



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**
**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2010Department 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 **03/01/10**, and ending **02/28/11**
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

**MARGARET NELSON CASTLE COLLEGE
SCHOLARSHIP TRUST**Number and street (or P O box number if mail is not delivered to street address) **PO BOX 307** Room/suite

City or town, state, and ZIP code

SMITH CENTER KS 66967-0307**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 **J** Accounting method: Cash Accrual
 end of year (from Part II, col. (c),
 line 16) ► \$ **182,883** (Part I, column (d) must be on cash basis)
A Employer identification number**20-0784171****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 ►

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))		(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 (attach schedule)		4,516			
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		5,624	5,624		
4 Dividends and interest from securities		1,581	1,581		
5a Gross rents					
b Net rental income or (loss)		87			
6a Net gain or (loss) from sale of assets not on line 10					
b Gross sales price for all assets on line 6a	54,419				
7 Capital gain net income (from Part IV, line 2)			87		
8 Net short-term capital gain					
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)					
12 Total. Add lines 1 through 11		11,808	7,292	0	
13 Compensation of officers, directors, trustees, etc.		1,141	1,027		114
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)	Stmt 1	425	43		382
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see page 14 of the instructions)	Stmt 2	72			
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications		20			20
23 Other expenses (att. sch.)					
24 Total operating and administrative expenses.					
Add lines 13 through 23		1,658	1,070	0	516
25 Contributions, gifts, grants paid		12,500			12,500
26 Total expenses and disbursements. Add lines 24 and 25.		14,158	1,070	0	13,016
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-2,350			
b Net investment income (if negative, enter -0-)			6,222		
c Adjusted net income (if negative, enter -0-)				0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

DAA

Form **990-PF** (2010)

Assets	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
	1 Cash—non-interest-bearing			12	12
	2 Savings and temporary cash investments		11,599	9,136	9,136
	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) ►		0		
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments—U.S. and state government obligations (attach schedule)	Stmt 3	95,611	42,295	43,437
	b Investments—corporate stock (attach schedule)	See Stmt 4	46,159	47,130	53,305
	c Investments—corporate bonds (attach schedule)	See Stmt 5	25,125	77,571	76,993
	11 Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	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)		178,494	176,144	182,883
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 ►)		0	0	
	23 Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds		180,393	180,393	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		-1,899	-4,249	
	30 Total net assets or fund balances (see page 17 of the instructions)		178,494	176,144	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)		178,494	176,144	

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	178,494
2 Enter amount from Part I, line 27a	2	-2,350
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	176,144
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	176,144

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Worksheet				
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				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
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	87
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	2

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	10,209	174,284	0.058577
2008	10,831	176,348	0.061418
2007	10,047	187,704	0.053526
2006	8,400	181,779	0.046210
2005	9,430	179,643	0.052493

2 Total of line 1, column (d) 2 0.272224

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 0.054445

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 4 179,239

5 Multiply line 4 by line 3 5 9,759

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 62

7 Add lines 5 and 6 7 9,821

8 Enter qualifying distributions from Part XII, line 4 8 13,016

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 ► <input type="checkbox"/> and enter "N/A" on line 1.	1	62
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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b	2	0
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-)	3	62
3	Add lines 1 and 2		
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-		
6	Credits/Payments:	6a 6b 6c 6d	7
a	2010 estimated tax payments and 2009 overpayment credited to 2010		
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments. Add lines 6a through 6d	8	62
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	10
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11	Enter the amount of line 10 to be Credited to 2011 estimated tax ►	Refunded	► 11

Part VII-A Statements Regarding Activities

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	<input checked="" type="checkbox"/>	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	<input checked="" type="checkbox"/>	
1c	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	<input checked="" type="checkbox"/>	
2	Did the foundation file Form 1120-POL for this year?	<input type="checkbox"/>	
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?	<input checked="" type="checkbox"/>	
	If "Yes," attach a detailed description of the activities		
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	<input checked="" type="checkbox"/>	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	<input type="checkbox"/>	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	<input type="checkbox"/>	N/A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	<input type="checkbox"/>	
	If "Yes," attach the statement required by General Instruction T		
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?		
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	<input type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
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	<input type="checkbox"/>	
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	<input type="checkbox"/>	

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 page 20 of the instructions)	11	<input checked="" type="checkbox"/>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	<input checked="" type="checkbox"/>
14	The books are in care of ► THE PEOPLES BANK 136 S. MAIN	Telephone no. ► 785-282-6682	
	Located at ► SMITH CENTER	KS	ZIP+4 ► 66967-0307
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	<input type="checkbox"/>
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	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)?	N/A	
c	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
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 <input checked="" type="checkbox"/>	
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)): N/A		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	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.)	2b <input type="checkbox"/>	
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?	<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.)	3b <input type="checkbox"/>	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a <input checked="" type="checkbox"/>	
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 <input checked="" type="checkbox"/>	

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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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
THE PEOPLES BANK 136 S. MAIN	SMITH CENTER KS 66967-0307	TRUSTEE 1.00	1,141	0
.....				0
.....				
.....				
.....				

