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Return of Private Foundation

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

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2013 or tax year beginning

, and ending

Name of foundation

LEACO RURAL TELEPHONE
EDUCATION FOUNDATION

A Employer identification number

85-6120669

Number and street (or P O box number if mail is not delivered to street address)

220 WEST BROADWAY

Room/suite

B Telephone number

(575) 370-5010

City or town, state or province, country, and ZIP or foreign postal code

HOBBS, NM 88240

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 changeD 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 foundationE 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)

\$ 41,411.

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).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received

3,695.

N/A

2 Check ☒ if the foundation is not required to attach Sch. B

3 Interest on savings and temporary cash investments

39.

39.

STATEMENT 1

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a

7 Capital gain net income (from Part IV, line 2)

0.

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss)

11 Other income

3,734.

39.

12 Total Add lines 1 through 11

0.

0.

0.

13 Compensation of officers, directors, trustees, etc.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

c Other professional fees

17 Interest

18 Taxes

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses

STMT 2

3.

3.

0.

24 Total operating and administrative expenses Add lines 13 through 23

3.

3.

0.

25 Contributions, gifts, grants paid

5,000.

5,000.

26 Total expenses and disbursements. Add lines 24 and 25

5,003.

3.

5,000.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

<1,269.>

b Net investment income (if negative, enter -0-)

36.

c Adjusted net income (if negative, enter -0-)

N/A

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments	42,680.	41,411.	41,411.	
	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				
	7 Other notes and loans receivable ▶				
	Less: allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock				
	c Investments - corporate bonds				
		11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation ▶					
12 Investments - mortgage loans					
13 Investments - other					
14 Land, buildings, and equipment: basis ▶					
Less: accumulated depreciation ▶					
15 Other assets (describe ▶)					
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)		42,680.	41,411.	41,411.	
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				
	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 ▶ ☐				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒				
	27 Capital stock, trust principal, or current funds	77,725.	81,420.		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	<35,045.>	<40,009.>		
30 Total net assets or fund balances	42,680.	41,411.			
31 Total liabilities and net assets/fund balances	42,680.	41,411.			

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	42,680.
2 Enter amount from Part I, line 27a	2	<1,269.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	41,411.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	41,411.

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EDUCATION FOUNDATION**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a					
b NONE					
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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
b					
c					
d					
e					

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

2

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).

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))
2012	2,500.	37,280.	.067060
2011	3,300.	34,066.	.096871
2010	5,699.	28,715.	.198468
2009	4,100.	25,655.	.159813
2008	1,800.	25,071.	.071796

2 Total of line 1, column (d)

2 .594008

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 .118802

4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5

4 41,121.

5 Multiply line 4 by line 3

5 4,885.

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

6 0.

7 Add lines 5 and 6

7 4,885.

8 Enter qualifying distributions from Part XII, line 4

8 5,000.

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.

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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

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2013 estimated tax payments and 2012 overpayment credited to 2013

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2014 estimated tax

Refunded

Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?

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?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. \$ 0. (2) On foundation managers \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

If "Yes," attach a detailed description of the activities

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

• By language in the governing instrument, or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see instructions)

NM

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

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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

Yes No

1a X

1b X

1c X

2 X

3 X

4a X

4b

5 X

6 X

7 X

8b X

9 X

10 X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ► <u>WWW.LEACO.NET/COMMUNITY/SCHOLARSHIP</u>				
14	The books are in care of ► <u>BRENDA GARCIA</u>	Telephone no. ► <u>(575) 370-5010</u>		
	Located at ► <u>220 WEST BROADWAY, HOBBS, NM</u>	ZIP+4 ► <u>88240</u>		
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	N/A	
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country			X

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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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 2013?		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years	☐ Yes ☒ No	
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.		
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 2013 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 2013)	N/A	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b

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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)? ☐ 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)? ☐ Yes ☒ No
 Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) **N/A**

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? ☐ Yes ☒ 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? ☐ Yes ☒ No
N/A

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.

(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
DANNY WATSON 220 WEST BROADWAY HOBBS, NM 88240	PRESIDENT 1.00	0.	0.	0.
LUANN PEARSON 220 WEST BROADWAY HOBBS, NM 88240	VICE PRESIDENT 1.00	0.	0.	0.
LEON HEMANN 220 WEST BROADWAY HOBBS, NM 88240	SECRETARY/TREASURER 1.00	0.	0.	0.
JOEL KLEIN 220 WEST BROADWAY HOBBS, NM 88240	ASST SEC/TREAS 1.00	0.	0.	0.

