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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

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation
MCFADDEN CHARITABLE TRUST
C/O THE PEOPLES BANK

A Employer identification number 48-6319389

Number and street (or P O box number if mail is not delivered to street address): PO BOX 307 | Room/suite:

B Telephone number (see instructions) 785-282-6682

City or town, state, and ZIP code: SMITH CENTER KS 66967-0307

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 ▶ ☐

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

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) ▶ $ 5,544,956

J Accounting method: ☒ 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 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	87,574	86,639	87,574	
4	Dividends and interest from securities	44,051	44,051	44,051	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	14,257			
b	Gross sales price for all assets on line 6a 472,295				
7	Capital gain net income (from Part IV, line 2)		4,559		
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) Stmt 2	292,208	290,231	292,208	
12	Total. Add lines 1 through 11	438,090	425,480	423,833	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	18,075			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) See Stmt 3	85	85	85	85
b	Accounting fees (attach schedule) Stmt 4	855	855	855	855
c	Other professional fees (attach schedule) Stmt 5	3,600	3,600	3,600	3,600
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 6	3,129	3,129	3,129	3,129
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) Stmt 7	104,827	104,827	104,827	104,827
24	**Total operating and administrative expenses.** Add lines 13 through 23	130,571	112,496	112,496	112,496
25	Contributions, gifts, grants paid	167,709			167,709
26	**Total expenses and disbursements.** Add lines 24 and 25	298,280	112,496	112,496	280,205
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	139,810			
b	**Net investment income** (if negative, enter -0-)		312,984		
c	**Adjusted net income** (if negative, enter -0-)			311,337	

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Form **990-PF** (2012)

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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	(c) Fair Market Value
1	Cash – non-interest-bearing			
2	Savings and temporary cash investments	340,048	22,628	22,628
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) Stmt 8	1,593,082	1,928,280	2,027,297
b	Investments – corporate stock (attach schedule) See Stmt 9	756,205	675,578	777,282
c	Investments – corporate bonds (attach schedule) See Stmt 10	241,288	422,255	430,491
11	Investments – land, buildings, and equipment basis ▶ 1,515,400			
	Less accumulated depreciation (attach sch) ▶ Stmt 11	1,515,400	1,515,400	2,257,935
12	Investments – mortgage loans			
13	Investments – other (attach schedule) See Statement 12	6,830	28,513	29,323
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)	4,452,853	4,592,654	5,544,956
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	
	Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted	4,452,853	4,592,654	
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			
30	**Total net assets or fund balances** (see instructions)	4,452,853	4,592,654	
31	**Total liabilities and net assets/fund balances** (see instructions)	4,452,853	4,592,654	

Sidebar labels: Assets (lines 1–16); Liabilities (lines 17–23); Net Assets or Fund Balances (lines 24–31)

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	4,452,853
2	Enter amount from Part I, line 27a	2	139,810
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,592,663
5	Decreases not included in line 2 (itemize) ▶ See Statement 13	5	9
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	4,592,654

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	PEOPLES BANK-CAPITAL GAIN DIS			
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	4,559			4,559
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				4,559
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	4,559
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	291,781		
2010	300,124		
2009	324,203		
2008	286,148		
2007	281,575		

2 **Total** of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	3
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,130
7 Add lines 5 and 6	7	3,130
8 Enter qualifying distributions from Part XII, line 4	8	280,205

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	3,130
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	3,130
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	3,130
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 2,540		
b	Exempt foreign organizations – tax withheld at source	6b 102		
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	2,642
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	488
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) ▶ KS			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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)		12		X
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 ▶ TRUST OFFICER
PO BOX 307
Telephone no. ▶ 785-282-6682

Located at ▶ SMITH CENTER KS ZIP+4 ▶ 66967

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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
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
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
See Statement 14				

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

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	
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 3,130		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	3,130
3	Distributable amount before adjustments Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	0

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	280,205
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	280,205
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	3,130
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	277,075

