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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

Department of the Treasury
Internal Revenue Service

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

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 LESTER E. YEAGER CHARITABLE TRUST B		A Employer identification number 61-1159548
Number and street (or P.O. box number if mail is not delivered to street address) P. O. BOX 964	Room/suite	B Telephone number 270-686-8254
City or town, state, and ZIP code OWENSBORO, KY 42302		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 4,766,600.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		61,490.	61,490.		STATEMENT 1
4 Dividends and interest from securities		63,884.	63,884.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<2,090.>			
b Gross sales price for all assets on line 6a		259,726.			
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		123,284.	125,374.		
13 Compensation of officers, directors, trustees, etc.		24,493.	4,899.		19,594.
14 Other employee salaries and wages		10,000.	0.		10,000.
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		2,662.	2,662.		0.
c Other professional fees STMT 4		11,954.	2,391.		9,563.
17 Interest					
18 Taxes STMT 5		893.	128.		765.
19 Depreciation and depletion					
20 Occupancy		3,363.	672.		2,621.
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		665.	43.		622.
24 Total operating and administrative expenses. Add lines 13 through 23		54,030.	10,795.		43,165.
25 Contributions, gifts, grants paid		179,900.			179,900.
26 Total expenses and disbursements. Add lines 24 and 25		233,930.	10,795.		223,065.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<110,646.>			
b Net investment income (if negative, enter -0-)			114,579.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	3,407.	1,605.	1,605.
	2 Savings and temporary cash investments	2,255,845.	2,004,147.	2,010,806.
	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			
	7 Other notes and loans receivable ▶			
	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 STMT 7	353,877.	191,646.	188,366.
	b Investments - corporate stock STMT 8	1,223,966.	1,425,171.	2,416,241.
	c Investments - corporate bonds STMT 9	52,077.	154,904.	149,582.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶ 2,390.				
Less accumulated depreciation STMT 10 ▶ 2,390.				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	3,889,172.	3,777,473.	4,766,600.	
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			
	22 Other liabilities (describe ▶ PAYROLL TAXES)	1,053.	0.	
23 Total liabilities (add lines 17 through 22)	1,053.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	4,267,463.	4,267,463.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	<379,344.>	<489,990.>	
30 Total net assets or fund balances	3,888,119.	3,777,473.		
31 Total liabilities and net assets/fund balances	3,889,172.	3,777,473.		

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	3,888,119.
2 Enter amount from Part I, line 27a	2	<110,646.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,777,473.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,777,473.

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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 OLD NATIONAL	P	VARIOUS	VARIOUS
b EDWARD JONES	P	VARIOUS	VARIOUS
c HILLIARD LYONS	P	VARIOUS	VARIOUS
d CAPITAL GAINS DIVIDENDS			
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 100,000.		99,281.	719.
b 259,000.		259,000.	0.
c		2,816.	<2,816.>
d 7.			7.
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			719.
b			0.
c			<2,816.>
d			7.
e			

2 Capital gain net income or (net capital loss)	<div> { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	<2,090.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div> If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 </div>	3	N/A

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))
2009	240,929.	4,573,856.	.052675
2008	257,960.	5,081,310.	.050766
2007	255,426.	5,393,525.	.047358
2006	257,459.	5,153,570.	.049957
2005	250,389.	5,043,653.	.049644

2 Total of line 1, column (d)	2	.250400
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	.050080
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	4,612,154.
5 Multiply line 4 by line 3	5	230,977.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,146.
7 Add lines 5 and 6	7	232,123.
8 Enter qualifying distributions from Part XII, line 4	8	223,065.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	2,292.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	2,292.
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	2,292.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,883.	
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	1,883.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	409.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	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.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> KY		
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	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)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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		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 ► **NONE**

14 The books are in care of ► **TRUSTEES** Telephone no. ► **270-686-8254**
 Located at ► **P. O. BOX 964, OWENSBORO, KY** ZIP+4 ► **42302**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► **15** **N/A**

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? **Yes** **No**
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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?		1c X
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? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	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. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 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

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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)?

☐ 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)?

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

6b

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

X

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.

