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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 MCFARLAND CHARITABLE FOUNDATION		A Employer identification number 37-6022376
Number and street (or P O box number if mail is not delivered to street address) 112 SOUTH ORANGE, PO BOX 200	Room/suite	B Telephone number (see page 10 of the instructions) 309 543 3361
City or town, state, and ZIP code HAVANA IL 62644		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) ▶ \$ 2,857,662	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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))				
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	0	0		
4 Dividends and interest from securities	134,564	134,564		
5 a Gross rents	3,000	0		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	-72,514			
b Gross sales price for all assets on line 6a	278,505			
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	0	0	0	
12 Total. Add lines 1 through 11	65,050	134,564	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	37,754	12,585		25,169
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	1,360	0	0	1,360
b Accounting fees (attach schedule)	0	0	0	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	15	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	941	0	0	941
24 Total operating and administrative expenses. Add lines 13 through 23	40,070	12,585	0	27,470
25 Contributions, gifts, grants paid	78,513			78,513
26 Total expenses and disbursements. Add lines 24 and 25	118,583	12,585	0	105,983
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-53,533			
b Net investment income (if negative, enter -0-)		121,979		
c Adjusted net income (if negative, enter -0-)			0	

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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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	38,672	68,890	69,367
	3	Accounts receivable ▶	0		
		Less allowance for doubtful accounts ▶	0	0	0
	4	Pledges receivable ▶	0		
		Less allowance for doubtful accounts ▶	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶	26,935		
		Less allowance for doubtful accounts ▶	0	30,800	26,935
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)	250,493	119,149	117,166
	b	Investments—corporate stock (attach schedule)	1,027,923	940,915	1,424,636
	c	Investments—corporate bonds (attach schedule)	958,106	1,027,179	1,054,264
	11	Investments—land, buildings, and equipment basis ▶	0		
	Less accumulated depreciation (attach schedule) ▶	0	0	0	
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	80,274	150,274	165,294	
14	Land, buildings, and equipment basis ▶	0			
	Less accumulated depreciation (attach schedule) ▶	0	0	0	
15	Other assets (describe ▶)	0	0	0	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,386,268	2,333,342	2,857,662	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)	0	0	
	23	Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	2,386,268	2,333,342	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see page 17 of the instructions)	2,386,268	2,333,342		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,386,268	2,333,342		

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	2,386,268
2	Enter amount from Part I, line 27a	2	-53,533
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	2,332,735
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,332,735

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Attached Statement				
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 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (i) over col. (j), if any		
a 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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	-72,514	
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	0	

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	270,285	2,296,581	0.117690
2008	110,552	3,041,837	0.036344
2007	90,721	3,463,097	0.026196
2006	155,807	3,116,134	0.050000
2005	154,915	3,013,841	0.051401
2 Total of line 1, column (d)			0.281631
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			0.056326
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			2,710,627
5 Multiply line 4 by line 3			152,679
6 Enter 1% of net investment income (1% of Part I, line 27b)			1,220
7 Add lines 5 and 6			153,899
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.			105,983

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

1	a 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	2,440	
	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	2,440	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	2,440	
6	Credits/Payments			
	a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,256	
	b Exempt foreign organizations—tax withheld at source	6b		
	c Tax paid with application for extension of time to file (Form 8868)	6c	0	
	d Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d	7	1,256	
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	0	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,184	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0	
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a 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? <i>If "Yes," attach the statement required by General Instruction T</i>		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? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the 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? <i>If "No," attach explanation</i>	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 on page 27)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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 page 20 of the instructions).			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address	X		
14	The books are in care of HAVANA NATIONAL BANK Telephone no 309 543 3361 Located at 112 SOUTH ORANGE HAVANA IL ZIP+4 62644			
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	<input type="checkbox"/>
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		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 <input type="checkbox"/>	1b	N/A
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 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions)	2b	N/A
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)	3b	N/A
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

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)? Yes No
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? 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? Yes No
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? Yes No

	5b	N/A
	6b	X
	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
HAVANA NATIONAL BANK 112 SOUTH ORANGE HAVANA IL 62644	TRUSTEE	37,754	0	0
.....		0	0	0
.....		0	0	0
.....		0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
.....		0
.....		0
.....		0
.....		0
.....		0

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see 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	
Total. Add lines 1 through 3 ▶	0