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					0
2	Undistributed income, if any, as of the end of 2012					
a	Enter amount for 2011 only					
b	Total for prior years 20____ , 20____ , 20____					
3	Excess distributions carryover, if any, to 2012:					
a	From 2007	286,071				
b	From 2008	290,384				
c	From 2009	328,627				
d	From 2010	302,070				
e	From 2011	294,318				
f	**Total** of lines 3a through e		1,501,470			
4	Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 280,205					
a	Applied to 2011, but not more than line 2a					
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					
e	Remaining amount distributed out of corpus		280,205			
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		1,781,675			
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					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)					
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)		286,071			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		1,495,604			
10	Analysis of line 9					
a	Excess from 2008	290,384				
b	Excess from 2009	328,627				
c	Excess from 2010	302,070				
d	Excess from 2011	294,318				
e	Excess from 2012	280,205				

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

N/A

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

N/A

c Any submission deadlines

SCHOLARSHIPS BY APR 1 ANNUALLY, OTHER ORGANIZATIONS DEC 1

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

See Statement 15

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 16				167,709
Total			▶ 3a	167,709
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					
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			25	87,574	
4 Dividends and interest from securities			25	44,153	-102
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			25	290,231	
8 Gain or (loss) from sales of assets other than inventory			25	4,559	9,698
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b CITI GROUP RESTRUCTURING			25	2,118	
c LESS PRIOR YEAR ACTIVITY			25	-141	
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		428,494	9,596

13 Total. Add line 12, columns (b), (d), and (e) 13 438,090

(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	

DAA

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

THE PEOPLES BANK, TRUSTEE

Barbara L Simmons VP | 5-14-13 | Trust Officer

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
Mary E Anderson, CPA		05/14/13	
Firm's name ▶ Anderson Reichert & Anderson LLC CPAs		PTIN	P01247105
Firm's address ▶ 129 W. Main Osborne, KS 67473		Firm's EIN ▶ 20-3838707	Phone no 785-346-5427

Federal Statements

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

Description: Whom Sold	Date Acquired	Date Sold	How Received / Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
FARM BUREAU FINANCIALS 8,75%	4/05/11	1/30/12	Purchase $ 18,543	$ 15,588	$	$	$ 2,955
FARMERS BANK OSB CD	11/19/11	11/19/12	Purchase 50,000	50,000			
ALCO INC 6.%	1/21/09	1/15/12	Purchase 15,000	15,000			
CIT GROUP INC NEW 7.0%	12/21/09	1/03/12	Purchase 2,715	2,586			129
CIT GROUP NEW 7.0%	12/21/09	3/09/12	Purchase 2,407	2,155			252
CIT GROUP INC NEW 7.0%	3/26/10	2/17/12	Purchase 6,336	5,961			375
COMMERCE BANCSHARES INCOME	10/30/03	11/23/12	Purchase 273	215			58
DUKE ENERGY CORP	12/24/02	7/27/12	Purchase 27	21			6
FEDERAL HOME LOAN MTG	2/24/09	3/22/12	Purchase 40,000	40,003			-3
FEDERAL HOME LOAN BANK 5.5%	5/21/07	5/30/12	Purchase 45,000	45,000			
FEDERAL HOME LOAN BANK 5.9%	5/22/08	6/08/12	Purchase 25,000	25,001			-1
FEDERAL HOME LOAN BANK 6.%	6/13/07	1/03/12	Purchase 20,000	20,000			
FEDERAL HOME LOAN BANK 5.8%	7/10/09	10/01/12	Purchase 50,000	50,000			
FEDERAL HOME LOAN BANK 5.%	8/13/08	8/24/12	Purchase 25,000	25,000			
FEDERAL NATL MORTGAGE ASSN 5.78%	3/25/09	6/07/12	Purchase 15,000	15,001			-1
FEDERAL NATL MORTGAGE 6.31%	4/08/09	6/15/12	Purchase 85,000	85,010			-10
ROSEMONT ILL TAXABLE GO 5%	11/09/10	7/26/12	Purchase 65,700	59,497			6,203

Federal Statements

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

Description: Whom Sold	Date Acquired	Date Sold	How Received: Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
VANGUARD INTL EQUITY INDEX			Purchase				
	6/10/99	6/26/12	$ 1,735	$ 2,000	$	$	$ -265
Total			$ 467,736	$ 458,038	$ 0	$ 0	$ 9,698

