Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning March 1 **, 2011, and ending** February 29 **, 20** 12

Name of foundation		A Employer identification number
Joe & Jean Palmer Endowment Fund		73-1593688
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions)
2915 S. 13th Street		580-252-0629
City or town, state, and ZIP code		C If exemption application is pending, check here ▶ ☐
Duncan, OK 73533-9086		

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 187280

J Accounting method: ☐ Cash ☑ Accrual ☐ Other (specify) *(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 ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	0			
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	0	0	0	
	4	Dividends and interest from securities	4818	4818	4818	
	5a	Gross rents	0	0	0	
	b	Net rental income or (loss) 0				
	6a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a 0				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications			0	
	10a	Gross sales less returns and allowances 0				
	b	Less: Cost of goods sold 0				
	c	Gross profit or (loss) (attach schedule)	0		0	
	11	Other income (attach schedule)	0	0	0	
	12	**Total.** Add lines 1 through 11	4818	4818	4818	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	0	0	0	0
	14	Other employee salaries and wages	0	0	0	0
	15	Pension plans, employee benefits	0	0	0	0
	16a	Legal fees (attach schedule)	0	0	0	0
	b	Accounting fees (attach schedule)	0	0	0	0
	c	Other professional fees (attach schedule)	0	0	0	0
	17	Interest	0	0	0	0
	18	Taxes (attach schedule) (see instructions)	0	0	0	0
	19	Depreciation (attach schedule) and depletion	0	0	0	
	20	Occupancy	0	0	0	0
	21	Travel, conferences, and meetings	0	0	0	0
	22	Printing and publications	0	0	0	0
	23	Other expenses (attach schedule)	581	581	581	581
	24	**Total operating and administrative expenses.** Add lines 13 through 23	581	581	581	581
	25	Contributions, gifts, grants paid	18000			18000
	26	**Total expenses and disbursements.** Add lines 24 and 25	18581	581	581	18581
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(13763)			
	b	**Net investment income** (if negative, enter -0-)		4237		
	c	**Adjusted net income** (if negative, enter -0-)			4237	

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

			Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing	0	0	0
	2	Savings and temporary cash investments	0	0	0
	3	Accounts receivable ▶ 0			
		Less: allowance for doubtful accounts ▶ 0	0	0	0
	4	Pledges receivable ▶ 0			
		Less: allowance for doubtful accounts ▶ 0	0	0	0
	5	Grants receivable	0	0	0
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶ 0			
		Less: allowance for doubtful accounts ▶ 0	0	0	0
	8	Inventories for sale or use	0	0	0
	9	Prepaid expenses and deferred charges	0	0	0
	10a	Investments—U.S. and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	0	0	0
	c	Investments—corporate bonds (attach schedule)	0	0	0
	11	Investments—land, buildings, and equipment: basis ▶ 0			
		Less. accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12	Investments—mortgage loans	0	0	0
	13	Investments—other (attach schedule)	195559	187280	187280
	14	Land, buildings, and equipment: basis ▶ 0			
		Less: accumulated depreciation (attach schedule) ▶ 0	0	0	0
	15	Other assets (describe ▶ 0)	0	0	0
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	195559	187280	187280
Liabilities	17	Accounts payable and accrued expenses	0	0	
	18	Grants payable	0	0	
	19	Deferred revenue	0	0	
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶ 0)	0	0	
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	0	0	
	25	Temporarily restricted	0	0	
	26	Permanently restricted	0	0	
		Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	0	0	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0	0	
	29	Retained earnings, accumulated income, endowment, or other funds	195559	187280	
	30	**Total net assets or fund balances** (see instructions)	195559	187280	
	31	**Total liabilities and net assets/fund balances** (see instructions)	195559	187280	

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	195559
2	Enter amount from Part I, line 27a	2	(13763)
3	Other increases not included in line 2 (itemize) ▶ Gain on investments	3	5484
4	Add lines 1, 2, and 3	4	187280
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	187280

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				
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2010	11583	192611	6.01%
2009	11741	187026	6.28%
2008	13029	193892	6.72%
2007	9522	221980	4.29%
2006	7061	221443	3.19%

2	**Total** of line 1, column (d)	2	26.49
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	5.30%
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	188220
5	Multiply line 4 by line 3	5	9976
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	42
7	Add lines 5 and 6	7	10018
8	Enter qualifying distributions from Part XII, line 4	8	18581

