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For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

Name of foundation PETER M & BARBARA A MACDONALD CHARITABLE FOUNDATION		A Employer identification number 48-6329128	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 913		Room/suite	B Telephone number (see instructions) (620) 560-6141
City or town, state or province, country, and ZIP or foreign postal code HUTCHINSON, KS 675040913		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,462,636	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	23	23		
	4 Dividends and interest from securities	27,403	27,403		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	2,660			
	b Gross sales price for all assets on line 6a 667,736				
	7 Capital gain net income (from Part IV, line 2)		2,660		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	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	30,086	30,086		
	13 Compensation of officers, directors, trustees, etc	5,215	2,086		3,129
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	705	0		705
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	311	262		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	329	329		0
	24 Total operating and administrative expenses. Add lines 13 through 23	6,560	2,677		3,834
	25 Contributions, gifts, grants paid	69,000			69,000
	26 Total expenses and disbursements. Add lines 24 and 25	75,560	2,677		72,834
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-45,474			
	b Net investment income (if negative, enter -0-)		27,409		
c Adjusted net income (if negative, enter -0-)					

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	-27,480	27	27
	2 Savings and temporary cash investments	48,748	50,135	50,135
	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 ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	0	199,965	198,118
	b Investments—corporate stock (attach schedule)	708,534	686,950	852,064
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	616,146	363,397	362,292
	14 Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15 Other assets (describe ▶ _____)				
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,345,948	1,300,474	1,462,636	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable.			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule).			
	22 Other liabilities (describe ▶ _____)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,450,614	1,450,614	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29 Retained earnings, accumulated income, endowment, or other funds	-104,666	-150,140	
	30 Total net assets or fund balances (see instructions)	1,345,948	1,300,474	
31 Total liabilities and net assets/fund balances (see instructions) .	1,345,948	1,300,474		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,345,948
2 Enter amount from Part I, line 27a	2	-45,474
3 Other increases not included in line 2 (itemize) ▶ _____	3	0
4 Add lines 1, 2, and 3	4	1,300,474
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	1,300,474

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 See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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 See Additional Data Table			
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	2,660
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 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))
2015	75,824	1,475,605	0 051385
2014	74,337	1,539,732	0 048279
2013	73,105	1,514,825	0 048260
2012	75,395	1,482,874	0 050844
2011	73,007	1,506,782	0 048452

2 Total of line 1, column (d)	2	0 247220
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 049444
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,427,669
5 Multiply line 4 by line 3	5	70,590
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	274
7 Add lines 5 and 6	7	70,864
8 Enter qualifying distributions from Part XII, line 4	8	72,834

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	274
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	274
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	274
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	360
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	360
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . ▶	10	86
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ▶ 86 Refunded ▶	11	0

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	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>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</i>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ 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? <i>If "Yes," attach a detailed description of the activities</i>	2	No
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? <i>If "Yes," attach a conformed copy of the changes</i>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	No
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	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
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? <i>If "No," attach explanation</i> .	8b	Yes
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	Yes	
14	The books are in care of ► FIRST NATIONAL BANK Telephone no ► (620) 560-6141			

Located at **►** 1 NORTH MAIN HUTCHINSON KS ZIP+4 **►** 67501

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 2016, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes," enter the name of the foreign country ►	16	Yes	No

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.

1a	During the year did the foundation (either directly or indirectly)		Yes	No
	(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. ► ☐	1b		No
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016? ☐	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ 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). ☐	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 2016 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 2016). ☐	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b		No

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

5a During the year did the foundation pay or incur any amount to (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No (4) Provide a grant to an organization other than a charitable, etc., organization described in section 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)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here. ☐ Yes ☒ No	5b		
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 <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No <i>If "Yes" to 6b, file Form 8870</i>	6b		No
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No	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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
See Additional Data Table				
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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				
Total number of other employees paid over \$50,000. ☐ Yes ☒ No				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.		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	
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	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0

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	1,455,441
b	Average of monthly cash balances.	1b	-6,031
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,449,410
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	1,449,410
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	21,741
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	1,427,669
6	Minimum investment return. Enter 5% of line 5.	6	71,383