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 ►

Form 990-PF (2010)

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	171,005
b	Average of monthly cash balances	1b	10,964
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	181,969
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	181,969
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	2,730
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	179,239
6	Minimum investment return. Enter 5% of line 5	6	8,962

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	8,962
2a	Tax on investment income for 2010 from Part VI, line 5	2a	62
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	62
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	8,900
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	8,900
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	8,900

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	13,016
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	13,016
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	62
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	12,954

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 XII 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				8,900
2 Undistributed income, if any, as of the end of 2010: a Enter amount for 2009 only			4,885	
b Total for prior years: 20 ____ , 20 ____ , 20 ____				
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				
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 13,016			4,885	
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				8,131
e Remaining amount distributed out of corpus				
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				
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				769
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)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
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				

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 ► <input type="text"/>			
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed			
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:

THE PEOPLES BANK 785-282-6682**136 S. MAIN SMITH CENTER KS 66967-0307**

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

SEE SCHEDULES 1 & 2

c Any submission deadlines:

APRIL 1ST

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

See Statement 6

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 7				12,500
Total			► 3a	12,500
b Approved for future payment N/A				
Total			► 3b	
DAA				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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				14	5,624	
4 Dividends and interest from securities				14	1,581	
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory				18	87	
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		7,292	0
13 Total. Add line 12, columns (b), (d), and (e)				13		7,292
(See worksheet in line 13 instructions on page 28 to verify calculations.)						

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

Capital Gains and Losses for Tax on Investment Income

Form 990-PF

2010

For calendar year 2010, or tax year beginning

03/01/10

, and ending 02/28/11

Name

MARGARET NELSON CASTLE COLLEGE
SCHOLARSHIP TRUST

Employer Identification Number

20-0784171

(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)
(1) FEDERAL NATL MORTGAGE ASSN		P	10/13/09	03/25/10
(2) FEDERATED GNMA TRUST INSTL SHARES		P	10/27/09	06/01/10
(3) FRONTIER COMMUNICATIONS CORP		P	07/16/10	08/02/10
(4) FEDERAL HOME LOAN MORTGAGE		P	02/26/09	06/11/10
(5) FEDERAL HOME LOAN BANK		P	12/01/05	12/29/10
(6) FEDERAL NATL MORTGAGE ASSN		P	11/14/07	05/03/10
(7) FRONTIER COMMUNICATIONS CORP		P	01/06/09	08/02/10
(8) VANGUARD HEALTH CARE INC				
(9) VANGUARD GNMA FUND				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

(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)
(1) 8,000		8,015	-15
(2) 1,300		1,285	15
(3) 3		1	2
(4) 12,000		12,000	
(5) 25,000		25,000	
(6) 8,000		8,001	-1
(7) 28		30	-2
(8) 81			81
(9) 7			7
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

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))
(1)			-15
(2)			15
(3)			2
(4)			
(5)			
(6)			-1
(7)			-2
(8)			81
(9)			7
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

129003 MARGARET NELSON CASTLE COLLEGE
20-0784171
FYE: 2/28/2011

Federal Statements

5/5/2011 2:51 PM

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
GAREN L KUHLMANN CPA CHTD	\$ 425	\$ 43	\$ 0	\$ 382
Total	\$ 425	\$ 43	\$ 0	\$ 382

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FEDERAL EXCISE TAX	\$ 68	\$ 4	\$ 0	\$ 68
FOREIGN INCOME TAX W/H	\$ 72	\$ 0	\$ 0	\$ 0
Total				

Federal Statements**Statement 3 - 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
US GOVT AGENCIES/STATE EXEMPT	\$ 60,046	\$ 35,000	Market	\$ 35,991
US GOVT AGENCIES/STATE TAXABLE	35,565	7,295	Market	7,446
Total	\$ 95,611	\$ 42,295		\$ 43,437

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STOCK FUNDS	\$ 10,267	\$ 10,267	Market	\$ 10,459
FOREIGN STOCK FUNDS	1,500	1,500	Market	1,043
COMMON STOCKS	34,392	24,596	Market	29,599
EXCHANGE TRADED FUNDS/STK ETF		7,161	Market	8,648
EXCHANGE TRADED FDS/FORGN STKS		3,606	Market	3,556
Total	\$ 46,159	\$ 47,130		\$ 53,305

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORPORATE SECURITIES	\$ 13,749	\$ 18,802	Market	\$ 19,276
MUNICIPAL BONDS TAXABLE	5,122	45,925	Market	44,886
GOVERNMENT FUNDS	2,502	5,002	Market	5,013
GNMA FUNDS	2,505	4,000	Market	3,937
FOREIGN BOND FUNDS	1,247	1,247	Market	1,353
EXCHANGE TRADED FUNDS/BD ETF		2,595	Market	2,528
Total	\$ 25,125	\$ 77,571		\$ 76,993

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

Description

SEE SCHEDULES 1 & 2

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

Description

APRIL 1ST

Statement 6 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

A HIGH SCHOOL GRADUATE RESIDING IN SMITH COUNTY, KS AND
ATTENDING AN ACCREDITED COLLEGE OR UNIVERSITY.

