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Form **990-PF**

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

OMB No 1545-0052

**2009**

Department of the Treasury  
Internal Revenue Service

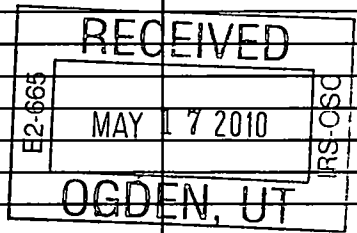
*Note.* The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning , and ending

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>GRACE BUCHANAN MEMORIAL FUND INC.</b>		A Employer identification number <b>37-1098842</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>P.O. BOX 834</b>	Room/suite	B Telephone number (see page 10 of the instructions) <b>309-734-6619</b>
	City or town, state, and ZIP code <b>MONMOUTH IL 61462</b>		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <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			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 927,826</b>		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	

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 page 11 of the 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	389	389	389	
	4 Dividends and interest from securities	44,517	44,517	44,517	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	625			
	b Gross sales price for all assets on line 6a 200,000				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & 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	45,531	44,906	44,906		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 2	400	400		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 3	1,857			
	19 Depreciation (attach schedule) and depletion Stmt 4	2,487			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch) Stmt 5	787	108		679
	24 Total operating and administrative expenses. Add lines 13 through 23	5,531	508		679
25 Contributions, gifts, grants paid	44,000			44,000	
26 Total expenses and disbursements. Add lines 24 and 25	49,531	508	0	44,679	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-4,000				
b Net investment income (if negative, enter -0-)		44,398			
c Adjusted net income (if negative, enter -0-)			44,906		



*20*

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	9,614	11,756	11,756
	2 Savings and temporary cash investments	20,000	10,000	10,000
	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 page 16 of the instructions)			
	7 Other notes and loans receivable (att. schedule) ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	702	112	68
	10a Investments—U S and state government obligations (attach schedule) Stmt 6	100,635	100,317	101,031
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule) See Stmt 7	750,433	757,686	771,286
	11 Investments—land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach sch) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment, basis ▶ 84,847 Less: accumulated depreciation (attach sch) ▶ Stmt 8 55,630	31,704	29,217	32,217
15 Other assets (describe ▶ See Statement 9 )	1,468	1,468	1,468	
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	914,556	910,556	927,826	
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 ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	51,138	51,138	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	863,418	859,418		
30 Total net assets or fund balances (see page 17 of the instructions)	914,556	910,556		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	914,556	910,556		

**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	914,556
2 Enter amount from Part I, line 27a	2	-4,000
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	910,556
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	910,556

**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>N/A</b>			
b			
c			
d			
e			

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

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

(i) 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			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>	2
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the 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 page 18 of 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))
2008	44,647	831,319	0.053706
2007	48,604	865,527	0.056155
2006	47,412	867,336	0.054664
2005	46,719	875,612	0.053356
2004	48,720	905,188	0.053823

2 Total of line 1, column (d)	2	0.271704
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	0.054341
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	842,573
5 Multiply line 4 by line 3	5	45,786
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	444
7 Add lines 5 and 6	7	46,230
8 Enter qualifying distributions from Part XII, line 4 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 on page 18.	8	44,679

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

<b>1a</b> 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>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	888
<b>c</b> All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
<b>3</b> Add lines 1 and 2	3	888
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	888
<b>6</b> Credits/Payments:		
<b>a</b> 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,000
<b>b</b> Exempt foreign organizations—tax withheld at source	6b	
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	6c	
<b>d</b> Backup withholding erroneously withheld	6d	
<b>7</b> Total credits and payments. Add lines 6a through 6d	7	1,000
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	112
<b>11</b> Enter the amount of line 10 to be: Credited to 2010 estimated tax <b>112</b> Refunded	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>1b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for 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
<b>1c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ _____ (2) On foundation managers. \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ _____		
<b>2</b> 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
<b>3</b> 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
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
<b>6</b> 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	
<b>7</b> 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	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>IL</b>		
<b>b</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	X	
<b>9</b> 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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	X	
<b>10</b> 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)**

<p>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 page 20 of the instructions)</p>	11		X
<p>12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?</p>	12		X
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A</p>	13	X	
<p>14 The books are in care of ▶ <b>Everitt Hardin</b> Telephone no. ▶ <b>309-734-6619</b>  <b>1036 East Boston Avenue</b>                  Located at ▶ <b>Monmouth, IL</b> ZIP+4 ▶ <b>61462</b></p>			
<p>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</p>	▶	15	▶ <input type="checkbox"/>

