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Form **990-PF** | **Return of Private Foundation** | OMB No 1545-0052

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

2012

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

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation: BLUESTEM PRAIRIE FOUNDATION

A Employer identification number: 27-0122565

Number and street (or P O box number if mail is not delivered to street address): 9222 BURT STREET, SUITE 309 | Room/suite

B Telephone number (see instructions): 402-505-9552

City or town, state, and ZIP code: OMAHA NE 68114

C If exemption application is pending, check here ▶ ☐

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) ▶ $ 1,208,084

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)				
	2	Check ▶ ☒ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	60,318	60,318		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	22,099			
	b	Gross sales price for all assets on line 6a 121,958				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns and 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	82,417	60,318	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	5,000	5,000		
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) Stmt 2	825	825		
	c	Other professional fees (attach schedule)				
	17	Interest	13	13		
	18	Taxes (attach schedule) (see instructions) Stmt 3	581	581		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att. sch) Stmt 4	4,570	4,570		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	10,989	10,989	0	0
	25	Contributions, gifts, grants paid	55,000			55,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	65,989	10,989	0	55,000
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	16,428			
	b	**Net investment income** (if negative, enter -0-)		49,329		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing	2,553	4,233	4,233
	2	Savings and temporary cash investments	124,131	94,815	94,815
	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 instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		Less: allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S. and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) See Stmt 5	893,364	937,428	1,109,036
	c	Investments – corporate bonds (attach schedule)			
	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)	1,020,048	1,036,476	1,208,084
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **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			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,020,048	1,036,476	
	30	**Total net assets or fund balances** (see instructions)	1,020,048	1,036,476	
	31	**Total liabilities and net assets/fund balances** (see instructions)	1,020,048	1,036,476	

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	1,020,048
2	Enter amount from Part I, line 27a	2	16,428
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,036,476
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	1,036,476

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	N/A			
b				
c				
d				
e				

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

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

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

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } **2**

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see 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))
2011	50,310	1,108,576	0.045383
2010	46,150	1,029,070	0.044846
2009	55,645	940,771	0.059148
2008	52,499	1,145,426	0.045834
2007	33,157	1,089,581	0.030431

2 **Total** of line 1, column (d)	2	0.225642
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	0.045128
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,181,098
5 Multiply line 4 by line 3	5	53,301
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	493
7 Add lines 5 and 6	7	53,794
8 Enter qualifying distributions from Part XII, line 4	8	55,000

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 ▶ [X] and enter 1% of Part I, line 27b		1	493
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	493
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	493
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
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	
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	493
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 2013 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		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?		1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.				
c	Did the foundation file **Form 1120-POL** for this year?	N/A	1c		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(2)** On foundation managers. ▶ $ ________				
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________				
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?		4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NE				
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		10		X

Part VII-A Statements Regarding Activities (continued)

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		11		X
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)	N/A	12		
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	X	

Website address ▶ N/A

14 The books are in care of ▶ WILLIAM THOMS 9222 BURT ST, #309 Telephone no ▶ 402-505-9552

Located at ▶ OMAHA NE ZIP+4 ▶ 68114

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 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See 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)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ 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.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 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 2012.)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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)? N/A | 5b |

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

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

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

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

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

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

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
SHARON KRAUSS 9222 BURT STREET	OMAHA NE 68114	SECRETARY 2.00	0	0	0
GEORGE H KRAUSS 9222 BURT ST #309	OMAHA NE 68114	TREASURER 2.00	0	0	0
KATHRYN KRAUSS	SEATTLE WA 98121	PRESIDENT 10.00	5,000	0	0

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 ▶		

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 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 instructions 3	
Total. Add lines 1 through 3 ▶	

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	1,077,323
b	Average of monthly cash balances	1b	121,761
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	1,199,084
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	1,199,084
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	17,986
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,181,098
6	**Minimum investment return.** Enter 5% of line 5	6	59,055

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	59,055
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 493		
b	Income tax for 2012. (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	493
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	58,562
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	58,562
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	58,562

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	55,000
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	55,000
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	493
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	54,507

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				58,562
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			54,928	
b Total for prior years: 20____ , 20____ , 20____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f **Total** of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 55,000				
a Applied to 2011, but not more than line 2a			54,928	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				72
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (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 instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				58,490
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	(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).)