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
FARM CROP SALES	$ 143,986	$ 143,986	$ 143,986
CROP INSURANCE	34,297	34,297	34,297
FARM SERVICE AGENCY PAYMENTS	6,562	6,562	6,562
FARM PATRONAGE DIVIDENDS	4,655	4,655	4,655
FARM RENTS	29,040	29,040	29,040
UNUSED SCHOLARSHIPS RETURNED	4,200	4,200	4,200
RENTAL BUILDINGS	2,250	2,250	2,250
OIL LEASE	63,950	63,950	63,950
FARM REIMBURSEMENTS	1,145	1,145	1,145
RENTAL INSURANCE REFUND	146	146	146
CITI GROUP RESTRUCTURING	2,118		2,118
LESS PRIOR YEAR ACTIVITY	-141		-141
Total	$ 292,208	$ 290,231	$ 292,208

Federal Statements

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ATTORNEY	$ 85	$ 85	$ 85	$ 85
Total	$ 85	$ 85	$ 85	$ 85

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAX PREPARATION FEES	$ 855	$ 855	$ 855	$ 855
Total	$ 855	$ 855	$ 855	$ 855

Statement 5 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL RETAINER FEES	$ 3,600	$ 3,600	$ 3,600	$ 3,600
Total	$ 3,600	$ 3,600	$ 3,600	$ 3,600

Statement 6 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INCOME TAX-2011	$ 589	$ 589	$ 589	$ 589
INCOME TAX-2012	2,540	2,540	2,540	2,540
Total	$ 3,129	$ 3,129	$ 3,129	$ 3,129

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Form 990-PF, Part I, Line 23 - Amortization

Description	Date Acquired	Cost Basis	Prior Year Amortization	Life	Current Year Amortization	Net Investment Income	Adjusted Net Income	COGS
AMORTIZATION-BONDS								
	3/01/12	$	$ 8,646	10	$	$	$	
Total		$ 0	$ 8,646		$ 0	$ 0	$ 0	

Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Expenses				
FARM FERTILIZER & CHEMICALS	50,687	50,687	50,687	50,687
FARM INSURANCE	8,889	8,889	8,889	8,889
FARM PROPERTY TAXES	9,414	9,414	9,414	9,414
FARM MACHINE HIRE	2,008	2,008	2,008	2,008
FARM MANAGEMENT FEE	22,141	22,141	22,141	22,141
FARM REPAIRS	8,997	8,997	8,997	8,997
RENTAL BUILDING TAXES	701	701	701	701
RENTAL BUILDING INSURANCE	914	914	914	914
RENTAL BUILDING REPAIRS & MAI	1,030	1,030	1,030	1,030
RENTAL BUILDING MISC EXPENSE	46	46	46	46
Total	$ 104,827	$ 104,827	$ 104,827	$ 104,827