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	2,626,964
b	Average of monthly cash balances	1b	67,242
c	Fair market value of all other assets (see page 25 of the instructions)	1c	57,700
d	Total (add lines 1a, b, and c)	1d	2,751,906
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,751,906
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	41,279
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,710,627
6	Minimum investment return. Enter 5% of line 5	6	135,531

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	135,531
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,440
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	2,440
3	Distributable amount before adjustments Subtract line 2c from line 1	3	133,091
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	133,091
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	133,091

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	105,983
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	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	105,983
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	105,983

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				133,091
2	Undistributed income, if any, as of the end of 2010				
a	Enter amount for 2009 only			0	
b	Total for prior years 20 06 , 20 07 , 20 08		198,419		
3	Excess distributions carryover, if any, to 2010				
a	From 2005	0			
b	From 2006	0			
c	From 2007	0			
d	From 2008	0			
e	From 2009	39,388			
f	Total of lines 3a through e	39,388			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 105,983				
a	Applied to 2009, but not more than line 2a			0	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d	Applied to 2010 distributable amount				105,983
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))	27,108			27,108
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	12,280			
b	Prior years' undistributed income Subtract line 4b from line 2b		198,419		
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		198,419		
e	Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			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) (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)	0			
9	Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	12,280			
10	Analysis of line 9				
a	Excess from 2006	0			
b	Excess from 2007	0			
c	Excess from 2008	0			
d	Excess from 2009	12,280			
e	Excess from 2010	0			

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

1 a 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 ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0	0	0	0	0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0	0	0	0	0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					N/A
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0	0	0	0	0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))

NONE

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

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see 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

APPLICATIONS WITH INSTRUCTIONS ARE MAILED TO EACH APPLICANT BY DIRECTOR OF NURSING

c Any submission deadlines

NONE

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

LIMITED TO APPROVED NURSING SCHOOLS W/IN ILLINOIS FOR REGISTERED NURSING

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				
MCFARLAND MEDICAL TRUST 112 SOUTH ORANGE HAVANA IL 62644		PUBLIC	TRANSFER TO SISTER TRUST	20,000
MICHELLE CAGLE 17058 NCR 1840 E HAVANA IL 62644		PUBLIC	SCHOLARSHIP	13,859
EMMA FANTER 1800 COLLEGE AVENUE QUINCY IL 62301		PUBLIC	SCHOLARSHIP	18,184
MONICA JEAN FERREE 714 N. HIGH HAVANA IL 62644		PUBLIC	SCHOLARSHIP	2,213
AMANDA KLINE PO BOX 284 HAVANA IL 62644		PUBLIC	SCHOLARSHIP	339
PATRICIA LASCELLES 7520 N SUMMUM ROAD IPA VA IL 61441		PUBLIC	SCHOLARSHIP	875
NATALIE NEWMAN 26473 ECR 1900 N TOPEKA IL 61567		PUBLIC	SCHOLARSHIP	8,286
CHRISTIE TOWERY 717 N. SCHRADER HAVANA IL 62644		PUBLIC	SCHOLARSHIP	11,569
TONI HUTCHISON 501 E. MAIN BATH IL 62617		PUBLIC	SCHOLARSHIP	2,689
RYLAN HUFF 15998 N. SHELBY ROAD LEWISTOWN IL 61542		PUBLIC	SCHOLARSHIP	499
Total				78,513
b Approved for future payment				
Total				0

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

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. All (b) values are 0.

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. All cells are empty.

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: [Signature] Date: 5/9/11 Title: TRUST OFFICER

Paid Preparer Use Only Print/Type preparer's name: BLAKE LINDNER Preparer's signature: [Signature] Date: 5/4/2011 Check [X] if self-employed PTIN: Firm's name: KNUPPEL AND LINDNER Firm's EIN: Firm's address: 124 WEST MARKET STREET, HAVANA, IL 62644 Phone no: 309.543 2291

