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## Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

2013

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 ► Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

For calendar year 2013 or tax year beginning

1/1

, 2013, and ending

12/31

, 20 13

Name of foundation

McFarland Family Foundation

A Employer identification number

26-6691648

Number and street (or P.O. box number if mail is not delivered to street address)  
75072 Gleneagles Circle

Room/suite

B Telephone number (see instructions)

760-340-1233

City or town, state or province, country, and ZIP or foreign postal code  
Indian Wells, CA 92210-7646

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

C If exemption application is pending, check here ► D 1. Foreign organizations, check here . . . ► 2. Foreign organizations meeting the 85% test,  
check here and attach computation . . . ► E If private foundation status was terminated under  
section 507(b)(1)(A), check here . . . ► F If the foundation is in a 60-month termination  
under section 507(b)(1)(B), check here ► 

H Check type of organization:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

I Fair market value of all assets at J Accounting method:  Cash  Accrual  
end of year (from Part II, col. (c),  
line 16) ► \$ 377,101 72 (Part I, column (d) must be on cash basis.)

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 instructions).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)	200,268 91			
2	Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	1 51	1 51	1.51	
4	Dividends and interest from securities	5,496 07	5,496 07	5,496 07	
5a	Gross rents . . . . .	0	0	0	
b	Net rental income or (loss)	0			
6a	Net gain or (loss) from sale of assets not on line 10	0			
b	Gross sales price for all assets on line 6a	0			
7	Capital gain net income (from Part IV, line 2) . . .		13,534 21		
8	Net short-term capital gain . . . . .			147 31	
9	Income modifications . . . . .			0	
10a	Gross sales less returns and allowances	0			
b	Less: Cost of goods sold	0			
c	Gross profit or (loss) (attach schedule)	0		0	
11	Other income (attach schedule)	0	0	0	
12	Total. Add lines 1 through 11	205,766 49	19,031 79	5,644.89	

Revenue	13 Compensation of officers, directors, trustees, etc.	0	0	0	0
	14 Other employee salaries and wages	0	0	0	0
	15 Pension plans, employee benefits	0	0	0	0
	16a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	0	0	0	0
	c Other professional fees (attach schedule)	0	0	0	0
	17 Interest	0	0	0	0
	18 Taxes (attach schedule) (see instructions)	0	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	0
	20 Occupancy	0	0	0	0
	21 Travel, conferences, and meetings	0	0	0	0
	22 Printing and publications	0	0	0	0
	23 Other expenses (attach schedule)	0	0	0	0
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	0	0	0	0
	25 Contributions, gifts, grants paid	56,720.43		56,720 43	
	26 Total expenses and disbursements. Add lines 24 and 25	56,720 43	0	0	56,720 43

Operating and Administrative Expenses	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	149,046.06			
	b Net investment income (if negative, enter -0-)		19,031 79		
	c Adjusted net income (if negative, enter -0-)			5,644 89	

9/2013

<b>Part II</b> <b>Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	<b>Beginning of year</b>	<b>End of year</b>	
			<b>(a) Book Value</b>	<b>(b) Book Value</b>	<b>(c) Fair Market Value</b>
<b>Assets</b>	1	Cash—non-interest-bearing . . . . .	12,632 26	0	0
	2	Savings and temporary cash investments . . . . .	0	111,929 83	111,929 83
	3	Accounts receivable ► . . . . .			
		Less: allowance for doubtful accounts ► . . . . .	0	0	0
	4	Pledges receivable ► . . . . .	0		
		Less: allowance for doubtful accounts ► . . . . .	0	0	0
	5	Grants receivable . . . . .	0	0	0
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .	0	0	0
	7	Other notes and loans receivable (attach schedule) ► . . . . .	0		
		Less: allowance for doubtful accounts ► . . . . .	0	0	0
	8	Inventories for sale or use . . . . .	0	0	0
	9	Prepaid expenses and deferred charges . . . . .	0	0	0
	10a	Investments—U.S. and state government obligations (attach schedule) . . . . .	0	0	0
	b	Investments—corporate stock (attach schedule) . . . . .	159,563 06	185,391 15	185,391.15
	c	Investments—corporate bonds (attach schedule) . . . . .	0	79,780 74	79,780.74
	11	Investments—land, buildings, and equipment: basis ► . . . . .			
		Less: accumulated depreciation (attach schedule) ► . . . . .	0	0	0
	12	Investments—mortgage loans . . . . .	0	0	0
	13	Investments—other (attach schedule) . . . . .	0	0	0
	14	Land, buildings, and equipment: basis ► . . . . .	None		
		Less: accumulated depreciation (attach schedule) ► . . . . .	0	0	0
	15	Other assets (describe ► none) . . . . .	)	0	0
	16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I) . . . . .		172,195 32	377,101.72
<b>Liabilities</b>	17	Accounts payable and accrued expenses . . . . .		0	0
	18	Grants payable . . . . .		0	0
	19	Deferred revenue . . . . .		0	0
	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 ► None) . . . . .	)	0	0
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .		0	0
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here ► <input type="checkbox"/></b> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/></b> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds . . . . .		0	0
	28	Paid-in or capital surplus, or land, bldg., and equipment fund . . . . .		0	0
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .		172,195 32	377,101.72
	30	<b>Total net assets or fund balances</b> (see instructions) . . . . .		172,195 32	377,101.72
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .		172,195.32	377,101.72