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	71,383
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	274
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	274
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	71,109
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	71,109
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	71,109

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	72,834
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	72,834
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	274
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	72,560

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				71,109
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			69,128	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.				
b From 2012.				
c From 2013.				
d From 2014.				
e From 2015.				
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>72,834</u>				
a Applied to 2015, but not more than line 2a			69,128	
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 2016 distributable amount.				3,706
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2016 (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	0			
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 2015 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				67,403
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).	0			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions). . . .	0			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2012.				
b Excess from 2013.				
c Excess from 2014.				
d Excess from 2015.				
e Excess from 2016.				

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 2016, enter the date of the ruling. ▶					
b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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 organization 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))	
b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest	
2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:	
Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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 KAREN SMART TRUST OFFICER 1 NORTH MAIN HUTCHINSON, KS 67501 (620) 560-6141	
b The form in which applications should be submitted and information and materials they should include APPLICATIONS STATING BRIEFLY THE PURPOSE FOR WHICH THE GRANT IS TO BE USED SHOULD BE SUBMITTED IN WRITING AND BE ACCOMPANIED BY A COPY OF THE APPLICANT'S CURRENT EXEMPTION LETTER	
c Any submission deadlines NONE	
d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors NONE	

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> See Additional Data Table				
Total			▶ 3a	69,000
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Enter gross amounts unless otherwise indicated

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			14	23	
4 Dividends and interest from securities.			14	27,403	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	2,660	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e).		0		30,086	0
13 Total. Add line 12, columns (b), (d), and (e).			13		30,086

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | No |
| 1a(2) | | No |
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |
| 1c | | No |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

* * * * *

Title

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

**Paid
Preparer
Use Only**

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, (a) 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)
COMMON TRUST FUND B	P		
COMMON TRUST FUND B	P		
ISHARES CORE S&P 500 ETF	P	2014-06-17	2016-07-26
ISHARES CORE S&P MID-CAP	P	2014-03-18	2016-07-26
ISHARES CORE S&P MID-CAP	P	2014-06-17	2016-07-26
ISHARES CORE S&P SMALL-CAP	P	2014-03-18	2016-07-26
ISHARES CORE S&P SMALL-CAP	P	2014-06-17	2016-07-26
COMMON TRUST FUND B	P	1996-12-31	2016-04-11
COMMON TRUST FUND B	P	1997-03-31	2016-04-11
COMMON TRUST FUND B	P	1999-05-31	2016-04-11

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
125			125
		554	-554
22,867		20,576	2,291
310		278	32
8,221		7,498	723
7,925		7,298	627
2,439		2,216	223
165,818		166,192	-374
39,498		38,825	673
38,679		38,915	-236

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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	
			125
			-554
			2,291
			32
			723
			627
			223
			-374
			673
			-236

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e.g., real estate, (a) 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.)
COMMON TRUST FUND B	P	2007-06-30	2016-04-11
COMMON TRUST FUND B	P	2009-01-31	2016-04-11
COMMON TRUST FUND B	P	2009-04-30	2016-04-11
COMMON TRUST FUND B	P	2015-02-28	2016-04-11
FEDERAL HOME LAON BANK	P	2016-05-19	2016-11-25
CAPITAL GAINS DIVIDENDS	P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
10,102		10,043	59
248,545		250,749	-2,204
66,527		67,526	-999
29,214		29,410	-196
25,000		24,996	4
2,466			2,466

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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	
			59
			-2,204
			-999
			-196
			4
			2,466

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
FIRST NATIONAL BANK	TRUSTEE 1 00	5,215	0	0
PO BOX 913 HUTCHINSON, KS 675040913				
HEATHER MACDONALD SMITH	TRUSTEE 0 00	0	0	0
PO BOX 1365 SALINA, KS 674021365				
JANET MACDONALD MILLER	TRUSTEE 0 00	0	0	0
5401 BROOKSIDE BLVD 302 KANSAS CITY, MO 64112				
BOYD E SMITH	TRUSTEE 0 00	0	0	0
PO BOX 1365 SALINA, KS 674021365				
PHILLIP A MILLER	TRUSTEE 0 00	0	0	0
5401 BROOKSIDE BLVD 302 KANSAS CITY, MO 64112				
GRAHAM M SMITH	TRUSTEE 0 00	0	0	0
431 GUILLEMONT ST FT COLLINS, CO 805263610				
ANDREW MILLER	TRUSTEE 0 00	0	0	0
5401 BROOKSIDE BLVD 302 KANSAS CITY, MO 64112				