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Cost, Other Basis and Expenses		Net Gain or Loss
											Valuation Method	Expense of Sale and Cost of Improvements	
Totals													
Securities													
Other sales													
1	X	200 SH GANNETT COMPANY				8/11/1997	P	5/3/2010	3,394	9,875			-6,481
2	X	200 SH GANNETT COMPANY				10/8/1997	P	5/3/2010	3,394	9,875			-6,481
3	X	800 SH RBS CAP FDG TR				7/9/2003	P	1/11/2010	8,853	20,000			-11,147
4	X	1300 SH RBS CAP TR				2/18/2004	P	1/11/2010	14,468	32,258			-17,790
5	X	600 SH RBS GRP L				6/23/2003	P	1/11/2010	8,194	15,000			-6,806
6	X	SLM CORP BD REDEMP				2/12/2004	P	5/19/2010	9,673	15,000			-5,327
7	X	SLM CORP BD REDEMP				3/18/2004	P	5/19/2010	9,422	15,000			-5,578
8	X	SLM CORP BD REDEMP				4/29/2004	P	5/19/2010	16,758	25,000			-8,242
9	X	SLM CORP BD REDEMP				6/4/2004	P	5/19/2010	6,858	10,000			-3,142
10	X	SCRANTON BD REDEMP				8/7/2003	P	10/7/2010	8,491	10,002			-1,511
11	X	BEAR STEARNS REDEMP				7/30/2004	P	1/26/2010	15,000	15,004			-4
12	X	FNMA REDEMPTION				1/29/2004	P	5/25/2010	25,000	25,000			-3
13	X	FNMA REDEMPTION				4/28/2009	P	7/29/2010	60,000	60,002			-2
14	X	BEAR STEARNS REDEMP				8/7/2003	P	2/17/2010	25,000	25,000			0
15	X	BEAR STEARNS REDEMP				1/23/2003	P	1/26/2010	10,000	10,000			0
16	X	CNMA REDEMPTION				2/17/2006	P	5/28/2010	10,000	10,000			0
17	X	CNMA REDEMPTION				11/29/2002	P	4/6/2010	25,000	25,000			0
18	X	FNMA REDEMPTION				7/25/2003	P	6/29/2010	9,000	9,000			0
19	X	PRUDENTIAL REDEMPTION				6/10/2004	P	6/16/2010	10,000	10,000			0
20													0
21													0
22													0
23													0
24													0
									278,505	351,019			-72,514
									0	0			0

Line 16a (990-PF) - Legal Fees

		1,360	0	0	1,360
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	PERBIX & MORGAN	360			360
2	KNUPPEL & LINDNER	1,000			1,000
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		15	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income				
3	Income tax				
4	STATE FILING FEE	15			
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization See attached statement	0	0	0	0
2	Fund Raising				
3	INSURANCE PREMIUMS	941			941
4					
5					
6					
7					
8					
9					
10					

Part II, Line 7 (990-PF) - Other Notes

	Borrower's Name	Check "X" if Business	Check "X" if 501(c)3 Org.	Original Amount	Net Balance Due Beginning of Year	Balance Due End of Year	Allowance for Doubtful Accts End of Year	FMV of Other Notes	Security Provided
1	JENELLE HAZZARD			9,745	6,821	6,919		6,919	
2	RENAE LOFFREDO			13,208	7,937	5,264		5,264	
3	KIM PERKINS			35,234	0	0			
4	JAMELLE SKELTON			15,381	1,994	0			
5	KAYLA PHERIGO			12,318	242	0			
6	STEPHANIE HAMM			13,961	13,806	14,752		14,752	
7					0				
8					0				
9					0				
10					0				
				99,847	30,800	26,935	0	26,935	

Part

	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Purpose of Loan	Consideration Description	Consideration FMV	Relationship
1	2/3/2006	2/3/2011	MONTHLY	9.00%	STUDENT LOAN		8,304	
2	5/3/2006	3/31/2011	MONTHLY	9.01%	STUDENT LOAN		9,132	
3	2/13/2006	6/27/2014	MONTHLY	9.00%	STUDENT LOAN		32,016	
4	6/16/2003	1/7/2009	MONTHLY	9.00%	STUDENT LOAN		7,703	
5	11/1/2008		MONTHLY	9.00%	STUDENT LOAN		12,318	
6	5/13/2009	5/13/2019	MONTHLY	9.00%	STUDENT LOAN		13,961	
7								
8								
9								
10								

Part II, Line 10a (990-PF) - Investments - U.S. and State Government Obligations

		250,493	119,149	233,863	117,166				
	Description	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year	Check "X" if Federal Obligation	Check "X" if State/ Local Obligation		
1	FEDERAL BONDS	214,514	93,173	201,401	90,968	X			
2	STATE	35,979	25,976	32,462	26,198		X		
3									
4									
5									
6									
7									
8									
9									
10									