(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
RUTH F. ADKINS	TRUSTEE			
P. O. BOX 964				
OWENSBORO, KY 42302	12.00	8,164.	0.	0.
DONALD W. HAAS	TRUSTEE			
2707 BRECKENRIDGE STREET, SUITE 1				
OWENSBORO, KY 42303	12.00	8,164.	0.	0.
NANCY KENNEDY	TRUSTEE			
P. O. BOX 964				
OWENSBORO, KY 42302	35.00	18,164.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	2,484,547.
b	Average of monthly cash balances	1b	2,197,843.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	4,682,390.
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	4,682,390.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	70,236.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,612,154.
6	Minimum investment return. Enter 5% of line 5	6	230,608.

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	230,608.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,292.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,292.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	228,316.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	228,316.
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	228,316.

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	223,065.
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	223,065.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	223,065.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				228,316.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			221,582.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 223,065.				
a Applied to 2009, but not more than line 2a			221,582.	
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 2010 distributable amount				1,483.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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	0.			
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 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				226,833.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

- b 85% of line 2a

- d** Amounts included in line 2c not used 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(i)(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

[illegible]

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 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).)

NONE

- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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:

LESTER E. YEAGER CHARITABLE TRUST B, 270-686-8254
P. O. BOX 964, OWENSBORO, KY 42302

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

SEE SAMPLE ATTACHED

- c Any submission deadlines:**

SEE SAMPLE ATTACHED

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

SEE SAMPLE ATTACHED

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

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
(2) Other assets

1a(1)	X
-------	---

1a(2)	X
-------	---

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

1b(1)	X
-------	---

1b(2)		X
-------	--	---

1b(3)		X
-------	--	---

1b(4)	X
-------	---

1b(5)	X
-------	---

1b(6)		X
-------	--	---

1c		X
----	--	---

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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.

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Signature of officer or trustee

Date _____

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

DONALD W. HAAS, CPA

W a haan

5-3-11

P00520140

Paid

Preparer
Use Only

Firm's name ► **ALEXANDER & COMPANY, PSC**

Firm's EIN ▶ 61-1170064

Firm's address ► OWENSBORO, KY 42303

Phone no. (270) 684-3237

Form **990-PF** (2010)

LESTER E.YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Arts Alliance P.O. Box 234 Henderson, KY 42419-0234	Show Sponsorship	5,000
Audubon Area Community Services P.O. Box 2004 Owensboro, Ky 42302	Foster Grandparent Program	500
Bluegrass Museum 207 East Second Street Owensboro, KY 42301	Bluegrass in the Schools	2,500
Bishop Soenneker Home 9545 State Route 144 Philpot, KY 42366	Vent Fans & Window Replacement	3,500
Court Appointed Special Advocates P.O. Box 763 Owensboro, KY 42302	New Copy Machine	2,000
Court Appointed Special Advocates 537 Green Street Henderson, KY 42420	Recruitment & Training Of Volunteers	2,000
Catholic Diocese of Owensboro Educational Institute 600 Locust Street Owensboro, KY 42301	Various School Programs	8,000
Children's Center for Dance P.O. Box 4872 Evansville, IN 47710	Free Children's Performances	1,000

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Owensboro Composite Squadron Civil Air Patrol, KY-223 2200 Airport Rd Owensboro, KY, Suite 16 Owensboro, KY 42301-9488	Communication Equipment	1,000
Cliff Hagan Boys & Girls Club 3415 Buckland Square Owensboro, KY 42301	Equipment	6,000
Community Dental Clinic 2315 Mayfair Square Owensboro, Ky 42301	School Screening Costs & & Charity Care	3,500
Corydon Recreation Commission 130 Main Street Corydon, KY 42406	Shelter & Benches	2,500
Cub Scout Pack 602 4909 New Hartford Road Owensboro, KY 42303	Equipment	3,000
Daviess County Bd of Education 1622 Southeastern Pkwy Owensboro, KY 42303	Various Programs	10,300
Downtown Henderson Project 131 N. Main Street Henderson, KY 42420	Holiday Season Decorations	1,500
Dream Riders of Ky, Inc P.O. Box 172 Philpot, KY 42366	Therapeutic Riding Program	2,500

