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Form 990-PF

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

OMB No 1545-0052

2011

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 2011, or tax year beginning 07-01-2011 , and ending 06-30-2012

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
JAMES AND ELLA B FORSTER TRUST

Number and street (or P O box number if mail is not delivered to street address)
C/O FRONTIER BANK PO BOX 549

Room/suite

A Employer identification number
42-1305882

B Telephone number (see page 10 of the instructions)
(712) 472-2537

City or town, state, and ZIP code
ROCK RAPIDS, IA 51246

C If exemption application is pending, check here

D 1. Foreign organizations, check here

2. Foreign organizations meeting the 85% test, check here and attach computation

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

H Check type of organization

☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust

☐ Other taxable private foundation

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

J Accounting method

\$ 5,939,881

☒ Cash

☐ Accrual

Other (specify)

(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	139	139	139	
	4 Dividends and interest from securities.	61,605	61,605	61,605	
	5a Gross rents	106,039	106,039	106,039	
	b Net rental income or (loss) 94,622				
	6a Net gain or (loss) from sale of assets not on line 10	-994			
	b Gross sales price for all assets on line 6a 170,000				
	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) (attach schedule)				
Operating and Administrative Expenses	11 Other income (attach schedule)	12,500			
	12 Total. Add lines 1 through 11	179,289	167,783	167,783	
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).	1,386	693		693
	b Accounting fees (attach schedule).	1,780	890		890
	c Other professional fees (attach schedule)	6,337	2,112		4,225
	17 Interest	4,200	4,200		
	18 Taxes (attach schedule) (see page 14 of the instructions)	4,201	2,656	2,656	
	19 Depreciation (attach schedule) and depletion . . .	841	841		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	10,628	10,611	10,611	
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	29,373	22,003	13,267	5,808
	25 Contributions, gifts, grants paid	280,920			280,920
	26 Total expenses and disbursements. Add lines 24 and 25	310,293	22,003	13,267	286,728
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-131,004			
	b Net investment income (if negative, enter -0-)		145,780		
	c Adjusted net income (if negative, enter -0-)			154,516	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	9,344	39,144	39,144
	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 (attach schedule) ▶ _____ 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)	202,505	☒ 202,505	205,860
	b	Investments—corporate stock (attach schedule)	208,167	☒ 157,173	2,014,160
	c	Investments—corporate bonds (attach schedule).	173,805	☒ 173,805	228,220
	11	Investments—land, buildings, and equipment basis ▶ _____ 1,306,820 Less accumulated depreciation (attach schedule) ▶ _____ 1,707	1,294,923	☒ 1,305,113	3,452,497
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	120,000		
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	15	Other assets (describe ▶ _____)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,008,744	1,877,740	5,939,881

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)	240,000	☒ 240,000	
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)	240,000	240,000	

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			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	764,254	764,254	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,004,490	873,486	
	30	Total net assets or fund balances (see page 17 of the instructions)	1,768,744	1,637,740	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,008,744	1,877,740	

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	1,768,744
2	Enter amount from Part I, line 27a	2	-131,004
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	1,637,740
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	1,637,740

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)
1 a	AMERICAN STATE BANK CD	P	2010-05-25	2012-06-25
b	PUBLICLY TRADED SECURITIES	P	2005-01-01	
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 120,000		120,000	
b 50,000		50,994	-994
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) 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			-994
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	-994
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	-994

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))
2010	231,675	5,701,304	0 04064
2009	229,137	4,769,896	0 04804
2008	280,725	4,753,502	0 05906
2007	243,115	5,454,718	0 04457
2006	229,050	4,929,597	0 04646

2	Total of line 1, column (d).	2	0 23876
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 04775
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	5,745,522
5	Multiply line 4 by line 3.	5	274,366
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,458
7	Add lines 5 and 6.	7	275,824
8	Enter qualifying distributions from Part XII, line 4.	8	286,728

