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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 01-01-2010, and ending 12-31-2010

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

Name of foundation: FARRER ENDOWMENT FOUNDATION. Employer identification number: 42-1214699. Telephone number: (641) 423-5154. City: MASON CITY, IA 504021567. Organization type: Section 501(c)(3) exempt private foundation. Fair market value: \$5,084,762. Accounting method: Cash.

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))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26), totaling 27 rows.

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

<b>Part II Balance Sheets</b>		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	<b>1</b>	Cash—non-interest-bearing . . . . .	15,979	15,463	15,463	15,463	
	<b>2</b>	Savings and temporary cash investments . . . . .	322,751	256,153	264,195	264,195	
	<b>3</b>	Accounts receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____					
	<b>4</b>	Pledges receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____					
	<b>5</b>	Grants receivable . . . . .					
	<b>6</b>	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .					
	<b>7</b>	Other notes and loans receivable (attach schedule) <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____					
	<b>8</b>	Inventories for sale or use . . . . .					
	<b>9</b>	Prepaid expenses and deferred charges . . . . .					
	<b>10a</b>	Investments—U S and state government obligations (attach schedule)	948,905 <input type="checkbox"/>	1,045,782	1,031,256	1,031,256	
	<b>b</b>	Investments—corporate stock (attach schedule) . . . . .	3,297,635 <input type="checkbox"/>	2,664,271	2,673,606	2,673,606	
	<b>c</b>	Investments—corporate bonds (attach schedule) . . . . .	625,494 <input type="checkbox"/>	1,115,846	1,100,242	1,100,242	
	<b>11</b>	Investments—land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____					
	<b>12</b>	Investments—mortgage loans . . . . .					
	<b>13</b>	Investments—other (attach schedule) . . . . .					
	<b>14</b>	Land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____					
<b>15</b>	Other assets (describe <input type="checkbox"/> _____)						
<b>16</b>	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	5,210,764	5,097,515	5,084,762	5,084,762		
<b>Liabilities</b>	<b>17</b>	Accounts payable and accrued expenses . . . . .					
	<b>18</b>	Grants payable . . . . .					
	<b>19</b>	Deferred revenue . . . . .					
	<b>20</b>	Loans from officers, directors, trustees, and other disqualified persons					
	<b>21</b>	Mortgages and other notes payable (attach schedule) . . . . .					
<b>22</b>	Other liabilities (describe <input type="checkbox"/> _____)	<input type="checkbox"/> -2,408 <input type="checkbox"/>	<input type="checkbox"/> -5,000				
<b>23</b>	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	-2,408	-5,000				
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.</b>						
	<b>24</b>	Unrestricted . . . . .					
	<b>25</b>	Temporarily restricted . . . . .					
	<b>26</b>	Permanently restricted . . . . .					
	<b>Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.</b>						
	<b>27</b>	Capital stock, trust principal, or current funds . . . . .					
	<b>28</b>	Paid-in or capital surplus, or land, bldg, and equipment fund					
<b>29</b>	Retained earnings, accumulated income, endowment, or other funds	5,213,172	5,102,515				
<b>30</b>	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	5,213,172	5,102,515				
<b>31</b>	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	5,210,764	5,097,515				

**Part III Analysis of Changes in Net Assets or Fund Balances**

<b>1</b>	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) . . . . .	<b>1</b>	5,213,172
<b>2</b>	Enter amount from Part I, line 27a . . . . .	<b>2</b>	-9,726
<b>3</b>	Other increases not included in line 2 (itemize) <input type="checkbox"/> _____	<b>3</b>	
<b>4</b>	Add lines 1, 2, and 3 . . . . .	<b>4</b>	5,203,446
<b>5</b>	Decreases not included in line 2 (itemize) <input type="checkbox"/> _____	<b>5</b>	100,931
<b>6</b>	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	5,102,515