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Elizabeth Munday Center 1650 West Second Street Owensboro, KY 42301	Funding for Senior Citizens Bldg	2,500
Fellowship of Christian Athletes 3000 Frederica Street Owensboro, KY 42301	Scholarships & Supplies	2,000
Joe Ford Nature Center 1917 Merriewood Drive Owensboro, KY 42301	Landscape project	1,000
Girls, Inc. P.O. Box 1626 Owensboro, KY 42302-1626	Computers & tables	6,000
Habitat for Humanity 1702 Moseley Street Owensboro, KY 42302	Funds for House Bldg	2,000
Hager Foundation 325 Wildwood Drive Owensboro, KY 42303	Free Tax Service – Low Income	1,500
Henderson Leadership Initiative Brainbus Development Committee P.O. Box 372 Henderson, KY 42420	Computer Hardware	1,000
Henderson Shrine Club P.O. Box 2041 Henderson, KY 42419-1241	Shriners' Hospital for children	3,000
Henderson Board of Education 1805 2 nd St Henderson, KY 42420	Supplies/Jefferson Elementary	2,000

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Henderson War Memorial 603 Cherry Street Henderson, KY 42406	Crosses for Cemetery	2,000
Humane Society of Henderson 203 Drury Lane Henderson, KY 42420	Supplies & Vet services	3,000
Institute for Young Musicians P.O. Box 1714 Owensboro, KY 42302-1714	Scholarships	2,500
Jr. Achievement (Daviness County) 1195 Wing Avenue Owensboro, KY 42303	Programs for 60 classrooms	3,000
Jr. Achivement (Henderson) 1195 Wing Avenue Owensboro, KY 42303	In-School Business-K thru 12	3,000
Kentucky Youth Chorale P.O. Box 1714 Owensboro, KY 42303	Choral Tour to England	5,000
Kentucky Wesleyan College 3000 Frederica Street Owensboro, KY 42301	Scholarship Fund	5,000
Marsha's Place 603 Center Street Henderson, KY 42420	Cribs and Car Seats	1,000
H.L. Neblett Center 801 West 5 th Street Owensboro, KY 42301	Equipment	4,000

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Ohio Valley Art League Box 1043 Henderson, KY 42419-1043	The Art of Recycling Exhibit	1,500
Operation Homefront KY/TN P.O. Box 2437 Ft. Campbell, KY 42223	Help for Deployed Solders' Families	500
Owensboro Community College 4800 New Hartford Road Owensboro, KY 42303	Scholarship Fund	2,000
Owensboro Dance Theatre 2707 Breckenridge Street Owensboro, KY 42303	Scholarships for Performances	2,000
Owensboro Board of Education P.O. Box 249 Owensboro, KY 42302	Medications, Dental, Emergency Clothing Supplies	2,800
Owensboro Shrine Clowns 1774 Sanctuary Drive Owensboro, KY 42303	Burn Hospital Research	2,000
Owensboro Symphony 211 East Second Street Owensboro, KY 42301	Educational Programs for Students and Roosevelt House & Neblett Ctr	3,000
Pennyrile Youth Soccer Assoc. P.O. Box 2071 Henderson, KY 42420	Lighting two soccer fields	7,000
Pride Elementary School 861 Pride Avenue Madisonville, KY 42431	Library Books	2,000

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2009
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Red Cross 416 West Third St.Suite 1 Owensboro, KY 42301	Supplies	1,500
Rehabilitation Center 3701 Bellemeade Avenue Evansville, IN 47714-0136	Therapy for Underprivileged	2,000
RiverPark Center 101 Daviess Street Owensboro, KY 42302	Scholarship funds for Arts in the A.M. performances for children	3,500
Riverview School 133 Water Street Henderson, KY 42420	Scholarships & Operation Funds	7,000
St. Mary's Grade School 10521 Franklin Street Whitesville, KY 42378	Upgrade bathrooms	3,000
Shelter for Women & Children P.O. Box 161 Henderson, KY 42419	Upgrade 1 Bedroom	5,000
Spencer County Fair, Inc. 326 NCR 350 W Rockport, IN 47635	Install Sewer System	5,000
Sunrise Childrens' Services Cornerstone Counseling Svs P.O. Box 1429 Mt. Washington, KY 40047-1429	Scholarship Fund	3,000
Telephone Pioneers Christmas Wish 4434 Wilderness Trace Owensboro, KY 42303	Food, Clothing, etc. for Needy Families at Christmas	5,500

