Federal income, gift and estate tax purposes, and it is directed that the provisions of the Scholarship be construed and administered so that the charitable intent of O. C. McFadden and Beryl C. McFadden, and Grantors of the McFadden Charitable Trust, be effectuated.

DATED this 1st day of January, 2004.

McFADDEN CHARITABLE TRUST

SMITH COUNTY STATE BANK AND TRUST CO., TRUSTEE

Shane T. McCall

SHANE T. McCALL, General Counsel

APPROVED:

Donald Weis

DONALD WEIS

Gregory Mick

GREGORY MICK

Terry Zvolanek

TERRY ZVOLANEK

Olin Hyde

OLIN HYDE

Paul S. Gregory

PAUL S. GREGORY

The foregoing Restated and Amended McFadden Memorial Scholarship is approved this 2ND day of APRIL, 2004.

DISTRICT COURT
OSBORNE COUNTY KANSAS
SEAL

MAGISTRATE JUDGE