**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)
<b>1 a</b> GE MONEY BANK CD	P	2008-09-16	2010-09-20
<b>b</b> ROYAL BANK OF SCOTLAND	P	2007-09-20	2010-03-24
<b>c</b> D & F INVESTMENT	D	2005-12-31	2010-12-31
<b>d</b>			
<b>e</b>			

(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)
<b>a</b> 50,000	0	50,000	0
<b>b</b> 14,076	0	25,000	-10,924
<b>c</b> 1,174,925	0	1,264,933	-90,008
<b>d</b>			
<b>e</b>			

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))
(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	
<b>a</b> 0	0	0	0
<b>b</b> 0	0	0	-10,924
<b>c</b> 0	0	0	-90,008
<b>d</b>			
<b>e</b>			

<b>2</b> 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 }	<b>2</b>	-100,932
<b>3</b> 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		<b>3</b>	

**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	165,950	4,443,318	0.037348
2008	259,225	4,866,031	0.053272
2007	221,449	5,212,924	0.042481
2006	171,800	4,796,077	0.035821
2005	141,650	2,714,430	0.052184

<b>2</b> Total of line 1, column (d).	<b>2</b>	0.221106
<b>3</b> 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	<b>3</b>	0.044221
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	<b>4</b>	4,792,919
<b>5</b> Multiply line 4 by line 3.	<b>5</b>	211,948
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b).	<b>6</b>	2,002
<b>7</b> Add lines 5 and 6.	<b>7</b>	213,950
<b>8</b> Enter qualifying distributions from Part XII, line 4.	<b>8</b>	218,497

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.

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b . . . . .	<b>1</b>	2,002
<b>c</b>	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>2</b>	0
<b>3</b>	Add lines 1 and 2. . . . .	<b>3</b>	2,002
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>4</b>	
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	<b>5</b>	2,002
<b>6</b>	Credits/Payments		
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	5,000
<b>b</b>	Exempt foreign organizations—tax withheld at source . . . . .	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld . . . . .	<b>6d</b>	
<b>7</b>	Total credits and payments Add lines 6a through 6d. . . . .	<b>7</b>	5,000
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	<b>10</b>	2,998
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> ▶ 995 <b>Refunded</b> ▶	<b>11</b>	2,003

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		No
<b>b</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>		No
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .		No
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year <b>(1)</b> On the foundation ▶ \$ _____ <b>(2)</b> On foundation managers ▶ \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>		No
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .		No
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		No
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>		No
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	Yes	
<b>7</b> 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>	Yes	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ IA _____		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>	Yes	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i> . . . . .		No
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

**Part VII-A Statements Regarding Activities (continued)**

<b>11</b> 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).	<b>11</b>		<b>No</b>
<b>12</b> Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	<b>12</b>		<b>No</b>
<b>13</b> Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <b>N/A</b>	<b>13</b>	<b>Yes</b>	
<b>14</b> The books are in care of <b>HEINY LAW FIRM PLC</b> Telephone no <b>(641) 423-5154</b> Located at <b>11 FOURTH ST NE MASON CITY IA</b> ZIP+4 <b>50401</b>			
<b>15</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year.	<b>15</b>		<input type="checkbox"/>
<b>16</b> 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?	<b>16</b>		<b>No</b>

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.

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

		Yes	No
<b>File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.</b>			
<b>1a</b> 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? ( <b>Exception.</b> 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>b</b> If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	<b>1b</b>		
<b>c</b> 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?	<b>1c</b>		<b>No</b>
<b>2</b> 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))			
<b>a</b> 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>20</b> ____, <b>20</b> ____, <b>20</b> ____, <b>20</b> ____			
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement—see page 20 of the instructions).	<b>2b</b>		
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <b>20</b> ____, <b>20</b> ____, <b>20</b> ____, <b>20</b> ____			
<b>3a</b> 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>b</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? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i> )	<b>3b</b>		
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>		<b>No</b>
<b>b</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?	<b>4b</b>		<b>No</b>