Form 990FP Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
ATLANTA-FULTON PUBLIC LIBRARY FOUNDATION ONE MARGARET MITCHELL SQUARE ATLANTA, GA 30303	N/A	PC	UNRESTRICTED	500
BIG BROTHERS BIG SISTERS OF SOUTHWEST COLORADO P O BOX 2154 DURANGO, CO 81302	N/A	PC	UNRESTRICTED	1,500
BOYS & GIRLS CLUB OF HUTCHINSON 1 COMPOUND DR HUTCHINSON, KS 67502	N/A	PC	UNRESTRICTED	500
CANCER COUNCIL OF RENO COUNTY P O BOX 633 HUTCHINSON, KS 675040633	N/A	PC	UNRESTRICTED	1,500
DURANGO ART CENTER 802 EAST 2ND AVENUE DURANGO, CO 81301	N/A	PC	UNRESTRICTED	750
DURANGO EARLY LEARNING CENTER INC 890 E 3RD AVE DURANGO, CO 81301	N/A	PC	UNRESTRICTED	1,250
FIRST PRESBYTERIAN CHURCH 201 E SHERMAN HUTCHINSON, KS 67501	N/A	PC	UNRESTRICTED	5,000
FOOD BANK OF RENO COUNTY 700 N WALNUT HUTCHINSON, KS 67501	N/A	PC	UNRESTRICTED	1,000
FRIENDS OF THE RIVER FOUNDATION 159 S 4TH ST SALINA, KS 67401	N/A	PC	UNRESTRICTED	3,000
GEORGIA PUBLIC BROADCASTING 260 14TH STREET NW ATLANTA, GA 30318	N/A	PC	UNRESTRICTED	500
HARVESTERS COMMUNITY FOOD NETWORK 3801 TOPPING AVE KANSAS CITY, MO 64129	N/A	PC	UNRESTRICTED	1,000
HUTCHINSON ART ASSOCIATION 405 N WASHINGTON HUTCHINSON, KS 67501	N/A	PC	UNRESTRICTED	500
KANSAS CITY ART INSTITUTE 4415 WARWICK BLVD KANSAS CITY, MO 64111	N/A	PC	UNRESTRICTED	1,000
KANSAS CITY CARE CLINIC 3515 BROADWAY BLVD KANSAS CITY, MO 64111	N/A	PC	UNRESTRICTED	2,500
KANSAS CITY SYMPHONY 1703 WYANDOTTE STREET SUITE 200 KANSAS CITY, MO 64108	N/A	PC	UNRESTRICTED	3,000
Total ►				69,000
3a				

