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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

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 2010, 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

Name of foundation THE BERNER CHARITABLE AND SCHOLARSHIP FOUNDATION		A Employer identification number 36-3923844
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 06560	Room/suite	B Telephone number (321) 782-5885
City or town, state, and ZIP code CHICAGO, IL 60606-6560		C If exemption application is pending, 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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,439,052.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		16.	16.		STATEMENT 1
4 Dividends and interest from securities		404,083.	404,083.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<76,162.>			
b Gross sales price for all assets on line 6a		950,441.			
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		529.	529.		STATEMENT 3
12 Total. Add lines 1 through 11		328,466.	404,628.		
13 Compensation of officers, directors, trustees, etc		97,200.	77,760.		19,440.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		10,238.	8,190.		2,048.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		4,119.	504.		3,615.
19 Depreciation and depletion		351.	0.		
20 Occupancy		12,453.	9,963.		2,490.
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		1,463.	1,170.		293.
24 Total operating and administrative expenses. Add lines 13 through 23		125,824.	97,587.		27,886.
25 Contributions, gifts, grants paid		392,973.			392,973.
26 Total expenses and disbursements. Add lines 24 and 25		518,797.	97,587.		420,859.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<190,331.>			
b Net investment income (if negative, enter -0-)			307,041.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	171,992.		
	2 Savings and temporary cash investments	217,626.	458,239.	458,239.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 8	6,899,642.	6,629,613.	6,649,096.
	c Investments - corporate bonds STMT 9	1,224,946.	1,236,953.	1,331,717.
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment; basis ▶ 3,668.			
	Less: accumulated depreciation STMT 10 ▶ 3,668.	351.	0.	0.
	15 Other assets (describe ▶ STATEMENT 11)	583.	0.	0.
	16 Total assets (to be completed by all filers)	8,515,140.	8,324,805.	8,439,052.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <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	8,515,140.	8,324,805.	
Net Assets or Fund Balances	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 Total net assets or fund balances	8,515,140.	8,324,805.	
	31 Total liabilities and net assets/fund balances	8,515,140.	8,324,805.	

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	8,515,140.
2 Enter amount from Part I, line 27a	2	<190,331.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	8,324,809.
5 Decreases not included in line 2 (itemize) ▶ ROUNDING	5	4.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,324,805.

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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 SEE ATTACHED STATEMENT			
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 950,441.		1,026,603.	<76,162.>

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			<76,162.>

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	<76,162.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	}	3	N/A

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))
2009	610,345.	6,649,601.	.091787
2008	683,578.	8,439,316.	.080999
2007	709,477.	10,504,941.	.067537
2006	746,508.	10,445,401.	.071468
2005	628,330.	10,625,864.	.059132

2 Total of line 1, column (d)	2	.370923
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	.074185
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	7,886,415.
5 Multiply line 4 by line 3	5	585,054.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,070.
7 Add lines 5 and 6	7	588,124.
8 Enter qualifying distributions from Part XII, line 4	8	420,859.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <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 type="checkbox"/> and enter 1% of Part I, line 27b		1	6,141.
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	6,141.
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	6,141.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	3,600.	
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	3,600.	
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	2,541.	
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 2011 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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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
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"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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?	N/A	
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"/> IL		
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	
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 2010 or the taxable year beginning in 2010 (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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ **N/A**

14 The books are in care of ▶ **RUBEN R. VERNOF** Telephone no. ▶ **312-782-5885**
 Located at ▶ **P.O. BOX 06560, CHICAGO, IL** ZIP+4 ▶ **60606-6560**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
 and enter the amount of tax-exempt interest received or accrued during the year ▶ **15** **N/A**

16 At any time during calendar year 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form 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 checked="" type="checkbox"/> Yes <input 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	X
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 2010?	1c	X
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ _____, _____, _____, _____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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 2010.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☒ Yes ☐ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

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?

If "Yes" to 6b, file Form 8870

6b ☐ ☒

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.

(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
RUBEN R. VERNOF	TRUSTEE			
P.O. BOX 06560				
CHICAGO, IL 60606-6560	10.00	81,000.	0.	0.
NORMAN N. SCHWARTZ	TRUSTEE			
P.O. BOX 06560				
CHICAGO, IL 60606-6560	2.00	16,200.	0.	0.

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

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

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

0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	7,741,546.
b	Average of monthly cash balances	1b	264,967.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	8,006,513.
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	8,006,513.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	120,098.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,886,415.
6	Minimum investment return. Enter 5% of line 5	6	394,321.

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	394,321.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	6,141.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	6,141.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	388,180.
4	Recoveries of amounts treated as qualifying distributions	4	121,688.
5	Add lines 3 and 4	5	509,868.
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	509,868.

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	420,859.
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	420,859.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	420,859.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				509,868.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006	193,683.			
c From 2007				
d From 2008	187,529.			
e From 2009	181,246.			
f Total of lines 3a through e	562,458.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$	420,859.			
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				420,859.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	89,009.			89,009.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	473,449.			
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 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	473,449.			
10 Analysis of line 9:				
a Excess from 2006	104,674.			
b Excess from 2007				
c Excess from 2008	187,529.			
d Excess from 2009	181,246.			
e Excess from 2010				

Part XVII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | Yes | No |
|----------|--|-----|----------|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | | X |
| | (2) Other assets | | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| | (6) Performance of services or membership or fundraising solicitations | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

05/10/11
Date

CO-TRUSTEE

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

LINDA M. NEYLON

Preparer's signature

Preparer's Signature Page 4
Linda M. Nylen

Date _____

05/10/11

Check ☐

self-employed

PTIN

Firm's name ▶ **VERNOF, SCHWARTZ AND COMPANY, C.P.A.'S**

Firm's address ► 300 S. WACKER DRIVE, SUITE 2850
CHICAGO, IL 60606

Firm's EIN ▶

Phone no.	(312) 782-5885
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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 THRU WAYNE HUMMER - SEE STATEMENT ATTACHED		P	VARIOUS	VARIOUS
b THRU MORGAN KEEGAN CO - SEE STATEMENT ATTACHED		P	VARIOUS	VARIOUS
c THRU MORGAN KEEGAN CO - SEE STATEMENT ATTACHED		P	VARIOUS	VARIOUS
d THRU MORGAN KEEGAN CO. - C.I.L.		P	VARIOUS	VARIOUS
e CAPITAL GAIN DISTRIBUTIONS		P	VARIOUS	VARIOUS
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 122,595.		96,495.	26,100.
b 261,837.		255,757.	6,080.
c 562,788.		674,351.	<111,563.>
d 33.			33.
e 3,188.			3,188.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			26,100.
b			6,080.
c			<111,563.>
d			33.
e			3,188.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	<76,162.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