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

<p><b>5a</b> During the year did the foundation pay or incur any amount to</p> <p><b>(1)</b> Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(2)</b> Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(3)</b> Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(4)</b> 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). . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(5)</b> Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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. . . . . <input type="checkbox"/></p> <p><b>c</b> 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? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p><b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p><b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .</p>	<b>5b</b>		
	<b>6b</b>	<b>No</b>	
	<b>7b</b>		

**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
JAMES R HEINY MASON CITY, IA 50401	PRESIDENT 7 00	0	0	0
FRANK B INGRAM MASON CITY, IA 50401	V-P, TREASURER 12 00	0	0	0
GERALD M STAMBAUGH MASON CITY, IA 50401	SECY 7 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. . . . . **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
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b>	
<b>2</b>	
<b>3</b> All other program-related investments. See page 24 of the instructions	

**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.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
<b>a</b>	Average monthly fair market value of securities. . . . .	<b>1a</b>	4,823,836
<b>b</b>	Average of monthly cash balances. . . . .	<b>1b</b>	42,072
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions). . . . .	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c). . . . .	<b>1d</b>	4,865,908
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). . . . .	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets. . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d. . . . .	<b>3</b>	4,865,908
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). . . . .	<b>4</b>	72,989
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	4,792,919
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	<b>6</b>	239,646

**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.)

<b>1</b>	Minimum investment return from Part X, line 6. . . . .	<b>1</b>	239,646
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5. . . . .	<b>2a</b>	2,002
<b>b</b>	Income tax for 2010 (This does not include the tax from Part VI). . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b. . . . .	<b>2c</b>	2,002
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	<b>3</b>	237,644
<b>4</b>	Recoveries of amounts treated as qualifying distributions. . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4. . . . .	<b>5</b>	237,644
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions). . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	<b>7</b>	237,644

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
<b>a</b>	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. . . . .	<b>1a</b>	218,497
<b>b</b>	Program-related investments—total from Part IX-B. . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes. . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required). . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule). . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	218,497
<b>5</b>	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). . . . .	<b>5</b>	2,002
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .	<b>6</b>	216,495

**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
<b>1</b> Distributable amount for 2010 from Part XI, line 7				237,644
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only. . . . .			176,548	
<b>b</b> Total for prior years 20___, 20___, 20___				
<b>3</b> Excess distributions carryover, if any, to 2010				
<b>a</b> From 2005. . . . .				
<b>b</b> From 2006. . . . .				
<b>c</b> From 2007. . . . .				
<b>d</b> From 2008. . . . .				
<b>e</b> From 2009. . . . .				
<b>f</b> <b>Total</b> of lines 3a through e. . . . .				
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>218,497</u>				
<b>a</b> Applied to 2009, but not more than line 2a			176,548	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions). . . . .				
<b>d</b> Applied to 2010 distributable amount. . . . .				41,949
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2010 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
<b>6 Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b. . . . .				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011. . . . .				195,695
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions). . . . .				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions). . . . .				
<b>9 Excess distributions carryover to 2011.</b> Subtract lines 7 and 8 from line 6a. . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006. . . . .				
<b>b</b> Excess from 2007. . . . .				
<b>c</b> Excess from 2008. . . . .				
<b>d</b> Excess from 2009. . . . .				
<b>e</b> 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. . . . .

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . . . .					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). . . . .					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

**Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 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

GERALD M STAMBAUGH SECRETARY  
 P O BOX 1567  
 MASON CITY, IA 504021567  
 (641) 423-5154

**b** The form in which applications should be submitted and information and materials they should include

WRITTEN REQUEST IN SPECIFIC FORM

**c** Any submission deadlines

JANUARY THRU APRIL 30 EACH YEAR

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

NONE

**Part XV** **Supplementary Information** (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i> See Additional Data Table				
<b>Total</b> . . . . . <b>▶ 3a</b>				204,990
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> . . . . . <b>▶ 3b</b>				



**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 (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.
(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. 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.

