



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF****Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2014Department of the Treasury
Internal Revenue Service▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

Name of foundation ARTHUR J RAEF & BLANCHE D RAEF SCHO SCHOLARSHIP FUND		A Employer identification number 47-0891370
Number and street (or P O box number if mail is not delivered to street address) C/O FIRST SECURITY BANK, PO BOX 190		B Telephone number (see instructions) 087-042-5216
City or town, state or province, country, and ZIP or foreign postal code MOUNTAIN HOME AR 72654		C If exemption application is pending, check here ▶ <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ▶ <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 625,554	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 ▶ <input type="checkbox"/>

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 ▶ <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	14,366	7,966		
	4 Dividends and interest from securities	7,003	7,003		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	23,085			
	b Gross sales price for all assets on line 6a 293,512				
	7 Capital gain net income (from Part IV, line 2)		7,916		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less. Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	44,454	22,885	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages	6,297	6,297		
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 2	975	975		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 3	246			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch)				
	24 Total operating and administrative expenses. Add lines 13 through 23	7,518	7,272	0	0
	25 Contributions, gifts, grants paid	32,000			32,000
26 Total expenses and disbursements. Add lines 24 and 25	39,518	7,272	0	32,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	4,936				
b Net investment income (if negative, enter -0-)		15,613			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2014)

13

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash – non-interest-bearing				
	2	Savings and temporary cash investments		19,481	23,955	23,955
	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 (attach 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 4		110,413	90,091	90,450
	b	Investments – corporate stock (attach schedule) See Stmt 5		21,149	62,115	68,758
	c	Investments – corporate bonds (attach schedule) See Stmt 6		207,129	207,129	227,853
	11	Investments – land, buildings, and equipment basis ▶				
	Less: accumulated depreciation (attach sch) ▶					
12	Investments – mortgage loans					
13	Investments – other (attach schedule) See Statement 7		229,145	208,963	214,538	
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)		587,317	592,253	625,554	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	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		587,317	592,253	
	30	Total net assets or fund balances (see instructions)		587,317	592,253	
	31	Total liabilities and net assets/fund balances (see instructions)		587,317	592,253	

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	587,317
2	Enter amount from Part I, line 27a	2	4,936
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	592,253
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	592,253

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 FIRST SECURITY BANK				
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 7,916			7,916	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV 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			7,916	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)			2	7,916
<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>				
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	
If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8				

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))
2013	31,254	669,170	0.046706
2012	29,750	653,872	0.045498
2011	18,750	602,760	0.031107
2010	25,000	588,177	0.042504
2009	19,000	579,562	0.032783
2 Total of line 1, column (d)			2 0.198598
3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.039720
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4 575,909
5 Multiply line 4 by line 3			5 22,875
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 156
7 Add lines 5 and 6			7 23,031
8 Enter qualifying distributions from Part XII, line 4			8 32,000
If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	156
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	156
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	156
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	156
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 2015 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		X
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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
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.		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> None		
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 See Stmt 8		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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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? Website address ► N/A	13	X	
14	The books are in care of ► FIRST SECURITY BANK PO BOX 1906 Located at ► MOUNTAIN HOME AR ZIP+4 ► 72654 Telephone no. ► 087-042-5216			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	15		
16	At any time during calendar year 2014, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country ►	16	Yes	No 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 ► 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2014 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 2014.)	N/A	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2014?		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 4945(d)(4)(A)? (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
FIRST SECURITY BANK 1025 HWY 62	MOUNTAIN HOME AR 72654 TRUSTEE 15.00	6,297	0	0

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

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

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	568,067
b	Average of monthly cash balances	1b	16,612
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	584,679
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	584,679
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	8,770
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	575,909
6	Minimum investment return. Enter 5% of line 5	6	28,795

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	28,795
2a	Tax on investment income for 2014 from Part VI, line 5	2a	156
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	156
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	28,639
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	28,639
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	28,639

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	32,000
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	32,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	156
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	31,844

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				28,639
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e				
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ 32,000				
a Applied to 2013, 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 2014 distributable amount				28,639
e Remaining amount distributed out of corpus	3,361			
5 Excess distributions carryover applied to 2014 (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:	3,361			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	3,361			
10 Analysis of line 9.				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014	3,361			

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 2014, 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			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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 address of the person to whom applications should be addressed.

TRUST DEPARTMENT, FIRST SECURITY BA 870-425-2166
PO BOX 1906 MOUNTAIN HOME AR 72654

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

See Statement 9

c Any submission deadlines:

See Statement 10

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

See Statement 11

Part XV. Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Statement 12				32,000
Total			► 3a	32,000
b Approved for future payment N/A				
Total			► 3b	