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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

S KYKER KRAUSS 402-505-9552
2600 2ND AVE #215 SEATTLE WA 98121

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

NO SPECIFIED FORM

c Any submission deadlines:

NONE

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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 6				55,000
Total			▶ 3a	55,000
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a			26		
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					
4 Dividends and interest from securities					60,318
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					22,099
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		0	82,417

13 **Total.** Add line 12, columns (b), (d), and (e) 13 82,417

(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.)
N/A	

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

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

Signature of officer or trustee: [signature] Date: 5-14-13 Title: Vice PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
BRIAN P. DERVIN	[signature]	05/13/13	
Firm's name ▶ Schleisman Onken & Associates PC		PTIN	P00642539
Firm's address ▶ 13434 A Street Omaha, NE 68144		Firm's EIN ▶	47-0721744
		Phone no	402-334-3089

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Federal Statements

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

Description: Whom Sold	Description: Date Acquired	Description: Date Sold	How Received: Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SEE ATTACHED	Various	Various	Purchase $ 121,958	$ 99,859	$	$	$ 22,099
Total			$ 121,958	$ 99,859	$ 0	$ 0	$ 22,099

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	$ 825	$ 825	$	$
Total	$ 825	$ 825	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INCOME TAX	$ 490	$ 490	$	$
TAXES - OTHER	91	91		
Total	$ 581	$ 581	$ 0	$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Expenses				
BANK CHARGES	85	85		
INVESTMENT FEES	4,462	4,462		
POSTAGE	23	23		
Total	$ 4,570	$ 4,570	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
EQUITIES	$ 592,645	$ 636,709	Cost	$ 789,234
OTHER ASSETS	300,719	300,719	Cost	319,802
Total	$ 893,364	$ 937,428		$ 1,109,036

Federal Statements

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

Description
NO SPECIFIED FORM

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

Description
NONE

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

Description
NONE

Federal Statements

Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Relationship	Address / Status	Purpose	Amount
AMERICAN MUSEUM OF NATURAL HISTORY NEW YORK NY 10024		200 CENTRAL PARK WEST TAX EXEMPT	CHARITY	1,000
AMERICAN RED CROSS OMAHA NE 68124	NONE	2912 S 80TH AVE TAX-EXEMPT	CHARITY	1,000
AMERICAN RED CROSS NEW YORK NY 10036		520 W 59TH STREET TAX EXEMPT	CHARITY	2,000
BIDE-A-WEE NEW YORK NY 10016	NONE	410 E 38TH ST TAX-EXEMPT	CHARITY	1,000
BLUE BARN THEATRE OMAHA NE 68102	NONE	614 S 11TH STREET TAX-EXEMPT	CHARITY	1,000
BRIGET ST BRIGET THEATRE OMAHA NE 68102		1002 DODGE STREET TAX EXEMPT	CHARITY	1,000
CHILD SAVING INSTITUTE OMAHA NE 68132	NONE	4545 DODGE STREET TAX-EXEMPT	CHARITY	7,000
DURHAM MUSEUM OMAHA NE 68108		801 S 10TH STREET TAX EXEMPT	CHARITY	1,000
EMPOWERMENT PROJECT CHAPEL HILL NC 27517	NONE	8218 FARRINGTON MILL ROAD TAX-EXEMPT	CHARITY	4,500
FILM STREAMS OMAHA NE 68102	NONE	1340 MIKE FAHEY STREET TAX-EXEMPT	CHARITY	6,000
FORT CALHOUN FIRE &RESCUE FORT CALHOUN NE 68023	NONE	620 N 14TH STREET TAX-EXEMPT	CHARITY	1,000
GIRLS, INC OMAHA NE 68104	NONE	2811 NO 45TH ST TAX-EXEMPT	CHARITY	2,500
GREAT PLAINS THEATRE CONFERENCE OMAHA NE 68103		PO BOX 3777 TAX EXEMPT	CHARITY	1,000
JOSLYN ART MUSEUM OMAHA NE 68102	NONE	2200 DODGE STREET TAX-EXEMPT	CHARITY	1,000
JOSLYN CASTLE OMAHA NE 68131	NONE	3902 DAVENPORT STREET TAX-EXEMPT	CHARITY	3,000
JUNIOR LEAGUE OF OMAHA OMAHA NE 68154		608 N 108TH COURT TAX EXEMPT	CHARITY	500
JUVENILE DIABETES OMAHA NE 68114	NONE	9202 W DODGE RD STE 304 TAX-EXEMPT	CHARITY	500