THE BERNER CHARITABLE AND SCHOLARSHIP FOUNDATION
SCHEDULE OF SECURITY SALES AND GAIN OR (LOSS)
FOR THE YEAR ENDING DECEMBER 31, 2010

36-3923844

<u>Quantity</u>		<u>Security</u>	<u>Purchase/</u> <u>Donated</u>	<u>Date</u> <u>Acquired</u>	<u>Date</u> <u>Sold</u>	<u>Sale</u> <u>Proceeds</u>	<u>Cost</u>	<u>Gain or</u> <u>(Loss)</u>
Through Wayne Hummer Account:								
1,200	sh	Applied Materials	P	10/27/00	09/09/10	\$ 13,072 00	\$ 30,797 00	\$ (17,725 00)
300	sh	Applied Materials	P	08/25/03	09/09/10	\$ 3,268 00	\$ 6,200 00	\$ (2,932 00)
500	sh	Carefusion Inc	P	07/06/97	09/09/10	\$ 11,457 00	\$ 7,173 00	\$ 4,284 00
2,300	sh	Patterson Dental Co	P	08/17/01	09/09/10	\$ 60,570 00	\$ 37,143.00	\$ 23,427 00
500	sh	Stencycle, Inc	P	02/07/06	09/09/10	\$ 34,228 00	\$ 15,182 00	\$ 19,046 00
Total Wayne Hummer Long-Term						\$ 122,595 00	\$ 96,495 00	\$ 26,100 00
Through Morgan Keegan Co. Account:								
288	sh	Frontier Communication, Inc	P	3/30/2010	12/28/2010	\$ 2,734 00	\$ 2,351 00	\$ 383 00
374	sh	Saratoga Investment Corp	P	1/1/2010	10/22/2010	\$ 7,385 00	\$ 5,653 00	\$ 1,732 00
1,700	sh	Keycorp New	P	9/4/2009	4/13/2010	\$ 13,499 00	\$ 10,794 00	\$ 2,705 00
100,000		Regions Bank of Birmingham, AL, 7 5%	P	9/16/2010	11/5/2010	\$ 105,500 00	\$ 105,327 00	\$ 173 00
100,000		Regions Bank of Birmingham, AL, 7 5%	P	9/17/2010	11/5/2010	\$ 105,500 00	\$ 105,632 00	\$ (132 00)
25,000		Regions Financial Corp , 7 75%	P	2/9/2010	11/5/2010	\$ 27,219 00	\$ 26,000 00	\$ 1,219 00
Total Morgan Keegan Short-Term						\$ 261,837 00	\$ 255,757 00	\$ 6,080 00
2,000	sh	Altria Group, Inc	P	05/21/07	08/31/10	\$ 44,002 00	\$ 43,504 00	\$ 498 00
1,000	sh	BHP Billiton Ltd Spons ADR	P	10/08/07	11/10/11	\$ 88,696 00	\$ 78,798 00	\$ 9,898 00
2,000	sh	CapitalSource, Inc	P	05/24/07	10/22/10	\$ 11,268 00	\$ 49,302 00	\$ (38,034 00)
192	sh	Frontier Communications, Inc	P	10/30/09	12/28/10	\$ 1,690 00	\$ 1,490 00	\$ 200 00
200	sh	Saratoga Investment Corp	P	06/04/07	10/22/10	\$ 3,949 00	\$ 28,279 00	\$ (24,330 00)
200	sh	Saratoga Investment Corp	P	06/14/07	10/22/10	\$ 3,949 00	\$ 27,499 00	\$ (23,550 00)
415	sh	Highland Credit Strategies Fd	P	02/21/07	10/22/10	\$ 3,056 00	\$ 13,500 00	\$ (10,444 00)
959	sh	Highland Credit Strategies Fd	P	03/08/07	10/22/10	\$ 7,135 00	\$ 31,664 00	\$ (24,529 00)
25	sh	Highland Credit Strategies Fd	P	06/29/07	10/22/10	\$ 184 00	\$ 788 00	\$ (604 00)
30	sh	Highland Credit Strategies Fd	P	10/24/07	10/22/10	\$ 221 00	\$ 791 00	\$ (570 00)
2,000	sh	CORTS for Sherwin Williams, 7 5%	P	04/10/01	12/28/10	\$ 50,000 00	\$ 50,000 00	\$ -
2,000	sh	CORTS for Sherwin Williams, 7 25%	P	02/01/02	05/25/10	\$ 50,000 00	\$ 50,000 00	\$ -
4,000	sh	USB Capital X, 6 5%	P	04/05/06	05/17/10	\$ 101,902 00	\$ 100,000 00	\$ 1,902 00
4,000	sh	Wells Fargo Capital XI, 6 25%	P	05/16/07	09/17/10	\$ 102,798 00	\$ 100,000 00	\$ 2,798 00
100,000		Boise Cascade Corp Debs , 7 35%	P	12/20/96	05/17/10	\$ 93,938 00	\$ 98,736 00	\$ (4,798 00)
Total Morgan Keegan Co. - Long Term						\$ 562,788 00	\$ 674,351 00	\$ (111,563 00)

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	MINOLTA PHOTOCOPIER	12/15/05	200DB	5.00	17	3,668.			3,668.	3,317.		351.
	* TOTAL 990-PF PG 1					3,668.		0.	3,668.	3,317.	0.	351.
	DEPR											

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

SOURCE	AMOUNT
US BANK	6.
WAYNE HUMMER - MMA	10.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	16.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS AND INTEREST FROM SECURITIES	404,083.	0.	404,083.
TOTAL TO FM 990-PF, PART I, LN 4	404,083.	0.	404,083.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	529.	529.	
TOTAL TO FORM 990-PF, PART I, LINE 11	529.	529.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
VERNOF, SCHWARTZ & CO., C.P.A.'S	10,238.	8,190.		2,048.
TO FORM 990-PF, PG 1, LN 16B	10,238.	8,190.		2,048.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	504.	504.		0.	
EXCISE TAXES	3,615.	0.		3,615.	
TO FORM 990-PF, PG 1, LN 18	4,119.	504.		3,615.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE	750.	600.		150.	
BANK CHARGES	218.	174.		44.	
PROFESSIONAL DUES	495.	396.		99.	
TO FORM 990-PF, PG 1, LN 23	1,463.	1,170.		293.	