**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
<p>1a During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(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</p>			
<p>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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here</p>	N/A	▶ <input type="checkbox"/>	1b
<p>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 2009?</p>	N/A		1c
<p>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)):</p> <p>a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 , 20</p> <p>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 page 20 of the instructions.)</p> <p>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</p>	N/A		2b
<p>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</p> <p>b If "Yes," did it have excess business holdings in 2009 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 2009 )</p>	N/A		3b
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>			4a
<p>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 2009?</p>			4b

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here  **N/A** **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? **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**  Yes  No **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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE ATTACHED LIST	1.00	0	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 ▶

**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 page 23 of the 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

1	Expenses
N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

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

1	Amount
N/A	
2	
All other program-related investments See page 24 of the instructions	
3	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	848,389
b	Average of monthly cash balances	1b	7,015
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	855,404
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	855,404
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	12,831
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	842,573
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	42,129

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2009 from Part VI, line 5	2a	
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

**Part XII Qualifying Distributions** (see page 25 of the 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	44,679
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	44,679
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 page 26 of the instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	44,679

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
<b>1</b> Distributable amount for 2009 from Part XI, line 7				
<b>2</b> Undistributed income, if any, as of the end of 2009:				
<b>a</b> Enter amount for 2008 only				
<b>b</b> Total for prior years: 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2009:				
<b>a</b> From 2004				
<b>b</b> From 2005				
<b>c</b> From 2006				
<b>d</b> From 2007				
<b>e</b> From 2008				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ _____				
<b>a</b> Applied to 2008, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2009 distributable amount				
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005				
<b>b</b> Excess from 2006				
<b>c</b> Excess from 2007				
<b>d</b> Excess from 2008				
<b>e</b> Excess from 2009				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

<b>1a</b>	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling				N/A
<b>b</b>	Check box to indicate whether the foundation is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
<b>2a</b>	<b>Tax year</b>	<b>Prior 3 years</b>			<b>(e) Total</b>
	<b>(a) 2009</b>	<b>(b) 2008</b>	<b>(c) 2007</b>	<b>(d) 2006</b>	
	42,129	41,566	43,276	43,367	170,338
<b>b</b>	35,810	35,331	36,785	36,862	144,788
<b>c</b>	44,679	44,647	49,102	47,412	185,840
<b>d</b>					
<b>e</b>	44,679	44,647	49,102	47,412	185,840
<b>3</b>	Complete 3a, b, or c for the alternative test relied upon:				
<b>a</b>	"Assets" alternative test—enter:				
	(1) Value of all assets				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
<b>b</b>	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
	28,086	27,711	28,851	28,911	113,559
<b>c</b>	"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 page 28 of the instructions.)

<b>1</b>	<b>Information Regarding Foundation Managers:</b>
<b>a</b>	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>b</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
<b>2</b>	<b>Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:</b>
	Check here <input checked="" type="checkbox"/> 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
<b>a</b>	The name, address, and telephone number of the person to whom applications should be addressed: N/A
<b>b</b>	The form in which applications should be submitted and information and materials they should include: N/A
<b>c</b>	Any submission deadlines: N/A
<b>d</b>	Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors. N/A







**Grace E Buchanan Memorial Fund**

**12/31/2009**

**Attachment to Form 990-PF**

**37-1098842**

Page 2, Part II, Line 10c, INVESTMENTS

Abbott Laboratories 5.875% 5/15/16	\$	50,546.00
Verizon Virginia 4.625% 3/15/13		49,942.45
Caterpillar Financial Services 5% 6/15/12		50,000.00
Credit Suisse First Boston 6.125% 11/15/2011		50,750.15
Honeywell Intl. 5.3% 3/15/17		53,201.00
Household Finance Corp. 6.30% 3/15/2011		50,000.00
Hewlett Packard 5.50% 3/01/2018		51,572.50
Astra Zeneca PLC 5.9% 9/15/2017		52,561.60
SLM Corp 5.00% 6/15/2018		50,000.00
Goldman Sachs Group 5.50% 11/15/14		49,844.95
John Hancock Life Ins. Co. 4.15% 2/15/12		50,000.00
XL Capital Ltd Senior Notes 5.25% 9/15/2014		50,000.00
Deutsche Bank Financial 5.375% 10/1/2015		50,330.48
JP Morgan Chase 5.15 10/1/2015		49,594.95
General Electric Capital 5% 1/8/2016		<u>49,341.45</u>
Total	\$	<u>757,685.53</u>

**Grace E Buchanan Memorial Fund**

**12/31/2009**

**Attachment to Form 990-PF**

**37-1098842**

Page 6, Part VIII, Information About Officers, Trustees, Managers, Etc.