Federal Statements

Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
KANEKO-UNO LIBRARY OMAHA NE 68102	1111 JONES ST NONE	TAX-EXEMPT	CHARITY	500
KIOS-FM RADIO OMAHA NE 68131	3215 CUMING ST NONE	TAX-EXEMPT	CHARITY	500
KVNO-FM RADIO OMAHA NE 68182	6001 DODGE STREET NONE	TAX-EXEMPT	CHARITY	500
LOVELAND GARDENS OMAHA NE 68127	9816 F STREET NONE	TAX-EXEMPT	CHARITY	2,750
METROPOLITAN MUSEUM OF ART NEW YORK NY 10028-0198	1000 5TH AVE NONE	TAX-EXEMPT	CHARITY	1,000
NEBRASKA HUMANE SOCIETY OMAHA NE 68134	8929 FORT STREET NONE	TAX-EXEMPT	CHARITY	1,500
NEBRASKA HUMANITIES COUNC OMAHA NE 68134	8929 FORT STREET NONE	TAX-EXEMPT	CHARITY	500
NEBRASKA SHAKESPEARE FEST OMAHA NE 68178	DEPT OF FINE ARTS NONE	TAX-EXEMPT	CHARITY	
NETV LINCOLN NE 68503	1800 N 33RD NONE	TAX-EXEMPT	CHARITY	100
OLLIE WEBB CENTER OMAHA NE 68105	1941 S 42ND STREET NONE	TAX-EXEMPT	CHARITY	2,500
OMAHA PUBLIC LIBRARY OMAHA NE 68104	2918 N 60TH STREET NONE	TAX-EXEMPT	CHARITY	2,000
PARK AVENUE ARMORY NEW YORK NY 10065	643 PARK AVENUE NONE	TAX-EXEMPT	CHARITY	1,000
PLANNED PARENTHOOD OMAHA NE 68137	4610 S 133RD STREET NONE	TAX-EXEMPT	CHARITY	1,250
PROJECT HARMONY OMAHA NE 68117	7110 F STREET NONE	TAX-EXEMPT	CHARITY	500
SALVATION ARMY OMAHA NE 68127	8520 GROVER STREET NONE	TAX-EXEMPT	CHARITY	1,000
SHAKESPEAR ON THE GREEN OMAHA NE 68178	2500 CALIFORNIA PLAZA	TAX EXEMPT	CHARITY	1,000
TAKE FLIGHT FARMS OMAHA NE 68102	1004 FARNAM STREET NONE	TAX-EXEMPT	CHARITY	2,000

Federal Statements

Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
WNET PUBLIC BROADCASTING NEW YORK NY 10019	825 8TH AVE NONE	TAX-EXEMPT	CHARITY	200
WNYC PUBLIC RADIO NEW YORK NY 10116-155	PO BOX 1550 NONE	TAX-EXEMPT	CHARITY	1,200
Total				55,000