**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	172,195.32
2	Enter amount from Part I, line 27a . . . . .	2	149,046 06
3	Other increases not included in line 2 (itemize) ► Asset Appreciation . . . . .	3	55,860 34
4	Add lines 1, 2, and 3 . . . . .	4	377,101.72
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	377,101.72

**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>1a</b> 75 Shares Vanguard Growth			P	6/14/13	7/19/13
<b>b</b> 841.12 Shares Vanguard Short Term			P	6/18/13	12/31/13
<b>c</b> 85 Shares Vanguard Value			P	6/14/13	7/19/13
<b>d</b> 1500 Shares CSCO			D	5/13/30	6/14/13
<b>e</b> 1000 Shares CSCO			D	12/30/12	12/30/13
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>		
<b>a</b> 6,167.14	0	5,991.00	176.14		
<b>b</b> 9,041.74	0	9,000.00	-6.83		
<b>c</b> 6,064.64	0	5,879.45	185.19		
<b>d</b> 36,404.36	0	36,525.00	-120.64		
<b>e</b> 22,215.66	0	22,230.00	-134.98		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			<b>(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))</b>		
<b>(i) F.M.V. as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col. (i) over col. (j), if any</b>			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<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>	13,534.21	
<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 instructions). If (loss), enter -0- in Part I, line 8	{ If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 }		<b>3</b>	147.31	

**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 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))
2012			
2011			
2010			
2009			
2008			

- 2 Total of line 1, column (d)
- 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
- 4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5
- 5 Multiply line 4 by line 3
- 6 Enter 1% of net investment income (1% of Part I, line 27b)
- 7 Add lines 5 and 6
- 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.

<b>2</b>
<b>3</b>
<b>4</b>
<b>5</b>
<b>6</b>
<b>7</b>
<b>8</b>

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)	1		
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			
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		
3	Add lines 1 and 2			
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-			
6	Credits/Payments:			
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a		
b	Exempt foreign organizations—tax withheld at source			
c	Tax paid with application for extension of time to file (Form 8868)			
d	Backup withholding erroneously withheld			
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached			
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>			
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>			
11	Enter the amount of line 10 to be: <b>Credited to 2014 estimated tax</b> ►		Refunded	►

**Part VII-A Statements Regarding Activities**

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the 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>				
c	Did the foundation file <b>Form 1120-POL</b> for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____	2		✓
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>			
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>	3		✓
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓	
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	4b		✓
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>		✓	
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?	6		✓
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>		✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►	8b		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>			
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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9		✓
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓	
10		10	✓	

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓	
14	The books are in care of ► David E McFarland Located at ► 75072 Gleneagles Circle, Indian Wells, CA	Telephone no. ►	760-340-1233	
		ZIP+4 ►	92210-7646	
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		□
16	At any time during calendar year 2013, 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 the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No

**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? . . . . . (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . (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)? . . . . . (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 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	✓
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013? . . . . .	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? . . . . . If "Yes," list the years ► 20____, 20____, 20____, 20____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.) . . . . .	2b	✓
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2013 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 2013.) . . . . .	3b	✓
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4b	✓

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

5a	During the year did the foundation pay or incur any amount to:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? . . . . . (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? . . . . . (3) Provide a grant to an individual for travel, study, or other similar purposes? . . . . . (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 instructions) . . . . . (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . .			
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 instructions)? . . . . . Organizations relying on a current notice regarding disaster assistance check here . . . . . ► <input type="checkbox"/>			5b	✓
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? . . . . . <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . <i>If "Yes" to 6b, file Form 8870.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	✓
7a	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 b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		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 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
David E McFarland 75072 Gleneagles Circle, CA 92210-7646	Trustee	0	0	0
Susan N McFarland 75072 Gleneagles Circle, CA 92210-7646	Trustee	0	0	0
Kim K McFarland 440 Virginia Street, Salt Lake City, UT 84103	Secretary	0	0	0