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 VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,458
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	
3		Add lines 1 and 2.		3	1,458
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,458
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	4,200	
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	4,200
8		Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	2,742
11		Enter the amount of line 10 to be Credited to 2012 estimated tax ☐ 1,460	Refunded ☐	11	1,282

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
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)?			No
	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		No
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?	2		No
	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	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	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?	6		No
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ _____			
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	Yes	
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 on page 27)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address  N/A	13	Yes	
14	The books are in care of  FRONTIER BANK Telephone no  (712) 472-2537 Located at  301 FIRST AVENUE ROCK RAPIDS IA ZIP +4  51246			
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		
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	Yes	No
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 page 20 of the instructions)?. Organizations relying on a current notice regarding disaster assistance check here. 	1b		No
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		No
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 page 20 of the instructions).	2b		No
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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>).	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No	
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions).	☐ Yes	☒ No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No	
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	5b		No
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
	b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	6b		No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?			
	b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		No

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
BRUCE JENNINGS 19248 IRONHORSE CIRCLE BELLE FOURCHE, SD 57717	Trustee 0 00	0		
BRUCE KAMMARMEYER 910 JANSEN ST ROCK RAPIDS, IA 51246	Trustee 0 00	0		
GEORGE SCHNEIDERMAN FRONTIER BANK-301 FIRST AVENUE ROCK RAPIDS, IA 51246	Trustee 0 00	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.				

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	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see page 23 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	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	2,039,586
b	Average of monthly cash balances.	1b	26,854
c	Fair market value of all other assets (see page 24 of the instructions).	1c	4,006,577
d	Total (add lines 1a, b, and c).	1d	6,073,017
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	240,000
3	Subtract line 2 from line 1d.	3	5,833,017
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	87,495
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,745,522
6	Minimum investment return. Enter 5% of line 5.	6	287,276

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	287,276
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	1,458
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,458
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	285,818
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	285,818
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	285,818

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	286,728
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	286,728
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions).	5	1,458
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	285,270
Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years			

Part XIII

Undistributed Income (see page 26 of the instructions)

	(a)	(b)	(c)	(d)
	Corpus	Years prior to 2010	2010	2011
1				285,818
2				
a				
b				
3				
a				
b				
c				
d				
e				
f	421,444			
4				
a				
b				
c	0			
d				285,818
e	910			
5				
6	422,354			
a				
b				
c				
d				
e				
f				0
7				
8	147,129			
9	275,225			
10				
a	153,831			
b	116,227			
c	4,257			
d				
e	910			

Part XIVPrivate 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 2011, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 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.	Tax year	Prior 3 years			(e) Total
		(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 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))

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

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

FRONTIER BANK
301 1ST AVENUE
ROCK RAPIDS,IA 51246
(712) 472-2537

b

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

APPLICATIONS MAY BE OBTAINED AT FRONTIER BANK

c

Any submission deadlines

ANNUALLY ON SEPTEMBER 30

d

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

NONE

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 Additional Data Table				
Total			3a	280,920
b Approved for future payment				
Total			3b	

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	139	
4 Dividends and interest from securities.			14	61,605	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.			16	94,622	
6 Net rental income or (loss) from personal property					
7 Other investment income.			14	12,500	
8 Gain or (loss) from sales of assets other than inventory			18	-994	
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).				167,872	
13 Total. Add line 12, columns (b), (d), and (e).			13		167,872

[illegible]

Part XVII

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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash.	1a(1)		No
	(2) Other assets.	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

[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

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				
	*****			2012-10-12	*****
	Signature of officer or trustee			Date	Title
	Paid Preparer's Use Only	Preparer's Signature  CARMEN AUSTIN		Date	Check if self-employed ☒
		Firm's name  De Noble & Company PC		Firm's EIN 	
Firm's address  111 S Story Street Rock Rapids, IA 51246		Phone no (712) 472-2549			

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

TY 2011 Other Expenses Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SAFE DEPOSIT BOX RENT	35	35	35	
Rental Expenses	10,576	10,576	10,576	