America First Investment Advisors, LLC

Realized Gains and Losses

From 01/01/2012 to 12/31/2012

Bluestem Prairie Foundation Foundation Acct # Schwab # 7131-7011
c/o WLT Services
9222 Burt Street, Suite 309
1700 Farnam St
Suite 2850
Omaha, NE 68114

Realized Gains and Losses

Date Sold	Date Acquired	Quantity	Description	Cost	Net Proceeds	Short Term Gains	Total Long Gains	Total Gains
02/15/2012	08/25/2008	575 0000	TE Connectivity Ltd	18,634 81	20,083 10		1,448 29	1,448 29
02/15/2012	05/13/2010	715 0000	TE Connectivity Ltd	21,851 49	24,972 90		3,121 41	3,121 41
		1,290 0000		40,486 30	45,056 00		4,569 70	4,569 70
05/17/2012	06/09/2005	100 0000	Sigma Aldrich Corp	2,929 41	6,944 13		4,014 72	4,014 72
05/17/2012	06/09/2005	100 0000	Sigma Aldrich Corp	2,929 41	6,944 43		4,015 02	4,015 02
05/17/2012	06/09/2005	35 0000	Sigma Aldrich Corp	1,025 29	2,430 21		1,404 92	1,404 92
05/17/2012	06/09/2005	200 0000	Sigma Aldrich Corp	5,858 82	13,888 27		8,029 45	8,029 45
05/17/2012	06/09/2005	200 0000	Sigma Aldrich Corp	5,858 82	13,888 27		8,029 45	8,029 45
06/28/2012	02/21/2008	555 0000	Walgreen Co	20,295 59	16,184 56		-4,111 03	-4,111 03
06/28/2012	06/02/2008	570 0000	Walgreen Co	20,475 71	16,622 00		-3,853 71	-3,853 71
		1,125 0000		40,771 30	32,806 56		-7,964 74	-7,964 74
			Short Term Gains					
			Total Long Gains	99,859 35	121,957 87		22,098 52	
			Total (Sales)	99,859 35	121,957 87		22,098 52	22,098 52
			Total Gains				**22,098.52**	**22,098.52**

Cost Basis reported for the sale of securities purchased prior to our management of your account is based on information you provided to us and should be verified by your tax advisor

Income Summary	This Period Federally Tax-Exempt	This Period Federally Taxable	Year to Date Federally Tax-Exempt	Year to Date Federally Taxable
Money Funds Dividends	0.00	1.57	0.00	9.48
Cash Dividends	0.00	6,129.21	0.00	33,047.38
Total Income	0.00	6,130.78	0.00	33,056.86

Investment Detail - Cash and Money Market Funds [Sweep]

Cash	Market Value
Cash	2,271.54
Total Cash	2,271.54

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCH ADV CASH RESRV PREM: SWZXX	92,543.1300	1.0000	92,543.13	0.01%
Total Money Market Funds [Sweep]			92,543.13	
Total Cash & Money Market [Sweep]			94,814.67	

Investment Detail - Equities

Equities	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
ABBOTT LABORATORIES	725.0000	65.5000	47,487.50		15,524.05	3.11%	1,479.00
TRADES WITH DUE BILLS	725.0000	44.0875	31,963.45 [a]	02/24/06	15,524.05	2502	Long-Term
SYMBOL: ABT							

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Investment Detail - Equities (continued)