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

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

## **Part IX-A      Summary of Direct Charitable Activities**

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

organizations and other beneficiaries served, conferences convened, research papers produced, etc.	
1	See Form 990-PF Part IX-A additional
2	
3	
4	

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

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

1 \_\_\_\_\_  
\_\_\_\_\_

2 \_\_\_\_\_  
\_\_\_\_\_

All other program-related investments. See instructions.

**Total. Add lines 1 through 3** . . . . . ►

**Total. Add lines 1 through 3**

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	209,081.40
b	Average of monthly cash balances	1b	23,246.60
c	Fair market value of all other assets (see instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	232,328.00
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	232,328.00
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	3,484.92
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	228,843.08
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	11,442.15

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

1	Minimum investment return from Part X, line 6	1	11,442.15
2a	Tax on investment income for 2013 from Part VI, line 5	2a	0
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	0
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	11,442.15
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	11,442.15
6	Deduction from distributable amount (see instructions)	6	0
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	11,442.15

**Part XII Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	56,720.43
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	56,720.43
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 instructions)	5	3,771.01
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	52,949.42

**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 instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7 . . . . .				11,442 15
2 Undistributed income, if any, as of the end of 2013:			0	
a Enter amount for 2012 only . . . . .			0	
b Total for prior years: 20 ____,20 ____,20 ____		0		
3 Excess distributions carryover, if any, to 2013:				
a From 2008 . . . . .				
b From 2009 . . . . .				
c From 2010 . . . . .				
d From 2011 . . . . .				
e From 2012 . . . . .				
f Total of lines 3a through e . . . . .	0			
4 Qualifying distributions for 2013 from Part XII, line 4: ► \$ _____			0	
a Applied to 2012, but not more than line 2a . . . . .			0	
b Applied to undistributed income of prior years (Election required—see instructions) . . . . .		0		
c Treated as distributions out of corpus (Election required—see instructions) . . . . .	0			
d Applied to 2013 distributable amount . . . . .				11,442.15
e Remaining amount distributed out of corpus	45,278 28			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6 Enter the net total of each column as indicated below:	45,278.28			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .		0		
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .			0	
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .		0		
d Subtract line 6c from line 6b. Taxable amount—see instructions . . . . .			0	
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount—see instructions . . . . .				0
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014 . . . . .				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .	0			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	0			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	0			
10 Analysis of line 9:				
a Excess from 2009 . . . . .	0			
b Excess from 2010 . . . . .	0			
c Excess from 2011 . . . . .	0			
d Excess from 2012 . . . . .	0			
e Excess from 2013 . . . . .	0			

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

**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 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).)

**David and Susan McFarland**

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**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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:  
David E. McFarland, 75072 Glenaeles Circle, Indian Wells, CA 92210-7646

**b** The form in which applications should be submitted and information and materials they should include:  
A form will be sent to applicants

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**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:

Only US residents for US Schools

**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
<b>Name and address (home or business)</b>				
<b>a Paid during the year</b>				
Loudoun country Day school, emerging Scholars FBO Adef child	None	None	Grade 8	10,000 00
Glynn Pease, 2050 West Warm Springs, #2821, Henderson, NV 89014	None	None	Sophomore Tuition and support	23,430 09
Aliza Braunstein, 20932 Mauna Kea Lane, Laguna Niguel, CA 92677	None	None	Sophomore tuition and support	8,067.34
Gilberto Menchaca, 68490 Juaquin Court, Cathedral City, CA	None	None	Pay off Loans	421.00
Marlene Sambado, San Bernadino, CA	None	None	Summer school support	4,000.00
Shannon Campbell, 1610 S West Temple, Salt Lake City, UT 84115	None	None	Tuition to SLC Junior College	1,872 00
Andrew Miller, 8801 Beaver Bridge Road, Moseley, VA 23120	None	None	Tuition and support to Randolph Macon	8,930 00
<b>Total</b>			► 3a	56,720 43
<b>b Approved for future payment</b>				
<b>Total</b>			► 3b	

Part XVI-A | Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments . . . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities . . . . .					
5 Net rental income or (loss) from real estate:					
a Debt-financed property . . . . .					
b Not debt-financed property . . . . .					
6 Net rental income or (loss) from personal property					
7 Other investment income . . . . .					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events . . . . .					
10 Gross profit or (loss) from sales of inventory . . . . .					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e) . . . . .					
13 Total. Add line 12, columns (b), (d), and (e) . . . . .					
See worksheet in line 13 instructions to verify calculations.					