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

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 [x] No

b If "Yes," complete the following schedule
(a) Name of organization (b) Type of organization (c) Description of relationship

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: \*\*\*\*\* Date: 2011-02-21 Title: \*\*\*\*\*
Preparer's Signature: GERALD M STAMBAUGH Date: 2012-03-06 Check if self-employed [x] PTIN:
Firm's name: HEINY MCMANIGAL LAW FIRM PLC Firm's EIN:
Firm's address: MASON CITY, IA 504021567 Phone no: (641) 423-5154

Sign Here

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 42-1214699  
**Name:** FARRER ENDOWMENT FOUNDATION

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b>				
CITY OF MASON CITY 10 1ST ST NW MASON CITY, IA 50401		501C3	EQUIPMENT FOR EMERPOLICE DEPTRAPID RESPONSE VEH	2,000
MASON CITY HIGH SCHOOL 1700 4TH ST SE MASON CITY, IA 50401		501C3	TRAP SHOOTING CLUB	1,500
BETHLEHEM LUTHERAN CHURCH 419 N DELAWARE MASON CITY, IA 50401		501C3	PROJECTCHILD SAFETY	3,000
PIONEER MUSEUM & HISTORICAL SOCIETY P O BOX 421 MASON CITY, IA 50402		501C3	RUST PROOFINGPAINTING &BUILDINGS	3,000
CITY OF VENTURA P O BOX 230 VENTURA, IA 50482		501C3	UPGRADE RADIO EQPT	3,000
TLC BROADCASTING CORPORATION 600 FIRST STREET N W MASON CITY, IA 50401		501C3	REPLACEMENTEQUIPMENT	7,500
CHARLIE BROWN PRESCHOOL 600 FIRST STREET N W MASON CITY, IA 50401		501C3	LEARNINGUPDATE LITERACYSUPPLIES	2,100
MASON CITY FAMILY YMCA 1840 S MONROE AVE MASON CITY, IA 50401		501C3	CHILD WATCHINSTALL WALLROOM	3,000
VENTURA COMMUNITY SCHOOL DIST 107 ORCHARD LANE CLEAR LAKE, IA 50428		501C3	INSTRUMENTSMUSICAL	3,000
WINNEBAGO COUNCIL BSA 2929 AIRPORT BOULEVARD WATERLOO, IA 50703		501C3	EFFICIENCYTWO HIGHHEAT PUMPS	2,500
COMMUNITY KITCHEN N I P O BOX 58 MASON CITY, IA 50402		501C3	EXPENSESOPERATING	3,500
MEALS ON WHEELS P O BOX 58 MASON CITY, IA 50402		501C3	EXPENSESOPERATING	3,000
KRYSILIS INC 102 WEST PARK STREET FOREST CITY, IA 50436		501C3	7 INDIVIDUALSENROLLMENT OFIN SUMMER CAMP	2,000
OPPORTUNITY VILLAGE 1200 NORTH 9TH STREET WEST CLEAR LAKE, IA 50428		501C3	COTTAGERECARPETING	4,700
MASON CITY INSTR MUSIC BOOSTERS P O BOX 111 MASON CITY, IA 50402		501C3	FRENCH HORNPURCHASEYAMAHA YHR-567	2,900
<b>Total . . . . .</b>			<b>▶ 3a</b>	204,990