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 SEE STATEMENT 3	5,000.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

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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	0.
b	Average of monthly cash balances	1b	41,747.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	41,747.
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	41,747.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	626.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	41,121.
6	Minimum investment return. Enter 5% of line 5	6	2,056.

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	2,056.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,056.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,056.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,056.

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	5,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
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	5,000.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,000.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				2,056.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008	549.			
b From 2009	2,819.			
c From 2010	4,265.			
d From 2011	1,598.			
e From 2012	637.			
f Total of lines 3a through e	9,868.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$	5,000.			
a Applied to 2012, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2013 distributable amount				2,056.
e Remaining amount distributed out of corpus	2,944.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	12,812.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2012. Subtract line 4a from line 2a Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	549.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	12,263.			
10 Analysis of line 9:				
a Excess from 2009	2,819.			
b Excess from 2010	4,265.			
c Excess from 2011	1,598.			
d Excess from 2012	637.			
e Excess from 2013	2,944.			

☐ 4942(I)(3) or ☐ 4942(I)(5)

(4) Gross investment income

[illegible]Form **990-PF** (2013)

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EDUCATION FOUNDATION

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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				
ADRIANA ALIRE PO BOX 282 TATUM, NM 88267	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
NOHELY NATIVIDAD 310 N 6TH ST LOVINGTON, NM 88260	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
TAYLOR MILES PO BOX 724 DEXTER, NM 88230	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
VANESSA RAMOS-HUIZAR PO BOX 713 DEXTER, NM 88230	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
ABIGAIL SMITH 614 E ASPEN HOBBS, NM 88240	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
Total	SEE CONTINUATION SHEET(S)			5,000.
b Approved for future payment				
NONE				
Total				0.

**LEACO RURAL TELEPHONE
EDUCATION FOUNDATION**

85-6120669

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
TIMMY PEARCE 33 E COLLEGE ST HILLDALE, MI 49242	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
AUSTIN VANCLEVE PO BOX 416 LOVINGTON, NM 88260	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
STEPHEN W BRAZIL PO BOX 292 TATUM, NM 88267	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
STEPHANIE MILES PO BOX 724 DEXTER, NM 88230	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
BREANA DAUGHERTY PO BOX 444 TATUM, NM 88267	SEE PAGE 7; PART IX-A	N/A	SCHOLARSHIP	500.
Total from continuation sheets				2,500.

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		X
	(2) Other assets		X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	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.		

[illegible]

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

b If "Yes," complete the following schedule.		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
LEACO RURAL TELEPHONE COOP., INC.	501(C)12	SEE STATEMENT 5

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 instr.)? ☒ Yes ☐ No
	Signature of officer or trustee	Date	Title	
	<u>Dale Snider</u>	<u>3/4/14</u>	<u>C.O.O./C.F.O.</u>	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature 	Date	Check ☒ if self-employed	PTIN
	MATT R. WILLIS	MATT R. WILLIS	02/18/14		P00419741
	Firm's name ► BOLINGER, SEGARS, GILBERT AND MOSS LLP			Firm's EIN ► 75-0882037	
	Firm's address ► 8215 NASHVILLE AVENUE LUBBOCK, TX 79423			Phone no. (806) 747-3806	

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
LEA COUNTY STATE BANK	39.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	39.

FORM 990-PF OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SERVICE CHARGE	3.	3.		0.
TO FORM 990-PF, PG 1, LN 23	3.	3.		0.

FORM 990-PF SUMMARY OF DIRECT CHARITABLE ACTIVITIES STATEMENT 3

ACTIVITY ONE

COLLEGE SCHOLARSHIPS TO ACTIVE MEMBERS OF LEACO RURAL
TELEPHONE COOPERATIVE, INC. OR MEMBERS OF THEIR IMMEDIATE
FAMILY. DURING THE TAX YEAR 10 STUDENTS RECEIVED
SCHOLARSHIPS IN THE AMOUNT OF \$500.00.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1	5,000.