(See worksheet in line 13 instructions to verify calculations.)

13

**Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

**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?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:	1a(1)	✓
	(1) Cash . . . . .	1a(2)	✓
	(2) Other assets . . . . .		
b	Other transactions:	1b(1)	✓
	(1) Sales of assets to a noncharitable exempt organization . . . . .	1b(2)	✓
	(2) Purchases of assets from a noncharitable exempt organization . . . . .	1b(3)	✓
	(3) Rental of facilities, equipment, or other assets . . . . .	1b(4)	✓
	(4) Reimbursement arrangements . . . . .	1b(5)	✓
	(5) Loans or loan guarantees . . . . .	1b(6)	✓
	(6) Performance of services or membership or fundraising solicitations . . . . .	1c	✓
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.		

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

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**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) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►		Firm's EIN ►		
	Firm's address ►		Phone no. _____		

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

OMB No. 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.  
► Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**2013**

Name of the organization

Employer identification number

Organization type (check one):

## Filers of:

## Section:

Form 990 or 990-EZ

 501(c)( ) (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$  % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ► \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

Employer identification number

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Bob and Mimi Liu 2030 Via Cerritos Palos Verdes Estates, CA 90274	\$ 500 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	Stephanie Kennedy 3549 Kings Canyon, Court Pleasanton, CA 94588	\$ 50 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	Virginia and Garrett Speirs 595 Parra Grande Lane Santa Barbara, CA 93108	\$ 1,000 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	Saralloyd Truax P. O. Box 176 Los Olivos, CA 93441	\$ 50 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	G. R. Durenberger P. O. Box 547 Henderson, MN 56044	\$ 100 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	Bruce Mocettini P. O. Box 176 Los Olivos, CA 93441	\$ 250 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	Michael Marquardt 7620 Bryn Mawr Tuckahoe, CA 23229	\$ 200 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	Daniel Marquardt 18 Seventh Street NE Washington, DC 20002	\$ 200.00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	Ray McFarland 750 Adler Falls Round Rock, TX 78665	\$ 800.00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	Jeff McFarland 440 32nd Street Manhattan Beach, CA 90266	\$ 1,000 00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	Joan Seirs 605 Rancho Alisal Drive Solvang, CA 93463	\$ 100,000.00	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	Kim K McFarland 440 Virginia Street Salt Lake City, UT 84103	\$ 36,047 06	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	David and Susan McFarland 75072 Gleneagles Circle Indian Wells, CA 92210	\$ 59,071.85	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
12	350 Shares of PRF @ \$74.35	\$ 26,225.00	5/15/13
12	234 Shares DODFX @ \$42.84	\$ 10,024.56	12/31/13
13	1500 Shares of CSCO @ \$24.5385	\$ 36,807.75	5/30/13
13	1000 Shares of CSCO @ \$22.2641	\$ 22,642.00	12/30/13
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

**Part III** **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	<b>(e) Transfer of gift</b>		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	<b>(e) Transfer of gift</b>		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	<b>(e) Transfer of gift</b>		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	<b>(e) Transfer of gift</b>		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

Additional Form 990-PF Part VI 26-6691648

Kim Marquardt 440 Virginia Street, UT 84103

David and Susan McFarland 75072 Gleneagles Circle, Indian Wells, CA 92210

Joan Speirs 605 Rancho Alisal Drive, Solvang, CA 93463

Additional Form 990-PF Part IV 26-6691648

1f	234 Shares DodgeCox	D	12/31/13	12/31/13	10,071.56	10,024.56	46.8
1g	125 Shares Powershrs	D	5/15/13	6/14/13	9,219.84	9,262.41	-42.57
1h	2256 Shares Powershrs	D	5/5/13	6/14/13	16,595.71	16,672	-76.64
1i	460 Shares Wells Fargo	D	12/28/12	6/14/13	18,786.07	10,512.10	8,273.97
1j	3808 Shares CSCo	D	12/31/11	6/14/13	92,418.56	105,658.00	-13,239.44
1k	2200 Shares MSFT	D	12/31/11	6/14/13	75,968.68	57,487.00	18,499.68
<b>Totals</b>					<b>223,060.42</b>	<b>209,616.07</b>	<b>13,461.80</b>