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i>				
FRANCIS LAUER YOUTH SERVICES 50 NORTH EISENHOWER AVE MASON CITY,IA 50401		501C3	CONT EDUC&TRAININGLICENSING	30,000
CARING PREGNANCY CTR INC 830 15TH STREET S W MASON CITY,IA 50401		501C3	PROGRAMBABY BUCKs	2,000
NIACC FOUNDATION 500 COLLEGE DRIVE MASON CITY,IA 50401		501C3	IMAGING EQUIPMENTSCHOLARSHIPS	11,000
FRIENDS OF IOWA CASA 220 NORTH WASHINGTON AVE MASON CITY,IA 50401		501C3	TRAINING &VOLUNTEERRETENTION	1,000
NORTH IOWA VOCATIONAL CENTER INC 1225 SOUTH HARRISON AVE MASON CITY,IA 50401		501C3	SYSTEMSREPLACE PHONE	3,740
THE CHORAL MUSIC GUILD 1700 FOURTH STREET S E MASON CITY,IA 50401		501C3	MUSICKURZWEILSYSTEM	3,000
NORTHERN LIGHTS ALLIANCE FOR HOMELESS 50 CRESCENT DR MASON CITY,IA 50401		501C3	APPLIANCESKITCHEN& BEDS	5,000
GOOD SHEPHERD TELEPHONE REASSURANCE INC 302 SECOND STREET NE MASON CITY,IA 50401		501C3	EXPENSESOPERATIONAL	1,000
NORTH CENTRAL IA AG IN THE CLASS PROGRAM 65 STATE STREET PO BOX 68 GARNER,IA 504380068		501C3	AG EDUCATIONEXPANSION OFWEEKS	1,000
NEWMAN CATHOLIC SCHOOLS 2445 19TH STREET SW MASON CITY,IA 50401		501C3	INTERNET FORWIRELESSCAMPUS	5,000
NORTH IOWA BAND FESTIVAL FD 25 WEST STATE STREET MASON CITY,IA 50401		501C3	EXPENSESBAND FESTIVAL	7,500
RUDD COMMUNITY FIRE SERVICE C/O GALE MONTAG NORA SPRINGS,IA 50458		501C3	AIRPAKSPURCHASE	2,400
STEBENS CHILDREN'S THEATRE 616 NORTH DELAWARE AVE MASON CITY,IA 50401		501C3	TRAININGPRESCHOOLCREATIVE DRAMA	2,000
NORTH IOWA YOUTH CENTER INC 121 NORTH DELAWARE AVE MASON CITY,IA 50401		501C3	WHEELCHAIRPURCHASE OFLIFT	3,000
CITY OF CHARLES CITY 624 NORTH MAIN STREET CHARLES CITY,IA 50616		501C3	TRAININGIN-SERVICE	500
<b>Total . . . . .</b>				204,990



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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i>				
HANCOCK CO AGRICULTURAL MUSEUM 2090 JAMES AVENUE BRITT,IA 50423		501C3	TO MUSEUMCONSTRUCT 2ND ADDITION	1,000
CITY OF CORWITH P O BOX 176 CORWITH,IA 504300176		501C3	AUTOMATIONLIBRARY	500
PARENTS UNITED OF NORTH CENTRAL IOWA INC 600 FIRST ST NW MASON CITY,IA 50401		501C3	PROGRAMSKILLS DEVELOPMENT	3,000
CITY OF MASON CITY 303 2ND ST SE MASON CITY,IA 50401		501C3	CAMERA & MONITORING SYSTEMPURCHASE SECURITYFOR LIBRARY	5,000
CITY OF THOMPSON P O BOX 81 THOMPSON,IA 504780081		501C3	REMODELINGLIBRARYEXPENSES	2,500
COMMUNITY POLICING AD BD 78 S GEORGIA AVE MASON CITY,IA 50401		501C3	MATERIALSEDUCATIONAL	1,000
ROCKWELL SWALEDALE EMT 3 WALNUT COURT ROCKWELL,IA 50469		501C3	6252 STAIRPURCHASE MODELCHAIR	2,900
SALVATION ARMY 747 VILLAGE DRIVE MASON CITY,IA 50401		501C3	COMPUTERLAPTOP	1,050
CITY OF SWALEDALE 3 WALNUT COURT ROCKWELL,IA 50469		501C3	OF LIGHTSREPLACEMENT	1,300
NORTH CENTRAL GENEALOGICAL SOC 380 SOUTH YORKTOWN PIKE UNIT 13 MASON CITY,IA 50401		501C3	COMPUTER &LAPTOPOTHER	5,000
YOUTH SPORTS FOUNDATION 2923 CEDAR ST SUITE 3 MUSCATINE,IA 52761		501C3	CODING SYSTEMCOMPUTER BAR	2,000
CERRO GORDO FREE HEALTH CARE CLINIC 1443 EAST STREET MASON CITY,IA 50401		501C3	MEDICATION FORPRESCRIPTIONPATIENTS	7,500
MASON CITY COMMUNITY SCH DIST 1625 S PENNSYLVANIA MASON CITY,IA 50401		501C3	BEHAVIORALMIDDLE SCHOOLSUPPORTS	2,000
MASON CITY PUBLIC FDN 680 EAST STATE STREET MASON CITY,IA 50401		501C3	FIXTURESPURCHASE FURNITUREEQUIPMENT	5,000
EDUC FDN OF MASON CITY SCHOOLS 1515 SOUTH PENNSYLVANIA MASON CITY,IA 50401		501C3	ROOM PROJECTSTWO BOOK	7,500
<b>Total . . . . .</b>				<b>204,990</b>