FOOTNOTES				STATEMENT	7
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1. THE SCHOLARSHIP SELECTION COMMITTEE CONSISTS OF RUBEN R. VERNOF, CO-TRUSTEE, JEFFREY TODD, WILLIS GODOWNS, TYRONE ELLIOTT, AND ROBIN MCINVALE. A MAJORITY OF THE COMMITTEE SHALL ELECT THE PERSON OR PERSONS TO WHOM THE SCHOLARSHIPS ARE AWARDED.

2. ONLY RESIDENTS OF THE UNITED STATES OF AMERICA ARE ELIGIBLE TO BE RECIPIENTS OF THESE SCHOLARSHIPS. ELIGIBLE STUDENTS ARE THOSE WHO ARE PLANNING TO ATTEND OR ARE ATTENDING ANY ACCREDITED UNITED STATES COLLEGE OR UNIVERSITY GRANTING ANY OF THE FOLLOWING DEGREES: BACHELORS, MASTERS, DOCTOR OF PHILOSOPHY, DOCTOR OF MEDICINE, DOCTOR OF DENTISTRY, DOCTOR OF LAWS, DOCTOR OF VETERINARY MEDICINE OR OTHER COMMONLY ACCEPTED ACCREDITED ADVANCED DEGREES.

3. PERSONS OF BOTH SEXES AND ALL AGES, RACES AND RELIGIONS SHALL BE ELIGIBLE TO RECEIVE THESE SCHOLARSHIPS. SELECTION SHALL BE BASED ON SCHOLASTIC ACHIEVEMENT OR THE POTENTIAL TO MAKE SCHOLASTIC ACHIEVEMENTS, FINANCIAL NEED AND DEMONSTRATED QUALITY OF LEADERSHIP.

4. THE NUMBER OF POTENTIAL RECIPIENTS WILL DEPEND ON THE

AMOUNT OF AVAILABLE FUNDS, AND IT IS ANTICIPATED TO BE AT LEAST FOUR (4) PER YEAR.

5. APPLICANTS MUST GRADUATE FROM HIGH SCHOOL WITH A "C" AVERAGE OR BETTER IF THE SCHOLARSHIP IS FOR AN UNDERGRADUATE DEGREE. IF THE STUDENT IS SEEKING A GRADUATE DEGREE, HE OR SHE MUST HAVE GRADUATED COLLEGE WITH A "C" OR BETTER AVERAGE. APPLICANTS MUST ENROLL AS FULL-TIME STUDENTS AND CARRY A FULL-TIME COURSE LOAD.

6. THE AVAILABILITY OF THE GRANT WILL BE PUBLICIZED THROUGH THE FINANCIAL AID OFFICES OF THE RESPECTIVE SCHOOLS.

7. THE GRANT WILL BE PAID TO THE RECIPIENT, TO HIS OR HER FAMILY, OR DIRECTLY TO THE COLLEGE OR UNIVERSITY FOR THE BENEFIT OF THE RECIPIENT.

A) ARRANGEMENTS WILL BE MADE TO RECEIVE REPORTS OF COURSES TAKEN AND GRADES IN EACH ACADEMIC PERIOD.

B) IN THE EVENT THAT A RECIPIENT SHALL FAIL TO MAINTAIN AN AVERAGE OF "C" OR BETTER, SHOULD ABANDON COLLEGE OR UNIVERSITY ATTENDANCE, SHOULD DIE, OR SHOULD FAIL TO COMPLETE ONE ACADEMIC YEAR WITHIN TWELVE (12) MONTHS FROM THE BEGINNING OF THE SCHOLASTIC YEAR NEXT FOLLOWING HIS OR HER AWARD, THE SCHOLARSHIP SHALL BE TERMINATED IN THE DISCRETION OF THE SELECTION COMMITTEE AND THE UNUSED PORTIONS OF THE SCHOLARSHIP SHALL BE PROMPTLY REFUNDED TO THE TRUSTEE.

C) THE SELECTION COMMITTEE SHALL SELECT ONE OR MORE ALTERNATES WHO SHALL BE THE RECIPIENTS OF THE SCHOLARSHIPS PREVIOUSLY AWARDED TO PERSONS WHO, PRIOR TO BEGINING SUCH ADACEMIC YEAR, FAIL TO ENTER HIS OR HER COLLEGE OR UNIVERSITY.

8. NO GRANTS WILL BE AWARDED TO ANY DISQUALIFIED PERSON AS DESCRIBED IN SEC. 4946(A) OF THE INTERNAL REVENUE CODE.

9. THE RECIPIENT WILL BE REQUIRED TO EXECUTE A PROMISSORY NOTE IN ACCORDANCE WITH THE TERMS OF THE TRUST DOCUMENT AND NO SECURITY WILL BE REQUIRED.

10. THE PROCEDURES IN MAKING AND MANAGING THE LOAN PORTION OF THE SCHOLARSHIP GRANTS WILL NOT DIFFER IN ANY MATERIAL WAY FROM THE PROCEDURES DESCRIBED IN 1, 2, 3, 5, 6 AND 7.

11. TO THE EXTENT THAT THE TRUSTEE ELECTS NOT TO DISTRIBUTE THE ENTIRE NET INCOME OF THE TRUST IN ANY YEAR FOR SCHOLARSHIP PURPOSES, THE TRUSTEE SHALL DISTRIBUTE THE BALANCE OF THE NET INCOME FOR ANY SUCH YEAR TO ANY ONE OR MORE CHARITABLE ORGANIZATIONS AS THE TRUSTEE SHALL DEEM APPROPRIATE.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN KEEGAN - SEE STATEMENT ATTACHED	5,550,174.	5,321,880.
WAYNE HUMMER ACCOUNT - SEE STATEMENT ATTACHED	1,079,439.	1,327,216.
TOTAL TO FORM 990-PF, PART II, LINE 10B	6,629,613.	6,649,096.

FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN KEEGAN - SEE STATEMENT ATTACHED	1,181,637.	1,278,294.
WAYNE HUMMER ACCOUNT - SEE STATEMENT ATTACHED	55,316.	53,423.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,236,953.	1,331,717.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	10
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
MINOLTA PHOTOCOPIER	3,668.	3,668.	0.
TOTAL TO FM 990-PF, PART II, LN 14	3,668.	3,668.	0.

FORM 990-PF	OTHER ASSETS	STATEMENT	11
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
FEDERAL EXCISE TAX DEPOSIT	583.	0.	0.
TO FORM 990-PF, PART II, LINE 15	583.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 12

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ABERNATHY, MARY R. LAGRANGE COLLEGE LAGRANGE, GA 30240	NONE SCHOLARSHIP GRANT	N/A	7,448.
ADKINS, CELESTE, A. LAGRANGE COLLEGE LAGRANGE, GA 30240	NONE SCHOLARSHIP GRANT	N/A	11,633.
ALS FOUNDATION, INC. 5550 W. TOUHY SKOKIE, IL 60077	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
AMERICAN CANCER SOCIETY 225 N. MICHIGAN AVE, SUITE 1200 CHICAGO, IL 60601	NONE CANCER RESEARCH, PREVENTION AND EDUCATION	PUBLIC CHARITY	10,000.
AMERICAN HEALTH ASSISTANCE FOUNDATION (MACULAR DEGENERATION) - 22512 GATEWAY CENTER DRIVE CLARKSBURG, MD 20871	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
AMERICAN HEART ASSOCIATION 208 S. LASALLE ST., SUITE 1500 CHICAGO, IL 60604	NONE RESEARCH OF HEART DISEASE AND ITS PREVENTION	PUBLIC CHARITY	10,000.
AMERICAN RED CROSS 22200 W. HARRISON ST. CHICAGO, IL 60612	NONE PROVIDE IMMEDIATE BASIS NEEDS TO VICTIMS OF DISASTER	PUBLIC CHARITY	1,000.
AMERICAN SOCIETY FOR TECHNION 111 WEST WASHINGTON, #1220 CHICAGO, IL 60602	NONE EDUCATIONAL	PUBLIC CHARITY	1,000.

ANDERSON, URSULA GEORGIA INSTITUTE OF TECHNOLOGY ATLANTA, GA 30332	NONE SCHOLARSHIP GRANT	N/A	5,000.
ASPCA 520 EIGHTH AVENUE NEW YORK, NY 10018	NONE PREVENTION OF CRUELTY TO ANIMALS	PUBLIC CHARITY	1,000.
BOWEN, TREVOR ARMSTRONG ATLANTIC STATE UNIVERSITY SAVANNAH, GA 31419	NONE SCHOLARSHIP GRANT	N/A	13,733.
BRADSHAW, JONATHAN UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE SCHOLARSHIP GRANT	N/A	18,000.
BYERS, EMILY AUBURN UNIVERSITY AUBURN, AL 36849	NONE SCHOLARSHIP GRANT	N/A	15,000.
CAPPIELLO, DIANA UNIVERSITY OF MARYLAND COLLEGE PARK, MD 20740	NONE SCHOLARSHIP GRANT	N/A	4,832.
CHEW, ALEXANDER UNIVERSITY OF ILLINOIS - CHICAGO CHICAGO, IL 60607	NONE SCHOLARSHIP GRANT	N/A	20,000.
CHICAGO LIGHTHOUSE FOR THE BLIND 1850 W. ROOSEVELT ROAD CHICAGO, IL 60608-9927	NONE SERVICES TO BLIND AND VISUALLY IMPAIRED	PUBLIC CHARITY	10,000.
COCHRAN, LAUREN AUBURN UNIVERSITY AUBURN, AL 36849	NONE SCHOLARSHIP GRANT	N/A	11,260.
CONNELL, KELSEY LA GRANGE COLLEGE LAGRANGE, GA 30240	NONE SCHOLARSHIP GRANT	N/A	2,449.

DANIELS, ANNA K. AUBURN UNIVERSITY AUBURN, AL 36849	NONE SCHOLARSHIP GRANT	N/A	15,000.
DAY, LINDSEY AUBURN UNIVERSITY AUBURN, AL 36849	NONE SCHOLARSHIP GRANT	N/A	10,000.
DOCTORS WITHOUT BORDERS 333 SEVENTH AVENUE NEW YORK, NY 10001	NONE PROVIDE MEDICAL ASSISTANCE	PUBLIC CHARITY	1,000.
EPILEPSY FOUNDATION 8301 PROVESSIONAL PLACE LANDOVER, MD 20785	NONE AWARENESS, EDUCATION AND RESEARCH FOR EPILEPSY	PUBLIC CHARITY	1,000.
FARMER, ZACHARY BERRY COLLEGE MOUNT BERRY, GA 30149	NONE SCHOLARSHIP GRANT	N/A	10,000.
FEUERSTEIN, ALEXANDRA UNIVERSITY OF INDIANA INDIANAPOLIS, IN 46206	NONE SCHOLARSHIP GRANT	N/A	13,500.
FOWLER, PATRICIA UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE SCHOLARSHIP GRANT	N/A	13,000.
GALSTER, ELEANOR UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE SCHOLARSHIP GRANT	N/A	5,882.
GARRETT, DANIEL LAGRANGE COLLEGE LAGRANGE, GA 30240	NONE SCHOLARSHIP GRANT	N/A	2,199.
GEORGIA STATE UNIVERSITY FOUNDATION P.O. BOX 3963 ATLANTA, GA 30302	NONE SCHOLARSHIP FUND	PRIVATE FOUNDATION	109,160.