**OFFICERS**

Colleen Cramblet, President  
319 Mallard Lane  
Avon, Il 61415  
Telephone: 309/734-2330

Nancy Gossett, Vice President  
521 - 85<sup>th</sup> Street  
Roseville, Il 61473  
Telephone: 309/426-2792

Chris Ayers, Secretary  
200 South C Street  
Monmouth, Il 61462  
Telephone: 309/734-2905

Everitt F. Hardin, Treasurer  
1036 East Boston Avenue  
Monmouth, Il 61462  
Telephone: 309/734-6619

**(During 2009 none of the officers and trustees received compensation, expense allowances or participated in employee benefit plans.)**

## Grace E Buchanan Memorial Fund

12/31/2009

ATTACHMENT TO FROM 990-PF

37-1098842

Page 6, Part VIII, Information About Officers, Trustees,  
Managers, Etc.

### DIRECTORS

David Giles  
116 East Boston Avenue  
Monmouth, Illinois 61462  
Telephone: 309/734-4126

Julian Bruening  
2019 58<sup>th</sup> Street  
Monmouth, Illinois 61462  
Telephone: 309/734-7494

Richard Whitman  
324 North 2nd Street  
Monmouth, Illinois 61462  
Telephone: 309/734-4810

Amy McKenna  
2842 - 130<sup>th</sup> Street  
Alexis, Illinois 61412  
Telephone: 309/482-5579

Judy Mahoney  
R.R.#1  
Berwick, Illinois 61417  
Telephone: 309/426-2470

Amy Twomey  
540 South Main Street  
Roseville, Illinois 61473  
Telephone: 309/255-9879

Gary D. Willhardt  
812 North 9<sup>th</sup> Street  
Monmouth, Illinois 61462  
Telephone: 309/734-3933

Ralph Whiteman  
1405 East Second Avenue  
Monmouth, Illinois 61462  
Telephone: 309/734-4260

William Smith  
1117 East Third Avenue  
Monmouth, Illinois 61462  
Telephone: 309/734-6036

John D. Turnbull  
301 South Main  
Monmouth, Illinois 61462  
Telephone: 309/734-4610

Dr. Steve Murmann  
2212 - 10<sup>th</sup> Street, Box 192  
Monmouth, Illinois 61462  
Telephone: 309/734-9302

**(During 2009 none of the officers and trustees received  
compensation, expense allowances or participated in  
employee benefit plans.)**

**Grace E Buchanan Memorial Fund**

**12/31/2009**

**Attachment to Form 990-PF**

**37-1098842**

Page 10, Part XV, Line 3, Grants and Contributions Paid

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
The Buchanan Center for the Arts Monmouth, Illinois 61462	To promote education in and enjoyment of the arts including but not limited to drawing, painting, ceramics, drama and music in Warren County, Illinois by providing arts programming and services.	\$44,000

**Grace E Buchanan Memorial Fund**

**12/31/2009**

PURPOSES

To promote education concerning, participation in, and the enjoyment of fine arts (including but not limited to, the arts of painting, drawing and sculpture, music and ceramics) and to promote the display of such art objects and musical performances in Warren County, Illinois; to promote the spread of knowledge of the fine arts, and the creation, appreciation and participation in the arts, as creators, performers or observers, by the general public and particularly by residents of Warren County, Illinois; to employ on a temporary, part time or full time basis such professional, semi-professional or amateur artists or artisans who the Trustees consider will advance the educational and charitable purposes herein set forth.