Equities (continued)	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
AUTO DATA PROCESSING	**755.0000**	**56.9300**	**42,982.15**		**10,645.67**	**3.05%**	**1,313.70**
SYMBOL: ADP	500.0000	37.2430	18,621.53 [a]	01/07/04	9,843.47	3281	Long-Term
	255.0000	53.7841	13,714.95	02/21/12	802.20	314	Short-Term
Cost Basis			*32,336.48*				
BECTON DICKINSON & CO	**710.0000**	**78.1900**	**55,514.90**		**16,753.39**	**2.53%**	**1,405.80**
SYMBOL: BDX	175.0000	48.9528	8,566.75 [a]	02/13/04	5,116.50	3244	Long-Term
	535.0000	56.4388	30,194.76 [a]	06/09/05	11,636.89	2762	Long-Term
Cost Basis			*38,761.51*				
BERKLEY W R CORPORATION	**1,365.0000**	**37.7400**	**51,515.10**		**11,513.01**	**0.95%**	**491.40**
SYMBOL: WRB	1,365.0000	29.3055	40,002.09	09/28/11	11,513.01	460	Long-Term
CHEVRON CORPORATION	**380.0000**	**108.1400**	**41,093.20**		**7,758.02**	**3.32%**	**1,368.00**
SYMBOL: CVX	250.0000	77.0274	19,256.85	11/19/09	7,778.15	1138	Long-Term
	130.0000	108.2948	14,078.33	02/21/12	(20.13)	314	Short-Term
Cost Basis			*33,335.18*				
CME GROUP INC CL A	**700.0000**	**50.6700**	**35,469.00**		**(9,078.37)**	**3.55%**	**1,260.00**
CLASS A	300.0000	63.9059	19,171.77	11/19/09	(3,970.77)	1138	Long-Term
SYMBOL: CME	300.0000	65.2448	19,573.45	05/13/10	(4,372.45)	963	Long-Term
	100.0000	58.0215	5,802.15	02/21/12	(735.15)	314	Short-Term
Cost Basis			*44,547.37*				
DIAGEO PLC NEW ADR F	**535.0000**	**116.5800**	**62,370.30**		**31,844.95**	**2.95%**	**1,843.84**
SPONSORED ADR	320.0000	57.7728	18,487.32	10/16/08	18,818.28	1537	Long-Term
1 ADR REPS 4 ORD	215.0000	55.9908	12,038.03	12/11/08	13,026.67	1481	Long-Term
SYMBOL: DEO							
Cost Basis			*30,525.35*				

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings.
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

Investment Detail - Equities (continued)

Equities (continued)	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
EXPEDITORS INTL WASH	**1,056.0000**	**39.5500**	**41,764.80**		**1,725.00**	**1.41%**	**591.36**
SYMBOL: EXPD	1,056.0000	37.9164	40,039.80	05/17/12	1,725.00	228	Short-Term
GENERAL ELECTRIC COMPANY	**2,530.0000**	**20.9900**	**53,104.70**		**(8,860.63)**	**3.62%**	**1,922.80**
SYMBOL: GE	575.0000	33.8630	19,471.26 [a]	02/21/08	(7,402.01)	1775	Long-Term
	740.0000	30.3290	22,443.46 [a]	06/02/08	(6,910.86)	1673	Long-Term
	260.0000	19.0560	4,954.57	10/16/08	502.83	1537	Long-Term
	955.0000	15.8073	15,096.04	09/28/11	4,949.41	460	Long-Term
Cost Basis			*61,965.33*				
HONEYWELL INTERNATIONAL	**840.0000**	**63.4700**	**53,314.80**		**23,065.34**	**2.58%**	**1,377.60**
SYMBOL: HON	515.0000	36.0111	18,545.76 [a]	06/09/05	14,141.29	2762	Long-Term
	325.0000	36.0113	11,703.70 [a]	12/12/05	8,924.05	2576	Long-Term
Cost Basis			*30,249.46*				
MEAD JOHNSON NUTRITION	**400.0000**	**65.8900**	**26,356.00**		**(2,790.67)**	**1.82%**	**480.00**
SYMBOL: MJN	400.0000	72.8666	29,146.67	08/17/12	(2,790.67)	136	Short-Term
MICROSOFT CORP	**1,460.0000**	**26.7097**	**38,996.16**		**4,590.34**	**3.44%**	**1,343.20**
SYMBOL: MSFT	710.0000	27.5308	19,546.87 [a]	08/25/08	(582.98)	1589	Long-Term
	750.0000	19.8119	14,858.95	12/11/08	5,173.33	1481	Long-Term
Cost Basis			*34,405.82*				
MOODYS CORP	**1,100.0000**	**50.3200**	**55,352.00**		**11,241.92**	**1.27%**	**704.00**
SYMBOL: MCO	425.0000	46.0223	19,559.48 [a]	08/23/07	1,826.52	1957	Long-Term
	675.0000	36.3712	24,550.60 [a]	06/02/08	9,415.40	1673	Long-Term
Cost Basis			*44,110.08*				
SIGMA ALDRICH CORP	**745.0000**	**73.5800**	**54,817.10**		**32,992.98**	**1.08%**	**596.00**
SYMBOL: SIAL	745.0000	29.2941	21,824.12 [a]	06/09/05	32,992.98	2762	Long-Term