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter. ______ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	42
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	42
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	42
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 0		
b	Exempt foreign organizations—tax withheld at source — 6b: 0		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0		
d	Backup withholding erroneously withheld — 6d: 0		
7	Total credits and payments. Add lines 6a through 6d	7	0
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	42
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 2012 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?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0 **(2)** On foundation managers. ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		✓
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Oklahoma			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶

14 The books are in care of ▶ National Rural Water Association Telephone no. ▶ 580-252-0629

Located at ▶ 2915 S. 13th Street, Duncan, OK ZIP+4 ▶ 73533-9086

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

			Yes	No
16	At any time during calendar year 2011, 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		✓
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?		1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)		2b		✓
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		✓
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 2011?		4b		✓

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☑ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

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? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

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

If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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 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
Robert K. Johnson; Loco, OK	President; 0	0.00	0.00	0.00
G. Sam Wade; Elgin, OK	Vice President; 0	0.00	0.00	0.00
Claudette E. Atwood, Duncan, OK	Sec./Treas.; 0	0.00	0.00	0.00

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over $50,000 ▶ 0

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 None	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
2	
All other program-related investments. See instructions 3	
Total. Add lines 1 through 3 ▶	0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	191086
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	191086
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	191086
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	2866
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	188220
6	**Minimum investment return.** Enter 5% of line 5	6	9411

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	9411
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a 42		
b	Income tax for 2011. (This does not include the tax from Part VI.) — 2b 0		
c	Add lines 2a and 2b	2c	42
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	9369
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	9369
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	9369

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	18581
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	18581
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	18581

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				9369
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only			0	
b Total for prior years: 20 7 ,20 8 ,20 9		0		
3 Excess distributions carryover, if any, to 2011:				
a From 2006 . . . 0				
b From 2007 . . . 0				
c From 2008 . . . 0				
d From 2009 . . . 0				
e From 2010 . . . 0				
f **Total** of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 18581				
a Applied to 2010, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	0			
d Applied to 2011 distributable amount				18000
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 *(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 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2007 . . . 0				
b Excess from 2008 . . . 0				
c Excess from 2009 . . . 0				
d Excess from 2010 . . . 0				
e Excess from 2011 . . . 0				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling . . . . . . ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see 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:

National Rural Water Association; 2915 S. 13th Street, Duncan, OK 73533; 580-252-0629

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

See attached

c Any submission deadlines:

See attached

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

See attached

Part XV Supplementary Information (continued)

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Condit, Whitney; P.O. Box 112, Velma, OK	none	n/a	Scholarship	2000
Cowles, Allison; 45 Harold St, Oil City, PA	none	n/a	Scholarship	2000
Hagemeier, Brad; 61244 MN Hwy 55, Eden Valley, MN	none	n/a	Scholarship	2000
Helmke, Hannah; 6847 S.E. 29th Street, Tecumseh, KS	none	n/a	Scholarship	2000
Hemeyer, Carrie; 504 East 16th Street, Gregory, SD	none	n/a	Scholarship	2000
Kerr, Brittany; 2524 Holly Ave., Buena Vista, VA	none	n/a	Scholarship	1000
Sieg, Kellie; 1921 32nd St, NE, Anamouse, ND	none	n/a	Scholarship	3000
Vollmar, Shelby; 1610 Churchill Cove, Cedar Park, TX	none	n/a	Scholarship	2000
Webber, Zachary; 1602 Washington, Unionville, MO	none	n/a	Scholarship	2000
Total . . . ▶ 3a				18000
b *Approved for future payment*				
Abrahamson, Nikki; 26 Hillside Lane, Brooks, ME	none	n/a	Scholarship	7000
Condit, Whitney; P.O. Box 112, Velma, OK	none	n/a	Scholarship	2000
Cowles, Allison; 45 Harold St., Oil City, PA	none	n/a	Scholarship	5000
Helmke, Hannah; 6847 S.E. 29th Street, Tecumseh, KS	none	n/a	Scholarship	6000
Hemeyer, Carrie; 504 East 16th Street, Gregory, SD	none	n/a	Scholarship	4000
Vollmar, Shelby; 1610 Churchill Cove, Cedar Park, TX	none	n/a	Scholarship	6000
Total . . . ▶ 3b				30000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue:					
a	0	0	0	0	0
b	0	0	0	0	0
c	0	0	0	0	0
d	0	0	0	0	0
e	0	0	0	0	0
f	0	0	0	0	0
g Fees and contracts from government agencies	0	0	0	0	0
2 Membership dues and assessments	0	0	0	0	0
3 Interest on savings and temporary cash investments	0	0	0	0	0
4 Dividends and interest from securities	0	0	0	0	4818
5 Net rental income or (loss) from real estate:					
a Debt-financed property	0	0	0	0	0
b Not debt-financed property	0	0	0	0	0
6 Net rental income or (loss) from personal property	0	0	0	0	0
7 Other investment income	0	0	0	0	0
8 Gain or (loss) from sales of assets other than inventory	0	0	0	0	0
9 Net income or (loss) from special events	0	0	0	0	0
10 Gross profit or (loss) from sales of inventory	0	0	0	0	0
11 Other revenue: a	0	0	0	0	0
b	0	0	0	0	0
c	0	0	0	0	0
d	0	0	0	0	0
e	0	0	0	0	0
12 Subtotal. Add columns (b), (d), and (e)		0		0	4818