GLENWOOD WEST 41W400 SILVER GLEN ROAD ST. CHARLES, IL 60175	NONE EDUCATIONAL	PUBLIC CHARITY	1,000.
HATCHER, RICHMOND UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE SCHOLARSHIP GRANT	N/A	18,000.
HOSIMER, PAMELA UNIVERSITY OF MARYLAND COLLEGE PARK, MD 20740	NONE SCHOLARSHIP GRANT	N/A	5,000.
JH UNIVERSITY (WILMER EYE INSTITUTE) 600 NORTH WOLFE ROAD BALTIMORE, MD 21287	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
LAMPING, KYLE INDIANA UNIVERSITY INDIANAPOLIS, IN 46206	NONE SCHOLARSHIP GRANT	N/A	5,000.
LAUBE, REBECCA AUBURN UNIVERSITY AUBURN, GA 36849	NONE SCHOLARSHIP GRANT	N/A	5,000.
LAWRENCE HALL YOUTH SERVICES 4833 N. FRANCISCO CHICAGO, IL 60625	NONE EDUCATIONAL	PUBLIC CHARITY	1,000.
LEUKEMIA & LYMPHOMA SOCIETY 651 W. WASHINGTON BLVD., #400 CHICAGO, IL 60661	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
LITTLE CITY FOUNDATION 1760 W. ALGONQUIN ROAD PALATINE, IL 60067	NONE HUMANITARIAN	PUBLIC CHARITY	1,000.
MANGOLD, AARON RUSH UNIVERSITY CHICAGO, IL 60612	NONE SCHOLARSHIP GRANT	N/A	5,000.

MAYO FOUNDATION - DEPARTMENT OF DEVELOPMENT 200 FIRST STREET S.W. ROCHESTER, MN 55905	NONE MEDICAL RESEARCH	PRIVATE FOUNDATION	10,000.
NATIONAL MULTIPLE SCLEROSIS SOCIETY 525 W. MONROE ST. CHICAGO, IL 60661	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
NORKIEWICZ, KENNETH UNIVERSITY OF ILLINOIS CHICAGO, IL 60607	NONE SCHOLARSHIP GRANT	N/A	10,088.
NORRIS, AUSTIN UNIVERSITY OF GEORGIA ATHENS, GA 30602	NONE SCHOLARSHIP GRANT	N/A	10,500.
NORTH SHORE UNIVERSITY HEALTH SYSTEM FOUNDATION 1033 UNIVERSITY PLACE, #450 EVANSTON, IL 60201	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
PARKINSON'S DISEASE FOUNDATION 1359 BROADWAY, #1509 NEW YORK, NY 60018	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
PETS FOR THE ELDERLY FOUNDATION P.O. BOX 226 WYCLIFFE, OH 44092	NONE HELPING TO UNITE UNWANTED PETS WITH LONELY SENIOR CITIZENS	PUBLIC CHARITY	1,000.
PLOTKIN, YAELE INDIANA UNIVERSITY BLOOMINGTON, IN 47406	NONE SCHOLARSHIP GRANT	N/A	20,036.
PRATHER, AKERA FORT VALLEY STATE UNIVERSITY FORT VALLEY, GA 31030	NONE SCHOLARSHIP GRANT	N/A	4,000.
RESPIRATORY HEALTH ASSOCIATION 1440 W. WASHINGTON BLVD. CHICAGO, IL 60607	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.

THE BERNER CHARITABLE AND SCHOLARSHIP FO .

36,392,384.4

RICHIE, JASON UNIVERSITY OF NORTH CAROLINA CHAPEL HILL, NC 27514	NONE SCHOLARSHIP GRANT	N/A	5,000.
RISKIN, MICAH L. INDIANA UNIVERSITY INDIANAPOLIS, IN 46206	NONE SCHOLARSHIP GRANT	N/A	10,412.
ROTWEIN, KELSEY UNIVERSITY OF ILLINOIS-CHGO CHICAGO, IL 60607	NONE SCHOLARSHIP GRANT	N/A	4,829.
SIMON, AUSTIN ILLINOIS STATE UNIVERSITY NORMAL, IL 61761	NONE SCHOLARSHIP GRANT	N/A	5,000.
SIMON, BRETT ILLINOIS STATE UNIVERSITY NORMAL, IL 61761	NONE SCHOLARSHIP GRANT	N/A	14,939.
SOLOMON SCHECHTER DAY SCHOOL 3210 DUNDEE ROAD NORTHBROOK, IL 60062	NONE EDUCATIONAL	PUBLIC CHARITY	1,000.
ST. JUDE'S CHILDRENS RESEARCH HOSPITAL 501 ST. JUDE PLACE MEMPHIS, TN 38105	NONE MEDICAL RESEARCH	PUBLIC CHARITY	1,000.
UPCHURCH, DAVID AUBURN UNIVERSITY AUBURN, AL 36849	NONE SCHOLARSHIP GRANT	N/A	10,000.
WEISS, JORIE COLUMBIA COLLEGE CHICAGO, IL 60605	NONE SCHOLARSHIP GRANT	N/A	4,761.
WEISS, KARLI INDIANA UNIVERSITY INDIANAPOLIS, IN 46206	NONE SCHOLARSHIP GRANT	N/A	5,000.

THE BERNER CHARITABLE AND SCHOLARSHIP FO

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WILSON, ANGELA	NONE	N/A	5,000.
SAVANNAH COLLEGE OF ART	SCHOLARSHIP GRANT		
SAVANNAH, GA 31402			

ZALCMAN, JULIE	NONE	N/A	20,000.
JOHNS HOPKINS UNIVERSITY	SCHOLARSHIP GRANT		
BALTIMORE, MD 21264			

TOTAL TO FORM 990-PF, PART XV, LINE 3A

514,661.

THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION

BALANCE SHEET - LINE 10

36-3923844

MORGAN KEEGAN ACCOUNT

# Shares		Beginning of Year	End of Year	End of Year
Face	Description	Book Value	Book Value	FMV
<u>U.S. and State Government Obligations</u>				
Totals, to Line 10a				
		\$ -	\$ -	\$ -
<u>Common Stocks</u>				
2,000	AFLAC, INC	\$ 13,500	\$ 13,500	\$ 112,860
7,000	AFLAC, INC	\$ 302,247	\$ 302,247	\$ 395,010
1,000	AFLAC, INC	\$ 23,827	\$ 23,827	\$ 56,430
3,000	AFLAC, INC	\$ 77,308	\$ 77,308	\$ 169,290
3,000	ALCOA, INC	\$ 33,488	\$ 33,488	\$ 46,170
3,000	ALCOA, INC	\$ -	\$ 31,865	\$ 46,170
2,000	ALTRIA	\$ 43,504	\$ -	\$ -
2,000	A T & T, INC	\$ 52,213	\$ 52,213	\$ 58,760
1,000	A T & T, INC	\$ 26,519	\$ 26,519	\$ 29,380
2,000	BANK OF AMERICA CORP	\$ 74,412	\$ 74,412	\$ 26,680
2,000	BANK OF AMERICA CORP	\$ 76,118	\$ 76,118	\$ 26,680
2,000	BANK OF AMERICA CORP	\$ 100,447	\$ 100,447	\$ 26,680
430	BANK OF AMERICA CORP	\$ 29,164	\$ 29,164	\$ 5,736
430	BANK OF AMERICA CORP	\$ 34,229	\$ 34,229	\$ 5,736
859	BANK OF AMERICA CORP	\$ 48,394	\$ 48,394	\$ 11,459
5,181	BANK OF AMERICA CORP	\$ 85,567	\$ 85,567	\$ 69,115
500	BERKSHIRE HATHAWAY, INC CLASS B	\$ -	\$ 35,967	\$ 40,055
1,000	BHP BILLITON LED SPONS	\$ 78,798	\$ -	\$ -
1,000	BP AMOCO PLC, ADR	\$ -	\$ 55,935	\$ 44,170
1,000	BP AMOCO PLC, ADR	\$ -	\$ 36,512	\$ 44,170
2,000	CAPITALSOURCE INC	\$ 49,301	\$ -	\$ -
1,000	CHEVRON CORP	\$ 57,876	\$ 57,876	\$ 91,250
10,000	CITIGROUP INC	\$ 50,908	\$ 50,908	\$ 47,300
1,000	CONOCOPHILLIPS	\$ 58,158	\$ 58,158	\$ 68,100
1,000	CONOCOPHILLIPS	\$ 57,926	\$ 57,926	\$ 68,100
1,000	CONOCOPHILLIPS	\$ 69,157	\$ 69,157	\$ 68,100
2,000	R R DONNELLEY & SONS CO	\$ 87,262	\$ 87,262	\$ 34,940
2,500	EATON VANCE TAX-MANAGED DIVERSIFIED EQ FD	\$ 46,715	\$ 46,715	\$ 28,275
2,500	EATON VANCE TAX-MANAGED DIVERSIFIED EQ FD	\$ 38,966	\$ 38,966	\$ 28,275
5,000	EATON VANCE TAX-MGD GLOBAL DIV EQ FD	\$ 93,939	\$ 93,939	\$ 52,650
3,000	EATON VANCE TAX-MGD GLOBAL DIV EQ FD	\$ 37,826	\$ 37,826	\$ 31,590
2,500	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD	\$ 52,056	\$ 52,056	\$ 33,200
64	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD - DR	\$ 1,125	\$ 1,125	\$ 850
259	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD - DR	\$ 4,784	\$ 4,784	\$ 3,440
76	EATON VANCE RISK MANAGED DIVERSIFIED EQ FD - DR	\$ 1,260	\$ 1,260	\$ 1,009
1,200	FIFTH THIRD BANK	\$ 12,812	\$ 12,812	\$ 17,616
1177 5	FIRST HORIZON NATIONAL CORP	\$ 28,048	\$ 28,048	\$ 13,871
1177 5	FIRST HORIZON NATIONAL CORP	\$ 27,051	\$ 27,051	\$ 13,871
2355	FIRST HORIZON NATIONAL CORP	\$ 48,478	\$ 48,478	\$ 27,742
192	FRONTIER COMMUNICATIONS	\$ 1,490	\$ -	\$ -
200	SARATOGA INVESTMENT CORP	\$ 28,279	\$ -	\$ -
200	SARATOGA INVESTMENT CORP	\$ 27,499	\$ -	\$ -
2,000	GENERAL ELECTRIC CO	\$ 24,769	\$ 24,769	\$ 36,580
1,439	HIGHLAND CREDIT STRATEGIES FD	\$ 46,743	\$ -	\$ -
1,000	INTEL CORP	\$ 23,282	\$ 23,282	\$ 21,030
2,000	INTEL CORP	\$ 46,328	\$ 46,328	\$ 42,060
3,000	INTEL CORP	\$ 64,723	\$ 64,723	\$ 63,090
2,000	INTERNATIONAL PAPER CO	\$ -	\$ 41,395	\$ 54,480
1,000	JOHNSON & JOHNSON	\$ 66,826	\$ 66,826	\$ 61,850