LESTER E. YEAGER CHARITABLE TRUST
INCOME TAX SCHEDULE 2010
PART XV QUESTION 3A

	<u>PURPOSE OF GRANT</u>	<u>2010</u>
Theatre Workshop of Owensboro P.O. Box 644 Owensboro, KY 42301	Youth Program	3,000
United Way of Owensboro P.O. Box 705 Owensboro, KY 42302	Funding	1,000
United Way of Henderson P.O. Box 1097 Henderson, KY 42420	Funding	1,500
Volunteer & Information Center 125 First St., Suite 102 Henderson, KY 42420	Tracking System Line	1,000
The Way of Rockport P.O. Box 506 Rockport, IN 47635	Mortgage Payment	5,000
Wendell Foster Center P.O. Box 1668 Owensboro, KY 42302-1668	Purchase Wheelchair	3,000
Western Ky Botannical Gardens P.O. Box 22562 Owensboro, KY 42301	Replace Door for Wheelchairs	1,800
Yellowbanks Dulcimer Society 2100 York Drive Owensboro, KY 42301	Concerts & Workshops	1,000
TOTAL GRANTS:		\$ 179,900.00

APPLICATION FOR GRANT

TO

LESTER E. YEAGER CHARITABLE TRUST

(SEND 4 COMPLETED COPIES, WITH ATTACHMENTS, TO TRUST)

DATE OF APPLICATION _____ AMOUNT REQUESTED _____

1. _____
OFFICIAL NAME OF ORGANIZATION

2. _____
PRESENT ADDRESS OF ORGANIZATION

3. _____
DATE AND PLACE OF INCORPORATION OF ORGANIZATION

4. ATTACH TO THIS APPLICATION A COPY OF THE LETTER FROM THE UNITED STATES TREASURY DEPARTMENT STATING THAT THE ORGANIZATION IS TAX EXEMPT UNDER SECTION 501 (c) (3) OF THE INTERNAL REVENUE CODE. THIS TRUST CAN MAKE A GRANT ONLY TO THOSE ORGANIZATIONS EXEMPT UNDER THE INTERNAL REVENUE CODE. THEREFORE, IF YOU DO NOT HAVE SUCH A LETTER, IT WILL NOT BE NECESSARY TO COMPLETE THIS APPLICATION.

5. PURPOSE OF ORGANIZATION AND SERVICES RENDERED: _____

(In all instances where applicant thinks it may be beneficial, there may be included with this APPLICATION, printed matter explaining the answers to questions in this APPLICATION.)

6. WHEN AND HOW ARE THE PURPOSES CARRIED OUT? _____

7. HOW MANY PERSONS WERE DIRECTLY HELPED BY THE ORGANIZATION DURING THE PAST 12 MONTHS _____ EXPLAIN: _____

8. IS THE ORGANIZATION, AND ARE ALL OF THE SERVICES RENDERED BY IT, OPEN TO THE GENERAL PUBLIC? _____

9. WHAT FEES OR CHARGES ARE MADE BY THE ORGANIZATION FOR ITS SERVICES? _____

10. ATTACH A COPY OF THE ORGANIZATION'S YEAR-END FINANCIAL REPORT FOR THE PAST THREE YEARS, AND ITS PROPOSED BUDGET FOR NEXT YEAR. (MUST SHOW VALUE OF TRUST FUNDS FOR OTHER INVESTMENTS, THE INCOME OR PRINCIPAL OF WHICH IS AVAILABLE TO THE ORGANIZATION.)