129003 MARGARET NELSON CASTLE COLLEGE
20-0784171
FYE: 2/28/2011

Federal Statements

5/5/2011 2:51 PM

Statement 7 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address	Relationship	Status	Purpose	Amount
FORT HAYS STATE UNIVERSIT	600 PARK STREET	NONE	PUBLIC	EDUCATIONAL	1,000
HAYS KS 67601-4099	1450 JAYHAWK BLVD	NONE	PUBLIC	EDUCATIONAL	1,000
UNIVERSITY OF KANSAS	119 ANDERSON HALL	NONE	PUBLIC	EDUCATIONAL	
LAWRENCE KS 66045-7535	125 W COOPER	NONE	PUBLIC	EDUCATIONAL	4,750
KANSAS STATE UNIVERSITY	905 W 25TH ST	NONE	PUBLIC	EDUCATIONAL	1,500
MANHATTAN KS 66506	1200 COMMERCIAL	NONE	PUBLIC	EDUCATIONAL	
STERLING COLLEGE	2221 CAMPUS DRIVE	NONE	PUBLIC	EDUCATIONAL	
STERLING KS 67579	335 E SWENSSON STREET	NONE	PUBLIC	EDUCATIONAL	
UNIVERSITY OF NEBRASKA -	1300 N PLUM ST	NONE	PUBLIC	EDUCATIONAL	
KEARNEY NE 68849	1020 N 2ND ST	NONE	PUBLIC	EDUCATIONAL	
EMPIORIA STATE UNIVERSITY	1701 S BROADWAY	NONE	PUBLIC	EDUCATIONAL	
EMPIORIA KS 66801-5087					
CLOUD COUNTY COMMUNITY CO					
CONCORDIA KS 66901					
BETHANY COLLEGE					
LINDSBORG KS 67456					
HUTCHINSON COMMUNITY COLL					
HUTCHINSON KS 67501					
BENEDICTINE COLLEGE					
ATCHISON KS 66002-1499					
PITTSBURG STATE UNIVERSIT					
PITTSBURG KS 66762					
Total					12,500

MARGARET NELSON CASTLE COLLEGE SCHOLARSHIP TRUST
High School Senior Scholarship Application

Schedule 1

FORM 990-PF
Eligibility Requirements

2-28-11

20-0784171

The applicant must be:

1. A prospective high school graduate residing in Smith County.
2. Attending an accredited college or university.

The Margaret Nelson Castle College Scholarship may be used for any field of study.

Name: _____

Address: _____

City, State, and Zip: _____

Home Phone Number: _____

Date of Birth: _____

Social Security Number: _____

College or University planning to attend: _____

Attach to this application the following information:

- Certified high school transcript.
- A short essay stating educational goals, plan for achieving goals and the reasons for choosing the specific field you wish to pursue as a course of study.
- A list of scholastic achievements, extracurricular activities, work history, achievements and accomplishments.
- A list of all other financial aid or scholarships received or anticipated.

An application will be considered incomplete if the required information is not provided. Please return the completed application and accompanying documents on or before April 1st to:

MARGARET NELSON CASTLE COLLEGE SCHOLARSHIP TRUST
The Peoples Bank
Box 307
Smith Center, KS 66967

Signature: _____ Date: _____

(02/09)

MARGARET NELSON CASTLE COLLEGE SCHOLARSHIP TRUST
Post-Secondary Student Scholarship Application

Schedule 2

FORM 990-PF

20-0784171

Eligibility Requirements

2-28-11

The applicant must be:

1. A high school graduate residing in Smith County.
2. Attending an accredited college or university.

The Margaret Nelson Castle College Scholarship may be used for any field of study.

Name: _____

Address: _____

City, State, and Zip: _____

Home Phone Number: _____

Date of Birth: _____

Social Security Number: _____

Year of High School Graduation: _____

Post-Secondary G.P.A. _____

College or University attending: _____

Attach to this application the following information:

- Certified transcript from all colleges or universities attended to date.
- A short essay stating educational goals, plan for achieving goals and the reasons for choosing the specific field you wish to pursue as a course of study.
- A list of scholastic achievements, extracurricular activities, work history, achievements and accomplishments.
- A list of all other financial aid or scholarships received or anticipated

An application will be considered incomplete if the required information is not provided. Please return the completed application and accompanying documents on or before April 1st to:

MARGARET NELSON CASTLE COLLEGE SCHOLARSHIP TRUST

The Peoples Bank

Box 307

Smith Center, KS 66967

Signature: _____

Date: _____

(2/09)