Additional Data

Software ID: 11000144
Software Version: 2011v1.2
EIN: 42-1305882
Name: JAMES AND ELLA B FORSTER TRUST

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
LYON COUNTY FAIR ASSOCIATION 400 S TAMA ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	BUILDING IMPROVEMENTS - VIP BUILDING (\$11,735), 4H EXHIBIT BUILDING (\$5,500)	17,235
MERRILL PIONEER COMM HOSPITAL801 S GREENE STREET ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	REFRIGERATOR AND FREEZER	25,000
ROCK RAPIDS MURAL SOCIETYBOX 428 ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	CONSTRUCTION OF MURAL	5,000
ROCK RAPIDS KIDS CLUB309 N STORY STREET ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	INFANT CRIBS	4,800
ATLAS OF LYON COUNTY112 1ST AVENUE ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	BUILDING REPAIRS	40,092
ROCK RAPIDS PUBLIC LIBRARY102 S GREENE ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	LYON COUNTY REPORTER FILM PRESERVATION	1,350
CITY OF ROCK RAPIDS310 S 3RD AVENUE ROCK RAPIDS,IA 51246	N/A - NONE	EXEMPT	DEBT SERVICES ON FORSTER COMM CENTER (\$65,000),SCOUT ISLAND TRAIL EXTENSION (\$117,443), KIWANIS PARK PLAYGROUND EQUIPMENT (\$5,000),	187,443
Total			3a	280,920

TY 2011 Accounting Fees Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DE NOBLE & COMPANY PC - FORM 990PF	1,780	890	0	890

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Depreciation Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
TILING	2012-02-16	11,031		66	5 00 %	552	552		
TILING	2009-06-29	3,757	866	66	7 70 %	289	289		

**TY 2011 Investments Corporate
Bonds Schedule**

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Name of Bond	End of Year Book Value	End of Year Fair Market Value
GE CAP CORP. 5.55 COUPON 5/4/20	173,805	228,220

**TY 2011 Investments Corporate
Stock Schedule****Name:** JAMES AND ELLA B FORSTER TRUST**EIN:** 42-1305882**Software ID:** 11000144**Software Version:** 2011v1.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WELLS FARGO CAP 8.62 9/14/2068		
FIRST BELMOND BANK	64,000	691,200
EXXON MOBIL CORP	18,711	159,100
CATERPILLAR TRACTOR	31,166	424,550
PROCTER & GAMBLE COMPANY	43,296	739,310

TY 2011 Investments Government Obligations Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

**US Government Securities - End of
Year Book Value:**

**US Government Securities - End of
Year Fair Market Value:**

**State & Local Government
Securities - End of Year Book
Value:**

202,505

**State & Local Government
Securities - End of Year Fair
Market Value:**

205,860

TY 2011 Investments - Land Schedule**Name:** JAMES AND ELLA B FORSTER TRUST**EIN:** 42-1305882**Software ID:** 11000144**Software Version:** 2011v1.2

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Land	1,292,032		1,292,032	3,439,416
Improvements	14,788	1,707	13,081	13,081

TY 2011 Legal Fees Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
AUSTIN, HABERKORN & KIPPLEY	1,386	693	0	693

TY 2011 Mortgages and Notes Payable Schedule**Name:** JAMES AND ELLA B FORSTER TRUST**EIN:** 42-1305882**Software ID:** 11000144**Software Version:** 2011v1.2**Total Mortgage Amount:** 240000

TY 2011 Other Income Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Other Investment Income	12,500		

TY 2011 Other Professional Fees Schedule

Name: JAMES AND ELLA B FORSTER TRUST

EIN: 42-1305882

Software ID: 11000144

Software Version: 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FRONTIER BANK (FIDUCIARY FEES)	6,337	2,112	0	4,225

TY 2011 Taxes Schedule**Name:** JAMES AND ELLA B FORSTER TRUST**EIN:** 42-1305882**Software ID:** 11000144**Software Version:** 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PROPERTY TAXES - INVESTMENT PROPERTY	2,656	2,656	2,656	
FEDERAL INCOME TAX	1,545			