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

SIPC

004727 4/7

Investment Detail - Equities (continued)

Equities (continued)	Quantity / Units Purchased	Market Price / Cost Per Share	Market Value / Cost Basis	Acquired	Unrealized Gain or (Loss)	Estimated Yield / Holding Days	Estimated Annual Income / Holding Period
SPECTRA ENERGY CORP	**1,585.0000**	**27.3800**	**43,397.30**		**3,559.84**	**4.45%**	**1,933.70**
SYMBOL: SE	1,585.0000	25.1340	39,837.46	09/28/11	3,559.84	460	Long-Term
TESCO PLC SPONSORED ADRF	**2,670.0000**	**16.5800**	**44,268.60**		**3,131.77**	**1.35%**	**600.48**
1 ADR REP 3 ORD SYMBOL: TSCDY	2,670.0000	15.4070	41,136.83	02/21/12	3,131.77	314	Short-Term
UNILEVER PLC ADR NEW F	**1,070.0000**	**38.7200**	**41,430.40**		**13,050.29**	**3.26%**	**1,352.48**
SPONSORED ADR 1 ADR REP 1 ORD SYMBOL: UL	1,070.0000	26.5234	28,380.11	08/25/10	13,050.29	859	Long-Term
Total Equities	**18,626.0000**		**789,234.01**		**166,666.90**		**20,063.36**
		Total Cost Basis:	622,567.11				

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Other Assets

Other Assets	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	Acquired	Unrealized Gain or (Loss)	Holding Days	Holding Period
MFA FINANCIAL INC °	**39,433.0000**	**8.1100**	**319,801.63**		**54,531.20** !		
REIT	1,000.0000	4.8725	4,872.50 a	12/08/98	3,237.50	5137	Long-Term
SYMBOL: MFA	2,000.0000	4.9350	9,870.00 a	12/15/98	6,350.00	5130	Long-Term
	2,000.0000	4.3100	8,620.00 a	04/09/99	7,600.00	5015	Long-Term
	1,000.0000	4.2475	4,247.50 a	04/14/99	3,862.50	5010	Long-Term
	2,000.0000	4.1694	8,338.80 a	04/14/99	7,881.20	5010	Long-Term
	2,000.0000	4.1850	8,370.00 a	04/14/99	7,850.00	5010	Long-Term
	2,500.0000	4.5600	11,400.00 a	05/05/99	8,875.00	4989	Long-Term
	2,500.0000	4.5600	11,400.00 a	05/05/99	8,875.00	4989	Long-Term
	24,433.0000	N/A	please provide	12/21/06	N/A	2202	Long-Term
Cost Basis			*67,118.80* !				
Total Other Assets	**39,433.0000**		**319,801.63**		**54,531.20**		
		Total Cost Basis:	***67,118.80*** !				

Total Investment Detail	**1,203,850.31**
Total Account Value	**1,203,850.31**
Total Cost Basis	***689,685.91*** !

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