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 4818

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
3	Forms the basis of the organization exempt basis.

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		

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

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

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
National Rural Water Association	501(c)(6)	Parent

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) is based on all information of which preparer has any knowledge

Claudette Atwood | 5/22/12 | Secretary/Treasurer

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer Use Only

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

Joe & Jean Palmer Endowment Fund 73-1593688
Schedule 1

Part I Analysis of Revenue and Expenses

23. Other expenses

Bank charges	581
Total	581

Joe & Jean Palmer Endowment Fund 73-1593688
Schedule 2

Part II Balance Sheet

13. Investments - Other

Charles Schwab	195,559
Total	195,559

The Joe and Jean Palmer ENDOWMENT FUND

Four-Year Award
Amount $2,000/yr.

Application must be typed – All questions must be completed. If an answer is not applicable, please use the term N/A. If you leave any question blank, your application will be disqualified. Upon completing this form: print, sign and mail it to: NRWA, Attn: Scholarship Committee, 2915 S. 13th Street, Duncan, OK 73533.

Deadline – January 6, 2012

The NRWA National Board of Directors has established the Joe & Jean Palmer Endowment Fund to honor the memory of a rural water leader and true friend This scholarship will benefit the children of the rural water family attending institutions of higher learning.

A retired civil engineer and avid environmentalist, Palmer was a prominent figure in the local, state and national water industry. Although he was retired, he was a partner in Stevenson and Palmer Engineering and had held the post of president and CEO He was co-founder of the Georgia Rural Water Association, serving as president of the organization for four years He was president of National Rural Water Association from 1994 to 1996 and was named the 1991 NRWA Man of the Year In recognition of his lobbying efforts as a member of the Water Industry Coordinating Committee, he was invited to the White House to witness the signing of the 1996 Safe Drinking Water Act.

From 1942 to 1969, he was in the U.S Army, serving in World War II, Korea, and Vietnam. He was chosen as one of the military escorts for President John F. Kennedy's funeral cortege and was a member of President Lyndon B. Johnson's inaugural committee. Before he retired as a colonel, his last assignment was to the office of Joint Chiefs of Staff in the Pentagon He received the Silver Star, two Legion of Merit awards, The Bronze Star, the Air Medal, the Joint Staff Commendation Medal and 12 other service medals.

A former science and chemistry teacher, Mrs. Palmer later owned and operated a gift shop and established an insurance agency, winning a number of awards from the insurance industry Most recently, she had embarked on a successful career in real estate and investment counseling The Palmers were killed in a traffic accident on May 8, 2000, in their hometown of Camilla, Georgia

By resolution, the NRWA Rally 2000 in Washington D C. was dedicated to the Palmers: "They were the epitome of Rural America . Their character, ethics, and morals contributed to the success of their personal businesses as well as the success of rural water nationwide .. Rural Water has lost a catalyst, a champion, a leader, and a friend. Their importance and contributions to the rural water family will be felt for generations to come."

Personal Data of Scholarship Applicant

Last Name ________________ **First Name** _______________ **Middle** ___

Address ____

City ______________________________ **State** __________ **Zip** ______

Date of Birth ____________________ **Telephone** ______________________

Eligible Association Employee Data

Name _____________________________ **Job Title** _________________

Address ____

City ______________________________ **State** __________ **Zip** ______

Association Name ____

Association Telephone ____________________

Relationship to Applicant ____

High School Data (To be completed by high school seniors only)

School Name ____

Address ____

City ______________________________ **State** __________ **Zip** ______

Graduation Date _______ **Grade Point Average** _______**

Transcript must be submitted with application.