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i>				
CENTRAL GARDENS OF NI 915 NORTH DELAWARE MASON CITY,IA 50401		501C3	OF PATHWAYCONSTRUCTIONRETAINING WALLS	2,000
NIAD CENTER FOR HUMAN DEV P O BOX 656 MASON CITY,IA 50402		501C3	CRISIS SERVICEMAINTEINFOR CHILDREN	4,000
NORTH IOWA COMMUNITY ACTION 1190 BRIARSTONE DR MASON CITY,IA 50401		501C3	PROGRAMSHEAD START	6,500
CENTRAL PRESCHOOL 601 MILWAUKEE ST SUITE 1 CHARLES CITY,IA 50616		501C3	FURNISHINGS &PURCHASECLASSROOM MATERIALS	2,000
CITY OF MASON CITY 78 SOUTH GEORGIA MASON CITY,IA 50401		502C3	TRAINING &RESERVE OFFICER UNITEQUIPMENT	1,500
CITY OF MASON CITY 205 RED FOX COURT MASON CITY,IA 50401		501C3	SOCCER GOALSPURCHASE	3,000
HABITAT FOR HUMANITY 1411 SOUTH TAFT AVENUE MASON CITY,IA 50401		501C3	PROJECTOR SCREENPURCHASE DIGITAL& CARRYING CASE	1,000
BOLAN SCHOOLHOUSE 4211 TULIP LANE KENSETT,IA 50448		501C3	SCHOOLHOUSE REHAB OF 1923	2,000
LINN GROVE RECREATION CENTER 7162 RAVEN AVENUE ROCKWELL,IA 50469		502C3	PA SYSTEM FORPURCHASEAQUATIC CTR	2,000
CITY OF ROCKWELL 801 EAST ELM ST ROCKWELL,IA 50469		501C3	REMODELINGFIRE BARN	4,400
CITY OF OSAGE P O BOX 29 OSAGE,IA 504610029		501C3	AREA INNEW PLAYGROUND CITY PARK	2,500
CITY OF MASON CITY 10 FIRST ST NW MASON CITY,IA 50401		501C3	RESTORATION OFELMWOOD CEMETARY10TH ST ENTRANCE	2,000
<b>Total . . . . .</b>				204,990

## TY 2010 General Explanation Attachment

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

Identifier	Return Reference	Explanation
		EXPLANATION FOR 2010 AMENDED RETURN PAGE 3 PART V LINE 1(B) WAS NOT COMPLETED ON THE ORIGINAL RETURN THE AMOUNT THAT SHOULD HAVE BEEN ON THIS LINE IS \$165,950 THIS RESULTED IN A CHANGE IN THE TAX RATE FROM 2% TO 1% AND A REFUND OF \$2,003 AS INDICATED ON PAGE 4 OF THE AMENDED RETURN