11. IF THE OPERATION BUDGET SHOWS A DEFICIT OF OPERATING INCOME, HOW DOES THE ORGANIZATION PROPOSE TO MEET THIS DEFICIT? _____

12. COMPLETE THE FOLLOWING "SUMMARY OF INCOME & OPERATING EXPENSES".

SUMMARY OF INCOME & OPERATING EXPENSES
(Exclude outlays for capital items)

	DOLLARS (OMIT CENTS)	% OF TOTAL INCOME
Fiscal year ended _____		
Contributed by state, city or county (explain)	_____	_____
All other contributions or donations	_____	_____
Income from dues, fee, tuition, room rent, etc. (explain)	_____	_____
Income from endowment (if restricted, attach explanation)	_____	_____
(a) Total Income	_____	_____
(b) Total operating expense	_____	_____
(c) Balance (a-b) Operating deficit (-) or surplus (+)	_____	_____
Outlays for capital improvements (if any) (exclusive of operating expense items listed above)	_____	_____

13. LIST ALL OFFICERS AND DIRECTORS OF ORGANIZATION, BY NAME, OFFICE, ADDRESS, CITY AND STATE AND BUSINESS CONNECTIONS.

14. COMPENSATION PAID BY THE ORGANIZATION TO OFFICERS AND DIRECTORS BY THE TITLE DURING THE LAST TWELVE CALENDAR MONTHS.

15. AMOUNT OF REQUEST _____

16. FOR WHAT SPECIFIC PURPOSE IS THE AMOUNT REQUEST TO BE USED _____

STATE THE TOTAL AMOUNT REQUIRED TO COMPLETE THE PROJECT FOR WHICH GRANT IS REQUESTED _____

18. TIME OR METHOD OF PAYMENT PREFERRED _____

19. WHAT OTHER FUNDS, INCLUDING GOVERNMENT AID, WILL BE SOUGHT? _____

20. AMOUNT OF OTHER FUNDS AVAILABLE FOR ORGANIZATION _____

21. AMOUNT OF OTHER FUNDS AVAILABLE FOR THIS SPECIFIC PURPOSE _____

(If request for grant is for the construction or renovation of a building, plans and specifications will have to be submitted upon request. If request is for an expansion program, please detail program.)

22. OVER WHAT PERIOD OF TIME DOES THE ORGANIZATION EXPECT TO EXPEND THE GRANT REQUESTED? _____

23. BENEFITS EXPECTED FROM GRANT REQUESTED:

1. TO ORGANIZATION _____

2. TO COMMUNITY OF PERSONS HELPED BY THE ORGANIZATION _____

24. AFFILIATIONS ORGANIZATION HAS WITH OTHER GROUPS _____

(Endorsements of other organizations should be included in the answer given above.)

25. DOES THE ORGANIZATION, OR ANY PART OF IT, DIRECTLY OR INDIRECTLY DO ANY OF THE FOLLOWING, AND IF SO, TO WHAT EXTENT?

A. Participate in political races or issues--local, state or national _____

B. Attempt to influence legislation, local, state, or national _____

C. Prepare or distribute (in whole or in part, directly or indirectly) any propaganda _____

If answer is yes, explain nature and cost. _____

26. SHOULD THE ORGANIZATION NOT RECEIVE SUFFICIENT FUNDS (INCLUDING THE GRANT REQUESTED HEREIN) TO COMPLETE THE PROJECT FOR WHICH GRANT IS REQUESTED, WHAT PLANS DOES THE ORGANIZATION HAVE FOR THE COMPLETION OF THE PROJECT? _____

27. WILL YOU PERMIT A REPRESENTATIVE OF THE TRUST TO INSPECT THE BOOKS AND RECORDS OF YOUR ORGANIZATION, AND INTERVIEW PERSONNEL AND RECIPIENTS OF THE BENEFITS? _____

28. IF THE ORGANIZATION IS NOT ENTIRELY LOCATED IN WESTERN KENTUCKY OR SOUTHERN INDIANA, STATE TO WHAT EXTENT, IF ANY, RESIDENTS OF THESE AREAS ARE DIRECTLY BENEFITED BY THE ORGANIZATION. _____

29. THE APPLICATION IS TO BE SIGNED BY AN OFFICER OF THE APPLICANT, WHO ACCEPTS PERSONAL RESPONSIBILITY FOR THE TRUTH OF THE MATTERS CONTAINED THEREIN.