Form 990FP Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
KCUR 4825 TROOST STE 202 KANSAS CITY, MO 64110	N/A	PC	UNRESTRICTED	2,500
LYRIC OPERA OF KANSAS CITY 1725 HOLMES STREET KANSAS CITY, MO 64108	N/A	PC	UNRESTRICTED	2,500
MANA SOUP KITCHEN 1100 AVE DEL SOL DURANGO, CO 81301	N/A	PC	UNRESTRICTED	750
MOUNT PISGAH CHRISTIAN SCHOOL 9820 NESBIT FERRY RD JOHNS CREEK, GA 300229881	N/A	PC	UNRESTRICTED	2,000
NORTH FULTON COMMUNITY CHARITIES 11270 ELKINS RD ROSWELL, GA 30076	N/A	PC	UNRESTRICTED	500
NORTHMINSTER PRESBYTERIAN CHURCH 1441 NE ENGLEWOOD RD KANSAS CITY, MO 641185453	N/A	PC	UNRESTRICTED	1,000
PLANNED PARENTHOOD OF KANSAS & MID-MISSOURI 4401 W 109TH STREET SUITE 200 OVERLAND PARK, KS 66211	N/A	PC	UNRESTRICTED	1,500
PUBLIC BROADCASTING ATLANTA 260 14TH STREET NW ATLANTA, GA 30318	N/A	PC	UNRESTRICTED	500
RONALD MCDONALD HOUSE KANSAS CITY 2502 CHERRY ST KANSAS CITY, MO 64108	N/A	PC	UNRESTRICTED	2,000
SALINA ART CENTER 242 SOUTH SANTA FE SALINA, KS 67401	N/A	PC	UNRESTRICTED	2,500
TAMMY WALKER CANCER CENTER 511 SOUTH SANTA FE SALINA, KS 67401	N/A	PC	UNRESTRICTED	1,000
THE LAND INSTITUTE 2440 E WATER WELL ROAD SALINA, KS 67401	N/A	PC	UNRESTRICTED	1,500
THE NELSON GALLERY FOUNDATION 4525 OAK STREET KANSAS CITY, MO 64111	N/A	PC	UNRESTRICTED	3,000
THE SECOND PRESBYTERIAN CHURCH 318 E 55TH STREET KANSAS CITY, MO 64113	N/A	PC	UNRESTRICTED	10,000
TRAINING & EVALUATION CENTER OF HUTCHINSON 1300 EAST AVE A HUTCHINSON, KS 67501	N/A	PC	UNRESTRICTED	1,500
Total ► 3a				69,000

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
UNITED WAY OF SOUTHWEST COLORADO 281 SAWYER DR 400 DURANGO, CO 81303	N/A	PC	UNRESTRICTED	750
UNIVERSITY OF KANSAS ENDOWMENT ASSN P O BOX 928 LAWRENCE, KS 660440928	N/A	PC	KU SCHOOL OF MEDICINE	10,000
UNIVERSITY OF KANSAS ENDOWMENT ASSN P O BOX 928 LAWRENCE, KS 660440928	N/A	PC	JOURNALISM FUND	1,500
WASHINGTON UNIVERSITY ONE BROOKINGS DRIVE ST LOUIS, MO 63130	N/A	PC	UNRESTRICTED	500
Total ▶ 3a				69,000

TY 2016 Accounting Fees Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PREPARATION OF 990-PF	705	0		705

TY 2016 Investments Corporate Stock Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

Name of Stock	End of Year Book Value	End of Year Fair Market Value
DODGE & COX FUNDS GLOBAL	35,555	35,572
FEDERATED MDT STK TR INSTL	53,548	50,585
ISHARES CORE S&P 500 ETF	234,410	337,260
ISHARES CORE S&P MID-CAP ETF	68,114	105,487
ISHARES CORE S&P SMALL-CAP ETF	67,440	111,116
ISHARES DOW JONES INTERNATIONAL SELECT DIVIDEND FUND	56,153	49,779
ISHARES EDGE MSCI MIN VOL EMERGING MARKETS ETF	36,113	30,275
T ROWE PRICE NEW ERA FUND	82,997	67,842
THIRD AVENUE REAL ESTATE VALUE FUND	52,620	64,148

TY 2016 Investments Government Obligations Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

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

199,965

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

198,118

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

0

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

0

TY 2016 Investments - Other Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ISHARES INVEST GRADE CORP BOND	AT COST	115,631	113,079
ISHARES BARCLAYS 1-3 YEAR CREDIT BOND	AT COST	59,166	58,766
FIDELITY FLOATING RATE HIGH INCOME	AT COST	58,300	60,620
PRINCIPAL SHORT TERM INCOME INST FUND	AT COST	130,300	129,827

TY 2016 Other Expenses Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DEDUCTIONS RELATED TO PORTFOLIO INCOME	329	329		0

TY 2016 Taxes Schedule

Name: PETER M & BARBARA A MACDONALD
CHARITABLE FOUNDATION

EIN: 48-6329128

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	262	262		0
2016 ESTIMATED TAX PYMT	49	0		0