**TY 2010 Investments Corporate  
Bonds Schedule****Name:** FARRER ENDOWMENT FOUNDATION**EIN:** 42-1214699

<b>Name of Bond</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
VAN KAMPEN INCOME TRUSTS	475,466	462,033
270 UTS NUVEEN INSURED CORP TR #5	21,588	25,178
700 BANKAMERICA PFD DEBT	18,214	17,024
1000 NEXTERA ENG CAP 7.45%	25,956	26,150
1000 USB CAPITAL TRUST XI PFD DEBT 6.6%	22,506	25,100
1000 WACHOVIA CAPITAL TRUST X 7.85%	25,856	26,350
1000 WELLS FARGO CAP TR IV PFD DEBT 7%	24,755	25,294
25000 PRUDENTIAL FINANCIAL NOTES	25,000	25,035
75 CLAYMORE SER GUG CORP SER 1	75,274	72,766
50 CLAYMORE SER GUG CORP SER 15	49,716	49,688
50 CLAYMORE SER GUG CORP SER 17	50,293	49,620
45 CLAYMORE SER GUG CORP SER 21	45,966	45,066
62 CLAYMORE SER GUG CORP SER 24	62,684	59,490
12500 FIRST TRUST EQUITY INC 27	134,897	133,875
4400 FIRST TRUST EQUITY INC 28	44,734	44,660
15 VAN KAMPEN INVT GR SER 1	12,941	12,913

## TY 2010 Investments Corporate Stock Schedule

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

Name of Stock	End of Year Book Value	End of Year Fair Market Value
1435 SH CHEVRON TEXACO CORPORATION	79,648	130,944
600 SH ING GRP NV PFD 7.375%	15,000	13,908
400 SH ING GRP NV PFD 7.2%	10,472	9,268
6508 SH D & F INVESTMENT CO		
865 SH EXXON MOBIL CORPORATION	53,896	63,249
900 SH AMB PROP PFD	22,500	22,725
1000 SH ROYAL BK OF SCOTLAND GRP PFD 7.25%		
DAVIS NY VENTURE FUND	166,014	176,737
DWS HIGH INCOME FUND	155,347	123,490
EURO PACIFIC GROWTH FD	27,708	22,189
FRANKLIN UTILITY FUND	239,062	258,147
GROWTH FUND OF AMERICA	248,043	211,805
INCOME FUND OF AMERICA	319,172	306,462
INVESTMENT CO OF AMERICA	432,349	399,015
TEMPLETON GLOBAL GOVT FD	452,311	510,234
WASHINGTON MUTUAL FD	157,209	140,750
FRANKLIN GROWTH FUND	112,047	111,772
FRANKLIN INCOME FUND	54,680	54,680
FRANKLIN MUTUAL FUND	78,207	77,905
FRANKLIN SMALL CAP FUND	40,606	40,326

**TY 2010 Investments Government  
Obligations Schedule**

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

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

1,045,782

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

1,031,256

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

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

## TY 2010 Legal Fees Schedule

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
HEINY LAW FIRM PLC TAX PREPARATION & ACCOUNTING	13,507	13,507		13,507

**TY 2010 Other Decreases Schedule**

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

Description	Amount
CAPITAL LOSSES	100,931



## TY 2010 Other Liabilities Schedule

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

Description	Beginning of Year - Book Value	End of Year - Book Value
FEDERAL TAX ESTIMATE	-2,408	-5,000

## TY 2010 Other Liabilities Schedule

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

Description	Beginning of Year - Book Value	End of Year - Book Value
FEDERAL TAX ESTIMATE	-2,408	-5,000

**TY 2010 Taxes Schedule**

**Name:** FARRER ENDOWMENT FOUNDATION

**EIN:** 42-1214699

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
EXCISE TAX	4,983			