(Title)

Subscribed and sworn to before me by _____

to me personally known, this _____ day of _____, 19____

Notary Public,
My Commission Expires: _____

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	OFFICE FURNITURE	12/01/90	SL	7.00	16	2,390.			2,390.	2,390.		0.
	* TOTAL 990-PF PG 1					2,390.		0.	2,390.	2,390.	0.	0.
	DEPR											

028102
05-01-10

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
EDWARD JONES (HENDERSON)	8,084.
EDWARD JONES (HENDERSON) - TAX EXEMPT	2,677.
EDWARD JONES (OWENSBORO)	2,327.
HILLIARD LYONS	23,787.
INDEPENDENCE BANK	3,793.
OHIO VALLEY FINANCIAL GROUP	2,589.
OLD NATIONAL BANK	43.
OLD NATIONAL TRUST	14,797.
SOUTH CENTRAL BANK	3,393.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	61,490.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
EDWARD JONES (HENDERSON)	1,774.	7.	1,767.
EDWARD JONES (OWENSBORO)	12,050.	0.	12,050.
HILLIARD LYONS	13,947.	0.	13,947.
OLD NATIONAL TRUST	36,120.	0.	36,120.
TOTAL TO FM 990-PF, PART I, LN 4	63,891.	7.	63,884.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OLD NATIONAL TRUST	2,662.	2,662.		0.
TO FORM 990-PF, PG 1, LN 16B	2,662.	2,662.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ALEXANDER & COMPANY, PSC	11,954.	2,391.		9,563.	
TO FORM 990-PF, PG 1, LN 16C	11,954.	2,391.		9,563.	

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAX	765.	0.		765.	
FOREIGN TAXES WITHHELD	128.	128.		0.	
TO FORM 990-PF, PG 1, LN 18	893.	128.		765.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE EXPENSE	215.	43.		172.	
PARKING	450.	0.		450.	
TO FORM 990-PF, PG 1, LN 23	665.	43.		622.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	7
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US TREASURY BILLS & NOTES	X		99,691.	103,551.
MUNICIPAL BONDS		X	91,955.	84,815.
TOTAL U.S. GOVERNMENT OBLIGATIONS			99,691.	103,551.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			91,955.	84,815.
TOTAL TO FORM 990-PF, PART II, LINE 10A			191,646.	188,366.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
STOCKS	1,425,171.	2,416,241.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,425,171.	2,416,241.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	154,904.	149,582.
TOTAL TO FORM 990-PF, PART II, LINE 10C	154,904.	149,582.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	10
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE FURNITURE	2,390.	2,390.	0.
TOTAL TO FM 990-PF, PART II, LN 14	2,390.	2,390.	0.

Yeager Charitable Trust "B"

Post Office Box 554
Owensboro, Kentucky 42302

TO:

RE: CONDITIONS OF YEAGER CHARITABLE TRUST FOR MAKING
GRANT AND RECIPIENT'S AGREEMENT TO SAID CONDITIONS

GRANT OF:

PAYABLE:

The funds awarded by the Trust must be used for the specific purpose stated on the lines below. Use for any other purpose is unauthorized and will subject the recipient to a refund claim by the Trust. The grant awarded herein must be used:

In accordance with Grant Application.

This Statement of Condition sets forth the terms and conditions upon which the Grant is made. Under the laws of the United States applicable to Charitable Trusts, all grants (including this one) must be expended solely for religious, charitable, scientific, literary, or educational purposes. Thus, the grant is made only for such purposes and is further limited to the above referenced purpose. The laws of the United States applicable to Charitable Trusts also require that certain restrictions be placed upon the use of grant funds and certain reporting and record keeping requirements be imposed upon grant recipients. Thus, the grant is subject to the restrictions enumerated below, and is made upon the condition that Grantee comply with the reporting and record keeping requirements enumerated below. The conditions and restrictions stated herein, are made in compliance with the applicable provisions of the Internal Revenue Code and Regulations as they pertain to Charitable Trusts.