Federal Statements

Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
AKRON OH BAB 5.625%	$	$ 28,978	Cost	$ 28,789
ALMA SCHOOL USD BOND 5.25%	101,662	101,506	Cost	107,548
BEL AIRE KS PUB BLDG REV BD 4/152	40,000	40,000	Cost	44,206
BEXAR CNTY TX GO BOND 6.571%	20,218	20,196	Cost	21,821
BRIDGEPORT CONN BAB 6.571%	42,662	42,438	Cost	47,053
CASPER WY COM COLLEGE BAB	40,458	40,458	Cost	44,636
CLARK MO BAB CNTY CTHOUSE 6.5	40,473	40,451	Cost	43,878
DICKINSON CO KS USD 487 6.38%	97,218	97,218	Cost	104,365
DOUGLAS CNTY NE BAB 7.34%	56,650	56,650	Cost	65,336
FEDERAL FARM CREDIT 5%	40,000	40,000	Cost	40,209
FEDERAL FARM CREDIT 5.2%	97,020	97,020	Cost	104,865
FEDERAL HOME LOAN BANK 5.75%		40,724	Cost	41,412
FEDERAL HOME LOAN BANK 5.%	25,000		Cost	
FEDERAL HOME LOAN BANK 5.10%	5,000	5,000	Cost	5,170
FEDERAL HOME LOAN BANK 5.5%	45,000		Cost	
FEDERAL HOME LOAN BANK 5.75%	41,408		Cost	
FEDERAL HOME LOAN BANK 5.8%	50,501		Cost	
FEDERAL HOME LOAN BANK 5.9.%	25,093		Cost	
FEDERAL HOME LOAN BANK 6%	20,000		Cost	
FEDERAL HOME LOAN MTGE 5.5%	40,399		Cost	
FEDERAL NATL MTGE 5%		5,047	Cost	5,032
FEDERAL NATL MTGE ASSN 5.78%	15,149		Cost	
FEDERAL NATL MTGE ASSN 6.31%	86,288		Cost	
FEDERATED INCOME TR INSTL		75,000	Cost	74,555
FEDERATED TOTAL RETURN BND FD		20,000	Cost	19,983
ILLINOIS STATE TAXABLE GO 4.35%	23,929	24,006	Cost	26,572
J HANCOCK SOVEREIGN BD FD		200,000	Cost	202,035
JOHNSON CNTY KS BAB 5.90%	51,993	51,993	Cost	57,180
JOHNSON CNTY MO BAB COP 5.414%	51,413	51,280	Cost	53,158
KANSAS CITY MO TAXABLE REV 5.362%	30,601	30,601	Cost	34,659
KS DEV FIN AUTH 5.33%		11,300	Cost	11,672
KS DEV FIN AUTH 5.43%		11,532	Cost	11,635
KS DEV FIN AUTH REV BD 5.8%		17,621	Cost	17,732
KS ST DEV FIN AUTH 7.15%		29,245	Cost	28,047
KS ST DEV FIN AUTHR REV BOND 5.7	30,000	30,000	Cost	33,421
MCHENRY ILL BAB GO 4.8	40,129	40,123	Cost	42,706
PARK CITY KS TAXABLE SERIES A 6.35%	81,199	80,992	Cost	86,376

Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
POTT CO KS USD 320 5.875%	$ 50,876	$ 50,790	Cost	$ 57,620
ROSEMONT ILL TAXABLE GO BOND5%	59,497		Cost	
SPRINGFIELD OH USD GO 5.25%	25,423	25,423	Cost	29,297
ST OF ILLINOIS BAB GO BD		40,463	Cost	44,144
STANTON CNTY KS GO BAB 5.974%	32,089	31,907	Cost	36,353
STATE OF ILLINOIS BAB 5.363%	40,463		Cost	
TOPEKA KS GO BOND 4.15%	20,000	20,000	Cost	21,336
UNION MO WTR & SEWER 4.75%	102,771	102,363	Cost	107,198
VANGUARD BD INDEX FD GNMA		30,000	Cost	29,850
VANGUARD FIXED INC GNMA ADM		15,054	Cost	14,823
VANGUARD FIXED INC STRM INVTGRA		25,047	Cost	25,210
VANGUARD FIXED INC-INVGRDAD		200,854	Cost	199,853
WALLACE CO KS BAB 6.449%		34,500	Cost	33,310
WILL CNTY IL USD 122 6.1%	22,500	22,500	Cost	24,252
Total	$ 1,593,082	$ 1,928,280		$ 2,027,297

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ABBOTT LABS	$ 23,701	$ 23,701	Cost	$ 34,060
AT&T	21,214	21,214	Cost	25,283
ALTRIA GROUP INC	3,970	3,970	Cost	6,288
AMERICAN ELECT PWR INC	1,733	1,733	Cost	2,134
AQUA AMERICA INC	23,254	23,254	Cost	25,240
BERKSHIRE HATHAWAY CL B	9,858	9,858	Cost	13,455
CVS CAREMARK CORPORATION	1,752	1,752	Cost	2,418
CARNIVAL CORP	6,870	6,870	Cost	4,596
CISCO	13,925	13,925	Cost	13,755
COCA COLA CO	13,040	13,040	Cost	21,750
COMMERCE BANCSHARES INC	9,030	8,815	Cost	10,308
CONAGRA INC	18,520	18,520	Cost	22,125
DANAHER	4,725	4,725	Cost	11,180