Federal Statements

5/14/2015 2:58 PM

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

Description			How Received		Cost	Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price	Purchase				
FHLMC	9/05/13	1/23/14	\$	Purchase 15,000	15,116	\$	\$	-116
FHLMC	9/20/13	3/06/14		Purchase 15,000	15,034			-34
FED TM LN MTG CORP	9/25/13	4/09/14		Purchase 20,000	20,159			-159
FFCB	9/11/13	8/12/14		Purchase 20,000	19,748			252
FFCB	9/05/13	9/03/14		Purchase 20,000	19,990			10
FEDERAL FARM CR BOND	3/18/14	10/16/14		Purchase 10,000	10,000			
FHLN MEDIUM	8/13/14	11/28/14		Purchase 20,000	20,000			
MFS EMERGING MARKETS	11/04/13	3/14/14		Purchase 9,805	10,000			-195
MFS EMERGING MARKETS	12/10/13	3/14/14		Purchase 46	45			1
ALLERGAN INC	4/07/14	4/22/14		Purchase 3,281	2,417			864
GENERAL MILLS.INC	4/07/14	6/24/14		Purchase 2,690	2,612			78
BED BATH & BEYOND	4/07/14	9/30/14		Purchase 2,638	2,710			-72
CELGENE CORPORATION	4/07/14	9/30/14		Purchase 1,425	1,032			393
AMERICAN CENTURY HERITA	4/07/14	10/31/14		Purchase 20,275	18,895			1,380
EATON VANCE FLOATNG	3/18/14	11/20/14		Purchase 278	283			-5
NORTHERN HIGH YIELD	11/26/12	3/14/14		Purchase 33,000	32,391			609
VANGUARD EQUITY	11/26/12	4/07/14		Purchase 25,795	20,703			5,092

Federal Statements

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

Description	Whom Sold	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
COHEN & STEERS REALTY		11/26/12	4/07/14	\$ 12,680	Purchase	12,243	\$		437
COHEN & STEERS REALTY		12/31/12	4/07/14	8,006	Purchase	7,474			532
WELLS FARGO ADVANTAGE		11/26/12	4/07/14	5,115	Purchase	4,177			938
FIRST EAGLE OVERSEANS		11/26/12	9/05/14	1,930	Purchase	1,774			156
VANGUARD EQUITY		11/26/12	10/01/14	23,910	Purchase	18,624			5,286
EATON VANCE FLOATING		11/04/13	11/20/14	14,722	Purchase	15,000			-278
Total				\$ 285,596	\$ 270,427	\$	0	\$	15,169

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 975	\$ 975	\$	\$
Total	\$ 975	\$ 975	0	0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
2013 990-PF TAXES	\$ 246	\$	\$	\$
Total	\$ 246	0	0	0

47-0891370

Federal Statements

FYE: 12/31/2014

Statement 4 - 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
PHLMC FIXED CALLABLE 3/14	\$ 15,034		Cost	\$
PHLMC FIXED CALLABLE 1/14	15,116		Cost	
FED HM LN MTG CORP MED TRM	20,160		Cost	
FFCB CALLABLE 08/14	19,748		Cost	
FFCB CALLABLE 09/14 3.3000%	20,365		Cost	
FFCB CALLABLE 09/14 3.1200%	19,990		Cost	
FEDERAL HOME LN 12/30/19		20,000	Cost	20,026
FEDERAL FARM CREDIT 7/16/20		20,000	Cost	20,114
PHLN FIXED RATE 11/04/22		10,000	Cost	10,006
FEDERAL FARM CR 7/7/23		20,181	Cost	20,176
FNMA MEDIUM TERM 9/25/24		19,910	Cost	20,128
Total	\$ 110,413	\$ 90,091		\$ 90,450

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
APACHE CORP	\$ 2,058	2,058	Cost	\$ 1,517
CATERPILLAR INC	2,089	2,089	Cost	2,191
EXXON MOBIL CORPORATION	2,741	2,741	Cost	2,763
FEDEX CORPORATION	2,178	2,178	Cost	3,453
OCCIDENTAL PETROLEUM CORPORATION	2,192	1,096	Cost	1,939
QUALCOMM INCORPORATED	2,660	2,660	Cost	2,977
THE CHUBB CORPORATION	2,553	2,553	Cost	3,084
UNITED TECHNOLOGIES CORP	2,120	2,120	Cost	2,280
UNITEDHEALTH GROUP INCORPORATED	2,558	2,558	Cost	3,630
BERKSHIRE HATHAWAY	2,774	2,774	Cost	2,989
CALIFORNIA RES CORP	1,096	1,096	Cost	50
CELGENE CORP	1,721	1,721	Cost	2,842
CERNER CORP	2,149	2,149	Cost	2,598
FORD MOTOR	2,959	2,959	Cost	2,814
GILEAD SCIENCES INC	2,666	2,666	Cost	2,555
INTERNATIONAL BUSINESS MACHINES	1,947	1,947	Cost	1,591
LOWES	1,856	1,856	Cost	2,392

Federal Statements

5/14/2015 2:58 PM

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MICHAEL KORS HOLDINGS	\$	2,001	Cost	\$ 1,732
PEPSICO, INC.		2,505	Cost	2,905
PRICELINE GROUP		2,313	Cost	2,104
T. ROWE PRICE GROUP		2,360	Cost	2,516
TESORO CORP		1,978	Cost	2,914
THE BOEING COMPANY		1,882	Cost	1,973
TJ;X COMPANIES		2,374	Cost	2,710
VISA INC		2,140	Cost	2,605
VMWARE INC		2,356	Cost	1,973
WALGREEN CO		2,383	Cost	3,027
WELLS FARGO & CO		2,602	Cost	2,634
Total	\$ 21,149	62,115		\$ 68,758

Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
GE GLOBAL INS HODG CORP NT 6.45%	\$ 101,129	101,129	Cost	\$ 114,810
LR AR INDL DEV REV 6.4% 11/1/17	106,000	106,000	Cost	113,043
Total	\$ 207,129	207,129		\$ 227,853

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
VANGUARD EQUITY INCOME FUND	\$ 49,410	10,083	Cost	\$ 13,057
WELLS FARGO ADVANTAGE GROWTH FUND	33,359	29,181	Cost	33,915
FIRST EAGLE OVERSEAS FUND	25,009	23,235	Cost	22,714
NORTHERN HIGH YIELD FIXED INCOME	56,823	24,432	Cost	23,167
COHEN & STEERS REALTY SHARES FUND	19,717		Cost	
DELAWARE SMALL CAP	19,782	20,916	Cost	22,456
EATON VANCE	15,000	23,717	Cost	23,045

Federal Statements

47-0891370

FYE: 12/31/2014

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments (continued)

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
MFS EMERGING MARKETS	\$ 10,045		Cost	\$
GOLDMAN SACHS STRATEGIC		39,000	Cost	37,894
VANGUARD INDEX MID-CAP		19,386	Cost	19,664
VANGUARD WORLDS IT ETF		4,013	Cost	4,162
GOLDMAN SACHS HIGH YIELD INSTRL		15,000	Cost	14,464
Total	\$ 229,145	\$ 208,963		\$ 214,538

Federal Statements**Statement 8 - Form 990-PF, Part VII-A, Line 8b - Not Filing with Attorney General**
Explanation**Description**

Arkansas Attorney General does not require a copy be sent to them. If a copy is needed by the Attorney General's office they call the taxpayer and request it.

Statement 9 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description**

SELECTION BASED ON ACADEMIC ACHIEVEMENT, EXTRA-CURRICULAR ACTIVITIES AND FINANCIAL NEED.

Statement 10 - Form 990-PF, Part XV, Line 2c - Submission Deadlines**Description**

NOTIFICATION WILL BE GIVEN TO ARKANSAS STATE UNIVERSITY - MOUNTAIN HOME AND PUBLISHED IN AN ARKANSAS GENERAL NEWSPAPER DURING THE MONTH OF JANUARY AND FEBRUARY OF EACH YEAR. SCHOLARSHIPS WILL BE DISTRIBUTED AROUND MAY OF EACH YEAR FOR THE FALL SEMESTER.

Statement 11 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**Description**

RECIPIENTS SHALL BE STUDENTS ATTENDING ARKANSAS STATE UNIVERSITY IN MOUNTAIN HOME, ARKANSAS.

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name		Address		Relationship		Status	Purpose	Amount
Address								
MADISON HARNED				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,500
MOUNTAIN HOME AR 72653				N/A				
KEVIN L KITE				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
MORGAN LAMB				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
VALORY ZORTMAN				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
ALI WILLIAMS				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
JARED ALLEN				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
KORBIN DUFFY				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
CIERRA GREGORY				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
KRISTIN JACOBELLI				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
BRIANNA KOEMEN				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
HALEN PARNELL				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
CORRINA RIGGS				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	2,000
MOUNTAIN HOME AR 72653				N/A				
CYMANTHA SIMS				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
ARRIAH THOMAS				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	2,000
MOUNTAIN HOME AR 72653				N/A				
IZABELLA WEETS				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,500
MOUNTAIN HOME AR 72653				N/A				
BRITTANY WIESBOECK				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				
MORGAN D KILGORE				ASU MH	CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
MOUNTAIN HOME AR 72653				N/A				

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)

Name		Address		Relationship	Status	Purpose	Amount
KEVIN L KITE		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
TATANYA A JONES		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
VALORY M ZORTMAN		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
BRIANA J LEONARD		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
ALEXA HURST		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
TAMISHA F HICKMAN		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
KODY J ALDRIDGE		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
GREGORY C FORD		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
SHELBY FISCHER		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	1,000
KAYCEE L GRISSUM		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
MICHAEL J WEHMEYER		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
NATASHA PHILLIPS		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
TRISTAN BURDEN		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
KASI CASTEEL		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
MEGAN BLOCK		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
JENNIFER BAILEY		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500
KORBIN DUFFY		MOUNTAIN HOME AR 72653		ASU MH CASHIERS	OFC 1600	EDUCATIONAL SCHOLARSHIP	500

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name		Address		Relationship	Status	Purpose	Amount
ANGELA FAUGHT				ASU MH CASHIERS	OFC 1600		
MOUNTAIN HOME AR	72653		NONE	N/A		EDUCATIONAL SCHOLARSHIP	500
CHRISTA BURNS				ASU MH CASHIERS	OFC 1600		
MOUNTAIN HOME AR	72653		NONE	N/A		EDUCATIONAL SCHOLARSHIP	500
Total							32,000