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

BALANCE SHEET - LINE 10

36-3923844

MORGAN KEEGAN ACCOUNT

# Shares			Beginning of Year	End of Year	End of Year
Face	Description		Book Value	Book Value	FMV
2,000	JP MORGAN CHASE & CO	\$	74,207	\$ 74,207	\$ 84,840
1,000	KAYNE ANDERSON MLP INVT COMPANY	\$	20,161	\$ 20,161	\$ 31,470
2,000	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	44,086	\$ 44,086	\$ 58,218
135	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	3,778	\$ 3,778	\$ 3,930
209	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	4,516	\$ 4,516	\$ 6,084
87	KAYNE ANDERSON ENERGY TOTAL RETURN FD	\$	1,211	\$ 1,211	\$ 2,532
3,000	KAYNE ANDERSON ENERGY DEV CO	\$	62,804	\$ 62,804	\$ 54,030
1,700	KEYCORP NEW	\$	10,793	\$ -	\$ -
1,000	KRAFT FOODS, INC	\$	-	\$ 28,546	\$ 31,510
2,500	LOWES COMPANIES INC	\$	71,547	\$ 71,547	\$ 62,700
1,000	MEDTRONIC INC	\$	45,453	\$ 45,453	\$ 37,090
500	MERCK & COMPANY, INC	\$	22,354	\$ 22,354	\$ 18,020
1,000	MERCK & COMPANY, INC	\$	33,347	\$ 33,347	\$ 36,040
1,000	MERCK & COMPANY, INC.	\$	49,653	\$ 49,653	\$ 36,040
1,000	MICROSOFT CORP	\$	34,865	\$ 34,865	\$ 27,910
1,000	PEPSICO, INC	\$	50,721	\$ 50,721	\$ 65,330
500	PEPSICO, INC	\$	21,043	\$ 21,043	\$ 32,665
2,000	PFIZER INC	\$	53,159	\$ 53,159	\$ 35,020
2,000	PFIZER INC	\$	50,464	\$ 50,464	\$ 35,020
500	PRAXAIR, INC	\$	42,171	\$ 42,171	\$ 47,735
1,000	ROYAL DUTCH SHELL PLC ADR CL A	\$	52,824	\$ 52,824	\$ 66,780
768	ROYCE FD MICRO CAP FUND	\$	12,840	\$ 12,840	\$ 12,222
33	ROYCE FD MICRO CAP FUND - DR	\$	250	\$ 250	\$ 525
6	ROYCE FD MICRO CAP FUND - DR	\$	75	\$ 75	\$ 95
7	ROYCE FD MICRO CAP FUND - DR	\$	-	\$ 103	\$ 111
2,000	RUBICON TECHNOLOGIES, INC	\$	59,636	\$ 59,636	\$ 42,160
2,000	RUBICON TECHNOLOGIES, INC	\$	7,678	\$ 7,678	\$ 42,160
2,000	SUNTRUST BANKS, INC	\$	-	\$ 46,987	\$ 59,020
1,500	TEXTRON, INC	\$	19,512	\$ 19,512	\$ 35,460
800	VERIZON COMMUNICATIONS	\$	22,535	\$ 22,535	\$ 28,624
1,200	VERIZON COMMUNICATIONS	\$	-	\$ 35,562	\$ 42,936
3,169	WESTERN ASSETS EMERGING MKTS DEBT FD INC	\$	62,157	\$ 62,157	\$ 58,006
500	WALGREEN CO NEW	\$	3,832	\$ 3,832	\$ 19,480
2,000	WELLS FARGO & CO NEW	\$	58,921	\$ 58,921	\$ 61,980
398	WELLS FARGO & CO NEW	\$	52,000	\$ 52,000	\$ 12,334
398	WELLS FARGO & CO NEW	\$	100,426	\$ 100,426	\$ 12,334
299	WELLS FARGO & CO NEW	\$	41,226	\$ 41,226	\$ 9,266

PREFERRED STOCKS

2,000	PARTNERRE LTD , 6 75%	\$	50,000	\$ 50,000	\$ 49,200
2,000	REPSOL INT'L CAP LTD 7 45%	\$	49,750	\$ 49,750	\$ 51,360
4,000	AEGON N V CAP SECS, 6 375%	\$	100,000	\$ 100,000	\$ 86,560
2,000	BAC CAPITAL TRUST III, 7 00%	\$	54,324	\$ 54,324	\$ 48,640
1,000	BARCLAYS BANK PLC 6 625%	\$	25,000	\$ 25,000	\$ 23,330
4,500	BARCLAYS BANK PLC 6 625%	\$	98,057	\$ 98,057	\$ 104,985
2,000	CAPITAL ONE CAPITAL II, 7 50%	\$	50,000	\$ 50,000	\$ 50,920
2,000	COMCAST CORP, 7 0%	\$	50,000	\$ 50,000	\$ 50,700
2,000	CORTS FOR UNUMPROVIDENT II, 8 2%	\$	50,000	\$ 50,000	\$ 52,000
2,000	CORTS FOR SHERWIN WILLIAMS, 7 5%	\$	50,000	\$ -	\$ -
2,000	CORTS FOR SHERWIN WILLIAMS, 7 25%	\$	50,000	\$ -	\$ -
4,000	COUNTRYWIDE CAPITAL V, 7 0%	\$	100,000	\$ 100,000	\$ 98,400
2,000	DUKE REALTY CORP SER K, 5 842%	\$	51,500	\$ 51,500	\$ 44,280
4,000	KEYCORP CAPITAL VIII, 7 0%	\$	100,000	\$ 100,000	\$ 97,760
2,000	MNBA CAP TR PFD SER E, 8 10%	\$	50,805	\$ 50,805	\$ 50,900
4,000	MORGAN STANLEY CP TR III, 6 25%	\$	99,880	\$ 99,880	\$ 89,680
2,000	MERRILL LYNCH TR V, 7 28%	\$	49,665	\$ 49,665	\$ 49,000

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

BALANCE SHEET - LINE 10

36-3923844

MORGAN KEEGAN ACCOUNT

# Shares		Beginning of Year	End of Year	End of Year
Face	Description	Book Value	Book Value	FMV
4,000	ML CAP TR, 7 0% PERPETUAL	\$ 108,517	\$ 108,517	\$ 95,520
2,490	MERRILL LYNCH PFD CAP TR IV, 7 120%	\$ 39,925	\$ 39,925	\$ 61,204
4,000	NATIONAL CITY CAP TR III, 6 625%	\$ 100,000	\$ 100,000	\$ 99,440
4,000	PROLOGIS TRUST 6 75% PFD	\$ 102,500	\$ 102,500	\$ 91,760
2,000	PROTECTIVE LIFE CORP 7 25%	\$ 50,000	\$ 50,000	\$ 49,860
2,000	PS BUSINESS PARKS, INC 7 375%	\$ 50,000	\$ 50,000	\$ 50,440
2,000	PUBLIC STORAGE 6 25% PFD	\$ 50,000	\$ 50,000	\$ 48,600
2,000	PUBLIC STORAGE 6 50% PERPETUAL PFD	\$ 51,400	\$ 51,400	\$ 48,820
2,000	PUBLIC STORAGE INC 6 18%	\$ 50,000	\$ 50,000	\$ 47,680
4,000	ROYAL BANK OF SCOTLAND, 5.75%, PFD SER B	\$ 100,720	\$ 100,720	\$ 69,720
2,000	ROYAL BANK OF SCOTLAND, 6 35%, PFD SER N	\$ 50,000	\$ 50,000	\$ 29,100
2,000	SEARS ROEBUCK ACCEPT CO , 7 40%	\$ 50,700	\$ 50,700	\$ 35,250
2,000	TORCHMARK CAP TR III, 7 10	\$ 50,100	\$ 50,100	\$ 51,200
4,000	USB CAPITAL X, 6 50%	\$ 100,000	\$ -	\$ -
2,000	VORNADO REALTY TRUST, 6 625%	\$ 49,280	\$ 49,280	\$ 46,400
4,000	WACHOVIA CAP TR IX 6 375%	\$ 100,000	\$ 100,000	\$ 98,720
2,700	WACHOVIA CAP TRUST IV, 6 375%	\$ 48,018	\$ 48,018	\$ 66,366
2,000	WELLS FARGO CAPITAL TR IV, 7 0%	\$ 50,000	\$ 50,000	\$ 50,588
4,000	WELLS FARGO CAPITAL XI, 6 25%	\$ 100,000	\$ -	\$ -
Totals, to line 10b		\$ 5,823,709	\$ 5,550,174	\$ 5,321,880