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
DEERE & CO	$ 6,459	$ 6,459	Cost	$ 8,642
SPDR DOW JONES INDUSTRIAL	41,414	41,414	Cost	52,232
DISNEY WALT CO	3,491	3,491	Cost	4,979
DOW CHEM CO	36,750	36,750	Cost	32,329
DUKE ENERGY CORP	15,288	38,176	Cost	44,788
EMERSON ELECT CO	4,299	4,299	Cost	5,296
EXELON CORP	4,896	4,896	Cost	2,974
EXXON MOBIL CORP	18,203	18,203	Cost	34,620
FIDELITY SELECT PORTFOLIO	258	258	Cost	409
FIDELITY SELECT ENERGY	8,000	8,000	Cost	7,262
FRANKLIN STRATEGIC SER	2,000	2,000	Cost	2,445
GENERAL ELEC CO	22,075	22,075	Cost	16,792
HEINZ CO	1,675	1,675	Cost	2,884
HOME DEPOT INC	5,924	5,924	Cost	12,370
ILLINOIS TOOL WORKS INC	2,339	2,339	Cost	3,041
I SH S&P UTILITIES	7,949	7,949	Cost	8,032
INTEL CORP	17,396	17,396	Cost	12,372
ISHARE S&P	21,828	21,828	Cost	33,195
JP MORGAN CHASE & CO	10,185	10,185	Cost	10,992
JOHNSON & JOHNSON	33,267	33,267	Cost	42,060
KIMBERLEY CLARK CORP	12,844	12,844	Cost	16,886
KRAFT FOODS INC	1,116	772	Cost	773
LOWES COS INC	4,652	4,652	Cost	7,104
MCDONALD CORP	879	879	Cost	4,411
MEDTRONIC INC	20,904	20,904	Cost	25,022
METLIFE INC	11,442	11,442	Cost	9,882
MICROSOFT	13,952	13,952	Cost	11,218
MIDWAY COOP OSBORNE	10	10	Cost	10
MONSANTO CO	6,953	6,953	Cost	9,465
NEXTERA ENERGY INC COM	5,429	5,429	Cost	6,919
NOKIA CORP ADR	16,951	16,951	Cost	4,167
NORTHERN INTL GROWTH EQUITY	15,000	15,000	Cost	12,244
PPG INDUSTRIES INC	6,054	6,054	Cost	13,535
PEABODY ENERGY CORP	8,363	8,363	Cost	3,991
PEPSICO	10,570	10,570	Cost	14,370
PROCTER & GAMBLE CO	8,391	8,381	Cost	10,184
PROGRESS ENERGY INC	21,971		Cost	

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Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
QUEST DIAGNOSTICS INC	$ 2,861	$ 2,861	Cost	$ 2,914
SOUTHERN COMPANY	6,670	6,670	Cost	8,562
SPDR 500 TRUST	11,359	11,359	Cost	14,241
TEMPLETON FCS FOREIGN FD	2,000	2,000	Cost	1,364
TEMPLETON GLOBAL BOND FD	75,000		Cost	
VALERO ENERGY CORP	8,902	8,902	Cost	5,118
VANGUARD 500 INDEX TR	1,932	1,932	Cost	2,065
VANGUARD INDEX TRU STK MKT	1,539	1,539	Cost	1,631
VANGUARD INTL EQUITY INDEX	2,274		Cost	
VANGUARD INTERMED TER INV GR FUND	40,000		Cost	
VERIZON COMMUNICATIONS INC	1,382	1,382	Cost	2,164
WALGREEN	11,860	11,860	Cost	10,178
WELLS FARGO & CO	4,863	4,863	Cost	6,836
S&P SPDR FINANCIALS	3,122	3,122	Cost	3,278
GUGGGENHEIM BRIC ETF	1,672	1,672	Cost	1,441
FARMERS UNION MERC ASSN		400	Cost	400
KINDER MORGAN INC		34,499	Cost	35,330
MONDELEZ INTRNTL		1,400	Cost	1,273
Total	$ 756,205	$ 675,578		$ 777,282