Composite ACT/SAT Scores ___________

List any academic awards, membership or other special recognition you have received during your high school years.

College/University Data

Are you a high school senior?

◯ **Yes (If "Yes" Skip to College/University Name)**

◯ **No (If "No", the most recent college transcript required)**

If "No", credit hours completed _____

Number of credit hours required to graduate __________

College Grade Point Average _______

College/University Name ____

Address ____

City ________________________________ State ___________ Zip _______

Please indicate one:

◯ **4 Year College/University**

◯ **Graduate School**

Major Course of Study ____

Financial Data

Please indicate the income range of your gross family income:

◯ **Under $30,000** ◯ **$50,000 – $69,999** ◯ **Over $90,000**

◯ **$30,000 - $49,999** ◯ **$70,000 - $89,999**

If you are receiving other financial aid, please itemize by name and amount or mark "None":

Name ______________________ **Amount** ______________

Name ______________________ **Amount** ______________

None ☐

If there are any family circumstances that shall influence your need for financial assistance, please describe:

Please add other activities including leadership, community and work related:

Letters of Reference

Two Letters of Reference must be provided for award consideration to be dated no more than 12 months prior to date of application. (1 letter **must** be from teacher/professor or school counselor and the 2nd letter **must** be from a non-school acquaintance, such as clergyman, employer, etc., but not family or friends)

Photograph & Local Newspaper

Please include a 5" X 7" photograph and the name, address, and email address of your local newspaper below. This information will be used to notify the media should you be selected as a scholarship winner.

Newspaper Name:______________________________

Newspaper Address:______________________________

____

Newspaper Email: ______________________________

Essay

On a separate page in at least 350 words but no more than 500, write a brief essay on "What Being an American Means to Me". This topic was selected because of the Palmer's patriotic dedication. (Must be typed)

Certification

In submitting this application, we certify that the information provided is complete and accurate to the best of our knowledge. False information will result in the revocation of any scholarship granted.

Applicant's Signature X________________________ Date ______________

Parent's Signature X __________________________ Date _______________
(Must be the signature of the Association employee)

Official Rules

1. **This endowment scholarship will be made to a student to defray the cost of tuition, books, and/or room and board at an accredited institution of higher learning approved by the National Rural Water Association (NRWA) through the completion of their degree, not to exceed four years.**

2. **Disbursement of the money will be made each semester upon presentation of recipient's college or university invoice as proof of full-time enrollment, for the first semester.**

3. **Each semester following, recipient must provide proof of full-time enrollment, letter of good standing from the university or college they are attending and a current official transcript.**

4. **The student must maintain at least a 2.5 grade point average in order to receive or retain the scholarship.**

5. **The scholarship money will be paid directly to the student each semester upon receipt of proof that qualifications have been met.**

6. **The scholarship will be awarded to children or stepchildren of NRWA or State Affiliate employees; student must be 26 yrs old or under by September 1 of that school year.**

7. **In order to be eligible for a scholarship*, applicants must complete this form in it's entirety by answering all questions and submitting all required paper work. This application form must be typewritten, hand written applications will be disqualified.***
8. **If an item is not applicable, please place an N/A in the blank.**

9. **Upon completion return it to the NRWA Scholarship Committee by the entry deadline, January 6, 2012.**

10. **All applications will be first screened on the basis of leadership responsibilities in community and school activities as well as grade point average.**

11. **The scholarship recipient will be selected on the basis of the number, length of commitment, and quality of leadership responsibilities in community and school activities, awards, honors, academic record, career goals, and financial need.**

12. **Applicants will be evaluated on a comparative basis at the sole discretion of the committee.**

13. **Decisions will be final.**

14. **Application material and decisions of the committee shall be confidential.**

15. **Acceptance of scholarship constitutes permission to use recipients name and/or likeness for purpose of promotion.**

16. **Should the parent of the scholarship award recipient leave the employment of the affiliate state association or NRWA for any reason, the student will no longer qualify for the award.**

Print and sign this completed form and mail to NRWA Scholarship Committee along with all documentation.

Mailing Instructions:

Place all pertinent documents (including this form) into an envelope and mail to:

National Rural Water Association
Attention Scholarship Committee
2915 South 13th Street
Duncan, Ok 73533