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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

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

GRACE BUCHANAN MEMORIAL FUND INC.

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

P.O. BOX 834

Room/suite

City or town, state, and ZIP code

MONMOUTH

IL 61462

H Check type of organization: Section 501(c)(3) exempt private foundation

Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col (c),

line 16) ▶ \$ **945,396**

J Accounting method: Cash Accrual

Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number

37-1098842

B Telephone number (see page 10 of the instructions)

309-734-6619

C If exemption application is pending, check here ▶

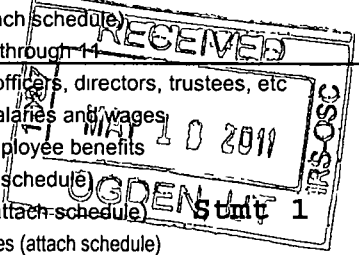
D 1. Foreign organizations, check here ▶

2. Foreign organizations meeting the 85% test, check here and attach computation ▶

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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	237	237	237	
	4 Dividends and interest from securities	43,526	43,526	43,526	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			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	43,763	43,763	43,763		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	400	400		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 2	867			
	19 Depreciation (attach schedule) and depletion Stmt 3	2,487			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) Stmt 4	740	27		713
	24 Total operating and administrative expenses. Add lines 13 through 23	4,494	427	0	713
	25 Contributions, gifts, grants paid	41,600			41,600
26 Total expenses and disbursements. Add lines 24 and 25	46,094	427	0	42,313	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-2,331				
b Net investment income (if negative, enter -0-)		43,336			
c Adjusted net income (if negative, enter -0-)			43,763		



CANNED MAY 16 2011 Operating and Administrative Expenses

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	11,756	47,225	47,225
	2	Savings and temporary cash investments	10,000	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 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶ Less: allowance for doubtful accounts ▶	0		
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	112	133	133
	10a	Investments—U S and state government obligations (attach schedule) Stmt 5	100,317	50,000	50,814
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule) See Stmt 6	757,686	772,669	809,026
	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 7 58,117	29,217	26,730	26,730
15	Other assets (describe ▶ See Statement 8)	1,468	1,468	1,468	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	910,556	908,225	945,396	
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	859,418	857,087		
30	Total net assets or fund balances (see page 17 of the instructions)	910,556	908,225		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	910,556	908,225		

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	910,556
2	Enter amount from Part I, line 27a	2	-2,331
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	908,225
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	908,225

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	N/A			
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				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) } [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7				2
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (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))
2009	44,679	842,573	0.053027
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
2 Total of line 1, column (d)			0.270908
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			0.054182
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			891,984
5 Multiply line 4 by line 3			48,329
6 Enter 1% of net investment income (1% of Part I, line 27b)			433
7 Add lines 5 and 6			48,762
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			42,313

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	867
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	867
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	867
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,000
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	1,000
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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	133
11	Enter the amount of line 10 to be Credited to 2011 estimated tax 133 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
b		X
c		X
d		
e		
2		X
3		X
4a		X
b		
5		X
6	X	
7	X	
8a		
b	X	
9	X	
10		X

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 ► Everitt Hardin Telephone no. ► 309-734-6619 1036 East Boston Avenue</p> <p>Located at ► Monmouth IL ZIP+4 ► 61462</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"/>
<p>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 ►</p>	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		N/A	1b
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		N/A	1c
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.)		N/A	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If "Yes," did it have excess business holdings in 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
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

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 **0**

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

3 Five highest-paid independent contractors for professional services (see 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

	Expenses
1 See Statement 9	46,094
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

	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

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	876,078
b	Average of monthly cash balances	1b	29,490
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	905,568
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	905,568
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	13,584
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	891,984
6	Minimum investment return. Enter 5% of line 5	6	44,599

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 2010 from Part VI, line 5	2a	
b	Income tax for 2010 (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	Distributable amount as adjusted. 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	42,313
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	42,313
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	Adjusted qualifying distributions. Subtract line 5 from line 4	6	42,313

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ _____				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 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)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling				N/A
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)				
2a	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
	43,763	42,129	41,566	43,276	170,734
b	37,199	35,810	35,331	36,785	145,125
c	42,313	44,679	44,647	49,102	180,741
d					
e	42,313	44,679	44,647	49,102	180,741
3	Complete 3a, b, or c for the alternative test relied upon				
a	"Assets" alternative test—enter				
	(1) Value of all assets				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
	29,733	28,086	27,711	28,851	114,381
c	"Support" alternative test—enter				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
	(3) Largest amount of support from an exempt organization				
	(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1	Information Regarding Foundation Managers:
a	List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2)) N/A
b	List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest N/A
2	Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
	Check here <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
a	The name, address, and telephone number of the person to whom applications should be addressed. N/A
b	The form in which applications should be submitted and information and materials they should include: N/A
c	Any submission deadlines: N/A
d	Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors. N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year Buchanan Center for Arts 64 Public Square Monmouth IL 61462	Fine Arts for all	501 C-3	persons.	41,600
Total			▶ 3a	41,600
b Approved for future payment N/A				
Total			▶ 3b	