Part II, Line 10b (990-PF) - Investments - Corporate Stock

				1,027,923	940,915	1,306,531	1,424,636
				Book Value	Book Value	FMV	FMV
				Beg. of Year	End of Year	Beg. of Year	End of Year
1	MULTIPLE CORPORATE STOCK			1,027,923	940,915	1,306,531	1,424,636
2							
3							
4							
5							
6							
7							
8							
9							
10							

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

					958,106	1,027,179	906,888	1,054,264
					Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	MULTIPLE CORPORATE BONDS				958,106	1,027,179	906,888	1,054,264
2								
3								
4								
5								
6								
7								
8								
9								
10								

Part II, Line 13 (990-PF) - Investments - Other

	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	T. ROWE PRICE FUND	AT COST	80,274	80,274	95,294
2	MASON CITY REAL ESTATE	AT COST	0	70,000	70,000
3					
4					
5					
6					
7					
8					
9					
10					

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Totals	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses	-72,514
	Long Term CG Distributions	0													
	Short Term CG Distributions	0													
1	200 SH GANNETT COMPANY		P	8/11/1997	5/3/2010		3,394	0	9,875	-6,481			0	-6,481	
2	200 SH GANNETT COMPANY		P	10/8/1997	5/3/2010		3,394	0	9,875	-6,481			0	-6,481	
3	600 SH RBS CAP FDG TR		P	7/3/2003	1/11/2010		8,853	0	20,000	-11,147			0	-11,147	
4	1300 SH RBS CAP TR		P	2/18/2004	1/11/2010		14,468	0	32,258	-17,790			0	-17,790	
5	600 SH RBS GRP L		P	6/23/2003	1/11/2010		8,194	0	15,000	-6,806			0	-6,806	
6	SLM CORP BD REDEMP		P	2/12/2004	5/19/2010		9,673	0	15,000	-5,327			0	-5,327	
7	SLM CORP BD REDEMP		P	3/18/2004	5/19/2010		9,422	0	15,000	-5,578			0	-5,578	
8	SLM CORP BD REDEMP		P	4/29/2004	5/19/2010		16,758	0	25,000	-8,242			0	-8,242	
9	SLM CORP BD REDEMP		P	6/4/2004	5/19/2010		6,858	0	10,000	-3,142			0	-3,142	
10	SCRANTON BD REDEMP		P	8/7/2003	10/7/2010		8,491	0	10,002	-1,511			0	-1,511	
11	BEAR STEARNS REDEMP		P	7/30/2004	1/26/2010		15,000	0	15,004	-4			0	-4	
12	FNMA REDEMPTION		P	1/29/2004	5/25/2010		25,000	0	25,003	-3			0	-3	
13	FNMA REDEMPTION		P	4/28/2009	7/29/2010		60,000	0	60,002	-2			0	-2	
14	BEAR STEARNS REDEMP		P	8/7/2003	2/17/2010		25,000	0	25,000	0			0	0	
15	BEAR STEARNS REDEMP		P	1/23/2003	1/26/2010		10,000	0	10,000	0			0	0	
16	CNMA REDEMPTION		P	2/17/2006	5/28/2010		10,000	0	10,000	0			0	0	
17	CNMA REDEMPTION		P	11/29/2002	4/8/2010		25,000	0	25,000	0			0	0	
18	FNMA REDEMPTION		P	7/25/2003	6/29/2010		9,000	0	9,000	0			0	0	
19	PRUDENTIAL REDEMPTION		P	6/10/2004	6/16/2010		10,000	0	10,000	0			0	0	
20							0	0	0	0			0	0	
21							0	0	0	0			0	0	
22							0	0	0	0			0	0	
23							0	0	0	0			0	0	
24							0	0	0	0			0	0	

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours.
1	HAVANA NATIONAL BANK	X	112 SOUTH ORANGE	HAVANA	IL	62644		TRUSTEE	
2									
3									
4									
5									
6									
7									
8									
9									
10									

Part

	37,754	0	0	0
	Compensation	Benefits	Expense Account	Explanation
1	37,754			
2				
3				
4				
5				
6				
7				
8				
9				
10				