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ALCO INC 6.0%	$ 14,974	$	Cost	$
AMEREN ENERGY 6.3%	34,906	34,906	Cost	25,200
CIT GROUP INC 7.0%	2,586		Cost	
CIT GROUP INC 7.0%	4,273		Cost	
CIT GROUP INC 7.0%	5,961		Cost	
FARM BUREAU FINANCIAL 5.875%	15,588		Cost	
ISHARES HI YIELD CORP BD FUND		73,440	Cost	74,680
ISHARES INV GRADE CORP BOND	14,421	14,421	Cost	18,149
JC PENNY COMPANY 5.65%	9,838	9,838	Cost	8,675
JC PENNY COMPANY 7.95%	11,338	11,338	Cost	9,600

Statement 10 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
POWERSHARES BLD AMERICAN BD FD	$	$ 114,832	Cost	$ 120,960
POWERSHARES BUILD AM BOND ETF	38,923		Cost	
TEMPLETON GLOBAL BD FUND		75,000	Cost	72,876
WM WRIGLEY JR CO 4.65%	48,880	48,880	Cost	53,358
ZURICH REINSURANCE 7.125%	39,600	39,600	Cost	46,993
Total	$ 241,288	$ 422,255		$ 430,491

Statement 11 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
FARM REAL ESTATE 17-7-12 OB CO KS	$ 92,000	$ 92,000	$	$ 76,318
FARM REAL ESTATE 15-7-12 OB CO KS	64,000	64,000		76,302
FARM REAL ESTATE 26-6-14 OB CO KS	36,000	36,000		72,050
FARM REAL ESTATE 17-5-14 OB CO KS	117,000	117,000		217,756
FARM REAL ESTATE 34-6-14 OB CO KS	78,000	78,000		125,362
FARM REAL ESTATE 35-6-14 OB CO KS	52,000	52,000		75,816
FARM REAL ESTATE 31-6-13 OB CO KS	185,000	185,000		234,050
FARM REAL ESTATE 32-6-13 OB CO KS	96,250	96,250		134,136
FARM REAL ESTATE 5-7-13 OB COUNTY KS	13,750	13,750		19,683
FARM REAL ESTATE 6-7-12 OB COUNTY KS	50,000	50,000		78,732
FARM REAL ESTATE 4-7-12 OB COUNTY KS	57,000	57,000		77,760
FARM REAL ESTATE 4-6-16 RO COUNTY KS	150,000	150,000		225,270
FARM REAL ESTATE 9-9-27 SD COUNTY KS	222,300	222,300		340,352
FARM REAL ESTATE 25-9-27 SD COUNT KS	302,100	302,100		504,348
Total	$ 1,515,400	$ 1,515,400	$ 0	$ 2,257,935

Federal Statements

Statement 12 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
DEFERRED PATRONAGE DIVIDENDS-MIDWAY	$ 6,798	$ 8,499	Cost	$ 8,499
DEFERRED PATR-DIVIDENDS-FARMERS UNIO	32	14	Cost	14
A B A G DIVERSIFIED PREM LP		20,000	Cost	20,810
Total	$ 6,830	$ 28,513		$ 29,323

Federal Statements

Statement 13 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
ROUNDING	$ 9
Total	$ 9

Federal Statements

Statement 14 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
THE PEOPLES BANK 136 S MAIN ST SMITH CENTER KS 67967	TRUSTEE	104.00	18,075	0	0
OLIN HYDE 825 C 388 DR OSBORNE KS 67473	DIRECTOR	3.00	0	0	0
DONALD WEIS 20052 HIWAY 281 SMITH CENTER KS 67473	DIRECTOR	3.00	0	0	0
PAUL GREGORY 124 WEST MAIN OSBORNE KS 67473	DIRECTOR	2.00	0	0	0
GREG MICK 874 S 170TH AVE OSBORNE KS 67473	DIRECTOR	1.00	0	0	0
TERRY ZVOLANEK 122 SOUTH 9TH OSBORNE KS 67473	DIRECTOR	1.00	0	0	0

Federal Statements

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

Description
SCHOLARSHIPS BY APR 1 ANNUALLY, OTHER ORGANIZATIONS DEC 1

Statement 15 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
AS PER McFADDEN MEMORIAL SCHOLARSHIP STIPULATIONS (COPY ATTACHED)