Federal Statements

BUCHANANMEM GRACE BUCHANAN MEMORIAL FUND INC.
37-1098842
FYE: 12/31/2010

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

Description	Whom Sold	Date Acquired	Date Sold	How Received	Sale Price	Purchase	Cost	Expense	Depreciation	Net Gain / Loss
Federal Home Loan Bank		6.625%	11/15				50,000 \$			\$
		3/15/02	11/15/10		50,000 \$		50,000 \$			\$
Total					50,000 \$		50,000 \$	0 \$	0 \$	0 \$

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	\$ 400	\$ 400	\$	\$
Total	\$ 400	\$ 400	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Excise Tax	\$ 867	\$	\$	\$
Total	\$ 867	\$ 0	\$ 0	\$ 0

Statement 3 - 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	52,123	S/L	31.5	2,487		

Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description	Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
OFFICE EQUIPMENT	1/01/89	\$ 3,507	\$ 3,507	200DB	7	\$	\$	\$
Total		\$ 84,847	\$ 55,630			\$ 2,487	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	
POSTAGE	14	14		
SAFE DEPOSIT BOX	13	13		
STATE CHARITABLE REGISTRATION	15			15
INSURANCE	688			688
NOTICE & FEES	10			10
EARLY WITHDRAWAL PENALTY				
Total	\$ 740	\$ 27	\$ 0	\$ 713

Federal Statements

Statement 5 - 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 HOME LOAN BANK 6.625% 11/15/10	\$ 50,317	\$		\$
FED HOME LOAN MTGE 4.1% 07/15/19	50,000	50,000		50,814
Total	\$ <u>100,317</u>	\$ <u>50,000</u>		\$ <u>50,814</u>

Statement 6 - 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	\$ 757,686	\$ 772,669		\$ 809,026
Total	\$ <u>757,686</u>	\$ <u>772,669</u>		\$ <u>809,026</u>

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Building	\$ 26,217	\$ 81,847	\$ 58,117	\$ 23,730
Land	3,000	3,000		3,000
Total	\$ 29,217	\$ 84,847	\$ 58,117	\$ 26,730

Federal Statements**Statement 8 - 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

Statement 9 - Form 990-PF, Part IX-A, Line 1 - Summary of Direct Charitable ActivitiesDescription

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 artisians who the Trustees consider will advance the educational and charitable purposes herin set forth.

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv	Meth	Prior	Current
Prior MACRS:											
2	BUILDING	1/01/89	78,340				78,340	31	MMS/L	52,123	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>55,630</u>	<u>2,487</u>
Other Depreciation:											
1	LAND	1/01/89	3,000				3,000	0	-- Land	0	0
	Total Other Depreciation		<u>3,000</u>				<u>3,000</u>			<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>3,000</u>				<u>3,000</u>			<u>0</u>	<u>0</u>
	Grand Totals		84,847				84,847			55,630	2,487
	Less: Dispositions and Transfers		0				0			0	0
	Less: Start-up/Org Expense		0				0			0	0
	Net Grand Totals		<u>84,847</u>				<u>84,847</u>			<u>55,630</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>	<u>US Obs (\$ or %)</u>
BANK INTEREST EARNINGS	\$ 237		14		
Total	\$ 237				

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
INTEREST ON BONDS	\$ 43,526		14	IL	
Total	\$ 43,526				

Grace E Buchanan Memorial Fund

12/31/2010

Attachment to Form 990-PF

37-1098842

Page 2, Part II, Line 10c, INVESTMENTS

Burlington Northern Santa Fe 4.70% 10/1/2019	\$	16,430.10
Abbott Laboratories 5.875% 5/15/16		50,462.00
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		50,375.08
Honeywell Intl. 5.3% 3/15/17		52,774.20
Household Finance Corp. 6.30% 3/15/2011		50,000.00
Hewlett Packard 5.50% 3/01/2018		51,387.50
Astra Zeneca PLC 5.9% 9/15/2017		52,241.40
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		50,275.40
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>772,669.48</u>

Grace E Buchanan Memorial Fund

12/31/2010

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 - 85th 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 2010 none of the officers and trustees received compensation, expense allowances or participated in employee benefit plans.)

Grace E Buchanan Memorial Fund

12/31/2010

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 58th Street
Monmouth, Illinois 61462
Telephone: 309/734-7494

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

Amy McKenna
2842 - 130th 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 9th 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 - 10th Street, Box 192
Monmouth, Illinois 61462
Telephone: 309/734-9302

**(During 2010 none of the officers and trustees received
compensation, expense allowances or participated in
employee benefit plans.)**

Grace E Buchanan Memorial Fund

12/31/2010

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 pro- viding arts programming and services	\$41,600

Form **4562**
 Department of the Treasury
 Internal Revenue Service (99)

Depreciation and Amortization
 (Including Information on Listed Property)

OMB No 1545-0172

2010
 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 instructions)	1	500,000
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	2,000,000
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 2009 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 2011 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 instructions)

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 2010	17	2,487
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 2010 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 2010 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	2,487
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** (2010)