GENERAL CONDITIONS

Grantee agrees to the following conditions:

1. Repayment: Grantee shall repay any portion of the amount granted which is not used for the purpose of the grant and shall also expect to repay any portion which is not expended by the Grantee for the purposes of this grant within one year of the date of our payment in each year. Such repayment shall be made by Grantee immediately after receipt of Trust's demand therefor.

2. Reports: Within 30 days after completion of the use of the grant funds, Grantee shall make a final report detailing all expenditures made with these funds and indicating the progress made toward the overall goals of the grant. If the grant funds are not expended within one year after their receipt, Grantee, within 30 days following that 12 month period, must submit a full and complete report detailing: (1) the manner in which the expended funds were allocated; (2) the 12 months period; and (3) the reason the Grantee was unable to comply with this 23 month requirement for the expenditure of the entire grant. Included with this report must be a request for the continuation of the grant for a specific additional amount of time. If this request is approved by the Trustees, Grantee must continue to submit updates of this report every 30 days. If this request is not approved, Grantee must be prepared to return to the Trust the amount not used.

In the subsequent year after expenditure of the Grant, the Grantee must also submit a final brief report on its project, including statistics on utilization of the program or facility and an overview of the mission which has been accomplished with the assistance of these funds.

3. Records: Grantee shall maintain its books and records in such manner that the grant funds will be shown separately on Grantee's books and that the expenditures made in furtherance of the grant purposes will be shown as charged against the grant, and shall maintain records of such funds in such a form as to be checked readily. Grantee shall keep the records of the expenditures, as well as copies of the reports submitted to the Trust, for at least four years after the completion of the use of the grant funds. Grantee shall make its books and records available to the Trust for inspection at reasonable times.

4. Prohibited Uses: Grantee shall not use any of the grant funds: (A) to carry on propaganda, or otherwise attempt to influence legislation; (B) to influence the outcome of any specific election or to carry on, directly or indirectly, any voter registration drive; (C) for any grant to an individual for travel, study or other similar purposes by the individual (unless the grant satisfies the requirements of S4945 (a) of the Internal Revenue Code of 1954), or for a grant to an organization (other than a publicly supported organization as described in paragraph (1), (2), or (3) of S509(a) of the Internal Revenue Code of 1954) unless grantee exercises expenditure responsibility with respect to such grant; or (D) for any purpose other than religious, charitable, scientific, literary or educational.

If the foregoing correctly sets forth your understanding of the terms and conditions under which this Grant is being made, please so indicate on a copy of this letter enclosed for that purpose and return it to the Yenger Charitable Trust, by not later than December 15, and it

Page Three

will constitute our agreement with respect to the subject matter thereof. Upon receipt of a properly executed copy, the Trust will forward funds pursuant to the terms of the grant, as shown on page one of these conditions.

Very truly yours,

YEAGER CHARITABLE TRUST "B"

Trustee

Trustee

Trustee

FOR GRANT RECIPIENT:

The foregoing Conditions are accepted and agreed to this ____ day of _____, 1993.

NAME OF ORGANIZATION: _____

BY: _____

EMPLOYER IDENTIFICATION NO: _____

P. O. BOX 2509
CINCINNATI, OH 45201

Date:

JUN 19 1989

YEAGER CHARITABLE TRUST B
PO BOX 564
OWENSBORO, KY 42302

Employer Identification Number:
51-1159548

Contact Person:
CINDY WESTCOTT

Contact Telephone Number:
(513) 684-3570

Accounting Period Ending:
December 31

Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that, as indicated in your application, you are a private foundation within the meaning of section 509(a) of the Code. In this letter we are not determining whether you are an operating foundation as defined in section 4942(j)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA). However, since you are a private foundation, you are subject to excise taxes under Chapter 42 of the Code. You also may be subject to other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation. Form 990-PF must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year,

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whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number has not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

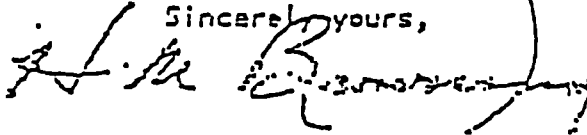
If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

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If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "H. M. Browning". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Harold M. Browning
District Director