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
BARTON COUNTY COMMUNITY COLLEGE GREAT BEND KS 67530	245 NE 30 ROAD EDUCATIONAL		SCHOLARSHIP	700
BETHANY COLLEGE LINDSBORG KS 67456	335 WEST SWENSSON EDUCATIONAL		SCHOLARSHIPS	1,250
BETHEL COLLEGE MISHAWAKA IN 46545	1001 BETHEL CIRCLE EDUCATIONAL		SCHOLARSHIPS	1,250
BUTLER COUNTY COMMUNITY COLLEGE EL DORADO KS 67042	901 HAVERHILL ROAD EDUCATIONAL		SCHOLARSHIP	450
CALVIN COLLEGE GRAND RAPIDS MI 49546	3201 BURTON SE EDUCATIONAL		SCHOLARSHIPS	1,250
CENTRAL COMMUNITY COLLEGE GRAND ISLAND NE 68802	3134 W HIGHWAY 34 EDUCATIONAL		EDUCATIONAL	1,400
CLOUD CO COMM COLLEGE CONCORDIA KS 66901	2221 CAMPUS DRIVE EDUCATIONAL		SCHOLARSHIPS	700
COLBY COMM COLLEGE COLBY KS 67701	1255 S RANGE EDUCATIONAL		SCHOLARSHIPS	1,850
COMMUNITY COLLEGE OF DENVER DENVER CO 80204-2026	1111 W COLFAX AVENUE EDUCATIONAL		SCHOLARSHIPS	450
DORDT COLLEGE SIOUX CENTER IA 51250	498 4TH AVE NE EDUCATIONAL		SCHOLARSHIPS	1,000
DOWNS ART COUNCIL DOWNS KS 67437	PO BOX 211 COMMUNITY SERVI		CHARITABLE	1,500
DOWNS SENIOR CENTER DOWNS KS 67437	514 MORGAN AVE COMMUNITY SERVI		COMMUNITY SERVICE	750
FT HAYS STATE UNIVERSITY HAYS KS 67601	800 PARK ST EDUCATIONAL		SCHOLARSHIPS	21,525
GARDEN CITY COMM COLLEGE GARDEN CITY KS 67846	801 CAMPUS DRIVE EDUCATIONAL		SCHOLARSHIPS	700
JOHNSON COUNTY COMMN COLLEGE OVERLAND PARK KS 66212	9780 WEST 87TH ST EDUCATIONAL		SCHOLARSHIPS	450
KANSAS STATE UNIVERSITY MANHATTAN KS 67503	ANDERSON AVE EDUCATIONAL		SCHOLARSHIPS	16,425
KANSAS UNIVERSITY LAWRENCE KS 67773	MT OREAD EDUCATIONAL		SCHOLARSHIPS	5,750

Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
KANSAS UNIVERSITY MEDICAL KANSAS CITY KS 66103	3901 RAINBOW BLVD EDUCATIONAL		SCHOLARSHIPS	1,700
KANSAS WESLEYAN UNIVERSIT SALINA KS 67401	100 E CLAFLIN AVE EDUCATIONAL		SCHOLARSHIPS	3,375
MANHATTAN AREA TECHNICAL COLLEGE MANHATTAN KS 66503	3136 DICKENS AVENUE EDUCATIONAL		SCHOLARSHIP	450
MCPHERSON COLLEGE MCPHERSON KS 67460	1600 E EUCLID EDUCATIONAL		SCHOLARSHIPS	350
METRO COLLEGE OF DENVER DENVER CO 80217	SPEER BLVD & COLFAX EDUCATIONAL		SCHOLARSHIP	450
NC VO-TECH SCHOOL BELOIT KS 67420	BOX 507 EDUCATIONAL		SCHOLARSHIPS	5,500
OKLAHOMA STATE UNIV STILLWATER OK 74078	107 WHITEHURST EDUCATIONAL		EDUCATIONAL	1,250
OSBORNE CO GENEALOGICAL SOCIETY OSBORNE KS 67473	301 W MAIN COMMUNITY SERVI		COMMUNITY SERVICE	1,250
OSBORNE CO MEMORIAL HOSP OSBORNE KS 67473	424 W NEW HAMPSHIRE COMMUNITY SERVI		EQUIPMENT GRANT	47,000
OSBORNE COUNTY FAIR OSBORNE KS 67473	COURT HOUSE COMMUNITY SERVI		OPERATING GRANT	6,000
OSBORNE FORD FUND OSBORNE KS 67473	102 W MAIN COMMUNITY SERV		OPERATING GRANT	750
OSBORNE MINISTERIAL ALLIANCE OSBORNE KS 67473	NORTH 2ND ST COMMUNITY SERVI		COMMUNITY SERVICE	1,300
OSBORNE PUBLIC LIBRARY OSBORNE KS 67473	325 WEST MAIN COMMUNITY SERVI		COMMUNITY SERVICE	8,034
OSBORNE SENIOR CENTER OSBORNE KS 67473	108 W MAIN COMMUNITY SERVI		COMMUNITY SERVICE	1,500
OSBORNE UNITED METHODIST OSBORNE KS 67473	113 N 3RD RELIGIOUS		CHARITABLE	10,000
PRATT COMMUNITY COLLEGE PRATT KS 67124	348 NE SR 61 EDUCATIONAL		SCHOLARSHIPS	700
PORTIS PRIDE PORTIS KS 67474	MAIN ST COMMUNITY SERIV		COMMUNITY SERVICE	500

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
SOUTHWEST BAPTIST UNIVERSITY BOLIVAR MO 65613	1600 UNIVERSITY AVE EDUCATIONAL		SCHOLARSHIPS	1,250
SOUTHWESTERN COLLEGE WINFIELD KS 67156	100 COLLEGE ST EDUCATIONAL		EDUCATIONAL	1,250
SALINA AREA TECHNICAL COLLEGE SALINA KS 67401	2562 CENTENNIAL ROAD EDUCATIONAL		SCHOLARSHIPS	700
STERLING COLLEGE STERLING KS 67579	BROADWAY & COOPER EDUCATIONAL		SCHOLARSHIPS	
SYRACUSE UNIVERSITY SYRACUSE NY 13244	900 SOUTH CROUSE AVENUE EDUCATIONAL		SCHOLARSHIPS	1,250
TABOR COLLEGE HILLSBORO KS 67063	400 SOUTH JEFFERSON EDUCATIONAL		SCHOLARSHIPS	2,250
THE SCHOOL OF COURT REPORTING MARLTON NJ 08053	1002 LINCOLN DRIVE WEST EDUCATIONAL		SCHOLARSHIPS	1,000
UNION COLLEGE SCHENECTADY NY 12308	807 UNION ST EDUCATIONAL		SCHOLARSHIPS	450
UNIVERSITY OF NO COLO GREELEY CO 80113	2045 10TH AVE EDUCATIONAL		SCHOLARSHIPS	450
UNIVERSITY OF THE OZARKS CLARKSVILLE AR 72830	415 N COLLEGE AVENUE EDUCATIONAL		SCHOLARSHIPS	450
WASHBURN UNIVERSITY TOPEKA KS 67001	S KANSAS AVE EDUCATIONAL		SCHOLARSHIPS	700
CITY OF ALTON KS ALTON KS 67623	PO BOX 5		ECONOMIC	1,000
K-STATE RESEARCH & EXTENSION OSBORNE KS 67473	NORTH 1ST		EDUCATIONAL	200
OSBORNE COUNTY 4-H COUNCIL OSBORNE KS 67473	NORTH 1ST		BUILDING IMPROVEMENTS	5,000
OSBORNE COUNTY 4-H HORSE PROJECT OSBORNE KS 67473	NORTH 1ST		EDUCATIONAL	500
KANSAS NATURAL RESOURCE FD OSBORNE KS 67473	1117 WEST HIWAY 24		CONSERVATION	250
BOY SCOUT TROOP 105 OSBORNE KS 67473	336 N 3RD		EDUCATION	1,000

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Federal Statements

Statement 16 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
NATOMA HERITAGE SEEKERS LLC NATOMA KS 67651	111 MAIN ST		COMMUNITY SERVICE	2,500
Total				167,709