990-PF	INVOLVEMENT WITH NONCHARITABLE ORGANIZATIONS PART XVII, LINE 1, COLUMN (D)	STATEMENT	4
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NAME OF NONCHARITABLE EXEMPT ORGANIZATION

LEACO RURAL TELEPHONE COOP., INC.

DESCRIPTION OF TRANSFERS, TRANSACTIONS, AND SHARING ARRANGEMENTS

COOPERATIVE STAFF MAINTAINS THE RECORDS OF THE FOUNDATION AT NO COST.

990-PF	AFFILIATION WITH TAX-EXEMPT ORGANIZATIONS PART XVII, LINE 2, COLUMN (C)	STATEMENT	5
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NAME OF AFFILIATED OR RELATED ORGANIZATION

LEACO RURAL TELEPHONE COOP., INC.

DESCRIPTION OF RELATIONSHIP WITH AFFILIATED OR RELATED ORGANIZATION

DIRECTORS OF THE FOUNDATION ARE ALSO DIRECTORS OF THE COOPERATIVE.



Leaco Rural Telephone Cooperative Scholarship Application

As a cooperative, Leaco Rural Telephone Cooperative (LEACO) is owned by the members we serve. The very nature of LEACO is *for the community, by the community*. This \$1000 scholarship (\$500 for 2 consecutive terms) is just one way for your home-town communications provider to serve you. We hope there are many more opportunities to serve you and your family in the years to come.

QUALIFICATIONS:

1. The Applicant or applicant's parent/gardian must be a customer of LEACO and the account must be in 'good standing'. For purposes of this application, 'in good standing' shall be defined as an active account which has not been disconnected for non-payment within 6 months of the scholarship deadline.)
2. Applicant must be a high school senior.
3. Applicants must intend on enrolling full-time (at least 12 credit hours per semester) in any post-secondary institution providing at least a two-year degree program.

INSTRUCTIONS: (checklist)

1. ☐ Application must be completed electronically or typed.
2. ☐ Application must be signed by the student, a parent/guardian, and a representative of the high school.
3. ☐ Applicant must submit a high school transcript through the 7th semester showing ACT and/or SAT scores.
4. ☐ Applicant must provide two letters of reference; one from a teacher, counselor, or school administrator, and the second from someone not affiliated with the applicants high school. Letters must have a legal signature and be dated.
5. ☐ Application packets must arrive to the address below by 5:00 pm Mountain time on Friday, March 23, 2012.
6. ☐ Once approved for the scholarship, applicant will be sent further instructions regarding providing proof of enrollment to obtain the actual scholarship funds.

Leaco Rural Telephone Cooperative
C/O Eileen Hicks
220 W. Broadway
Hobbs, NM 88240

Note: Incomplete application packets or packets received after the deadline will not be considered. Once submitted, all scholarship applications become the property of Leaco Rural Telephone Cooperative and are kept confidential.

Leaco Rural Telephone Cooperative Scholarship Application

1. Enter Full Name: Click here to enter text.
2. Social Security Number: Click here to enter text.
3. Full Mailing Address: Click here to enter text.
4. Phone Number (including area code): Click here to enter text.
5. Parent(s) or guardian(s) name(s): Click here to enter text.
6. Name of high school from which you graduated or will graduate: Click here to enter text.
7. Date of Graduation: Click here to enter text.
8. Name and mailing address of school you will be attending full-time in the fall: Click here to enter text.
9. Please list your desired major or field of study: Click here to enter text.

Student's Signature _____ Date _____

Parent or Guardian Signature: _____ Date _____

What are your career goals: [Click here to enter text.](#)

List employment if applicable: [Click here to enter text.](#)

List extra- curricular activities both in school/out of school: [Click here to enter text.](#)

List any special awards received and when: [Click here to enter text.](#)

Please write an essay explaining why LEACO should invest in your education.
(300-350 words)
[Click here to enter text.](#)



Leaco Rural Telephone Cooperative Scholarship Application

*The following information must be completed by a high school counselor or principal. Please print this page and request the following information.
(This page may be typed or hand-written)*

1. Student's High School GPA (based on 4.0 scale) at the end of the 7th semester: _____
2. Applicant ranks _____ in class of _____ students.
3. Please provide additional information you believe we should consider in evaluating this applicant:

****Applicant has been required to obtain and enclose a copy of their transcript through the 7th semester, including ACT and/or SAT scores.**

Signature of School	official Title	Date
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