Corporate Bonds

100,000	AETNA SVC IND DEB, 6 75%	\$ 96,377	\$ 96,377	\$ 107,998
100,000	BANKERS TR NY CORP, 7 50%	\$ 102,486	\$ 102,486	\$ 111,898
100,000	BOISE CASCADE CORP DEBS, 7 35%	\$ 98,736	\$ -	\$ -
83,000	DOLE FOODS CO DEB, 7 875%	\$ 85,762	\$ 85,762	\$ 88,810
114,000	FIRST TENNESSEE BANK, 5 05%	\$ 104,321	\$ 104,321	\$ 112,613
109,000	FIRST TENNESSEE BANK, 5 650%	\$ -	\$ 110,907	\$ 110,090
200,000	FORD MOTOR CR MEDTERM 7 30%	\$ 199,687	\$ 199,687	\$ 204,140
184,000	GA PACIFIC CORP DEB, 7 70%	\$ 182,223	\$ 182,223	\$ 209,300
100,000	IRON MOUNTAIN INC , 8 0%	\$ 99,505	\$ 99,505	\$ 105,000
100,000	BANK OF AMERICA CORP, 7 75%	\$ 104,700	\$ 104,700	\$ 112,024
95,000	NEW AMER HLDG INC, 8 0%	\$ 95,669	\$ 95,669	\$ 116,421
Totals, to line 10c		\$ 1,169,466	\$ 1,181,637	\$ 1,278,294

**THE BERNER CHARITABLE AND
SCHOLARSHIP FOUNDATION**

**BALANCE SHEET - LINE 10
WILLIAM BLAIR ACCOUNT**

36-3923844

<u># Sh/ Face</u>	<u>Description</u>	<u>Beginning of Year Book Value</u>	<u>End of Year Book Value</u>	<u>End of Year FMV</u>
<u>Corporate Stock</u>				
1,200	Applied Materials	\$ 30,797	\$ -	\$ -
300	Applied Materials	\$ 6,200	\$ -	\$ -
1,000	Cardinal Health, Inc	\$ 18,103	\$ 18,103	\$ 38,310
500	Carefusion, Inc	\$ 7,173	\$ -	\$ -
800	Cisco Systems Inc	\$ 11,927	\$ 11,927	\$ 16,184
700	Cisco Systems Inc	\$ 13,849	\$ 13,849	\$ 14,161
1,000	Cisco Systems Inc	\$ 20,363	\$ 20,363	\$ 20,230
300	Colgate Palmolive Co	\$ 16,551	\$ 16,551	\$ 24,111
700	Colgate Palmolive Co	\$ 41,331	\$ 41,331	\$ 56,259
1,000	Exxon Mobil Corp	\$ 41,890	\$ 41,890	\$ 73,120
1,000	General Electric	\$ 52,792	\$ 52,792	\$ 18,290
1,000	General Electric	\$ 41,890	\$ 41,890	\$ 18,290
1,000	Intel Corporation	\$ 31,609	\$ 31,609	\$ 21,030
300	International Business Machine	\$ 36,636	\$ 36,636	\$ 44,028
1,000	IShares IBOXX \$ Corp Bond Fd	\$ 93,267	\$ 93,267	\$ 90,290
100	Johnson & Johnson	\$ 2,966	\$ 2,966	\$ 6,185
1,400	Johnson & Johnson	\$ 69,062	\$ 69,062	\$ 86,590
500	Eli Lilly & Co	\$ 21,718	\$ 21,718	\$ 17,520
2,000	Lowe's Companies, Inc.	\$ 48,272	\$ 48,272	\$ 50,160
600	McDonald's Corporation	\$ 35,042	\$ 35,042	\$ 46,056
500	Northern Trust Corp	\$ 23,538	\$ 23,538	\$ 27,705
2,300	Patterson Dental Co	\$ 37,143	\$ -	\$ -
1,000	Pepsico Inc	\$ 30,268	\$ 30,268	\$ 65,330
500	Pfizer Inc	\$ 18,988	\$ 18,988	\$ 8,755
600	Proctor & Gamble	\$ 38,864	\$ 38,864	\$ 38,598
2,000	Qualcomm, Inc	\$ 40,807	\$ 40,807	\$ 98,980
1,000	Schlumberger, Ltd	\$ 31,695	\$ 31,695	\$ 83,500
1,500	Stericycle, Inc	\$ 60,725	\$ 45,544	\$ 121,380
1,500	Sysco Corp	\$ 58,849	\$ 58,849	\$ 44,100
1,000	Wintrust Financial Corp	\$ 43,689	\$ 43,689	\$ 33,030
<u>Preferred Stocks</u>				
2,000	Repsol Int'l Cap, 7 45%	\$ 49,929	\$ 49,929	\$ 51,360
6,789	Northern Lights Fd Wintrust Sm Cap Opp Fd CL I	\$ -	\$ 100,000	\$ 113,664
	Totals, to Line 10b	\$ 1,075,933	\$ 1,079,439	\$ 1,327,216
<u>Corporate Bonds</u>				
100,000	GNMA Pass Thru Pool, 8 50%	\$ 5,316	\$ 5,152	\$ 1,163
50,000	First Union Corp, Sub Note, 6 55%	\$ 50,164	\$ 50,164	\$ 52,260
	Totals, to Line 10c	\$ 55,480	\$ 55,316	\$ 53,423