BUCHANANMEM GRACE BUCHANAN MEMORIAL FUND INC.  
**Federal Statements**

37-1098842

FYE: 12/31/2009

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

Description	Whom Sold	Date Acquired	Date Sold	How Received	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
NORWEST FINANCIAL BOND		2/21/01	7/15/09	Purchase	50,000	50,000	\$		\$
FEDERAL NATIONAL MTG 4.0 % CALLED		4/02/04	4/02/09	Purchase	50,000	50,000			
PRINCIPAL LIFE NOTES 5.0% CALLED		8/24/05	2/16/09	Purchase	50,000	50,000			
MERRILL LYNCH & CO 6.0% BOND		2/05/01	2/17/09	Purchase	50,000	49,375			625
<b>Total</b>					<u>\$ 200,000</u>	<u>\$ 199,375</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 625</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	\$ 400	\$ 400	\$	\$
<b>Total</b>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$ 1,857	\$	\$	\$
<b>Total</b>	<u>\$ 1,857</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Statement 4 - Form 990-PF, Part I, Line 19 - Depreciation**

Description	Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
LAND	1/01/89	\$ 3,000	\$		0	\$	\$	\$
BUILDING	1/01/89	78,340	49,636	S/L	31.5	2,487		
OFFICE EQUIPMENT	1/01/89	3,507	3,507	200DB	7			
<b>Total</b>		<b>\$ 84,847</b>	<b>\$ 53,143</b>			<b>\$ 2,487</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	
POSTAGE	13	13		
SAFE DEPOSIT BOX	13	13		
STATE CHARITABLE REGISTRATION	15			15
INSURANCE	648			648
NOTICE & FEES	16			16
EARLY WITHDRAWAL PENALTY	82			
<b>Total</b>	<b>\$ 787</b>	<b>\$ 108</b>	<b>\$ 0</b>	<b>\$ 679</b>

**Statement 6 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
FED NATIONAL MTGE ASSN.4.0% 10/01/12	\$ 50,000			\$
FED HOME LOAN BANK 6.625% 11/15/10	50,635	50,317		52,594
FED HOME LOAN MTGE 4.1% 07/15/19		50,000		48,437
Total	<u>\$ 100,635</u>	<u>\$ 100,317</u>		<u>\$ 101,031</u>

**Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
INVESTMENTS	\$ 750,433	\$ 757,686		\$ 771,286
Total	<u>\$ 750,433</u>	<u>\$ 757,686</u>		<u>\$ 771,286</u>

**Statement 8 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Land	\$ 28,704	\$ 81,847	\$ 55,630	\$ 29,217
	3,000	3,000		3,000
<b>Total</b>	<b>\$ 31,704</b>	<b>\$ 84,847</b>	<b>\$ 55,630</b>	<b>\$ 32,217</b>

**Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
PREPAID EXPENSES	\$ 1,468	\$ 1,468	\$ 1,468
Total	\$ 1,468	\$ 1,468	\$ 1,468

Form **4562**  
 Department of the Treasury  
 Internal Revenue Service

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No 1545-0172  
**2009**  
 Attachment  
 Sequence No **67**

▶ See separate instructions.      ▶ Attach to your tax return.

Name(s) shown on return

**GRACE BUCHANAN MEMORIAL FUND INC.**

Identifying number  
**37-1098842**

Business or activity to which this form relates

**Indirect Depreciation**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	<b>250,000</b>
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	<b>800,000</b>
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	<b>2,487</b>
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	<b>2,487</b>
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2009)

**Federal Asset Report**

**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus %	Sec 179Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Prior MACRS:</b>									
2	BUILDING	1/01/89	78,340			78,340	31 MMS/L	49,636	2,487
3	OFFICE EQUIPMENT	1/01/89	3,507			3,507	7 HY 200DB	3,507	0
			<u>81,847</u>			<u>81,847</u>		<u>53,143</u>	<u>2,487</u>
<b>Other Depreciation:</b>									
1	LAND	1/01/89	3,000			3,000	0 -- Land	0	0
	<b>Total Other Depreciation</b>		<u>3,000</u>			<u>3,000</u>		<u>0</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>3,000</u>			<u>3,000</u>		<u>0</u>	<u>0</u>
	<b>Grand Totals</b>		84,847			84,847		53,143	2,487
	<b>Less: Dispositions and Transfers</b>		0			0		0	0
	<b>Less: Start-up/Org Expense</b>		0			0		0	0
	<b>Net Grand Totals</b>		<u>84,847</u>			<u>84,847</u>		<u>53,143</u>	<u>2,487</u>

**Federal Statements**

**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
BANK INTEREST EARNINGS	\$ 389		14	
Total	\$ 389			

**Taxable Dividends from Securities**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
INTEREST ON BONDS	\$ 44,517		14	IL
Total	\$ 44,517			