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Form 990-PF
**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**
2009Department 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 2009, or tax year beginning **07/01/09**, and ending **06/30/10**
 G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation MABEL E. SHERMAN EDUCATIONAL FUND C/O CITIZENS FIRST NATIONAL BANK		A Employer identification number 42-6278859
	Number and street (or P O box number if mail is not delivered to street address) PO BOX 1227		Room/suite
	City or town, state, and ZIP code STORM LAKE IA 50588		B Telephone number (see page 10 of the instructions) 712-732-5440
H Check type of organization:	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 5,513,567	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)		

Part I Analysis of Revenue and Expenses (The

total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	21,158	21,158	21,158	
4	Dividends and interest from securities	10,624	10,624	10,624	
5a	Gross rents	112,256	112,256	112,256	
b	Net rental income or (loss)	85,121			
6a	Net gain or (loss)* from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		0	0	
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	STMT 1	93	93	93
12	Total. Add lines 1 through 11		144,131	144,131	144,131
13	Compensation of officers, directors, trustees, etc.		584		
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	SEE STMT 2	516		
b	Accounting fees (attach schedule)	STMT 3	1,200		
c	Other professional fees (attach schedule)	STMT 4	11,147	11,147	11,147
17	Interest		3,201		
18	Taxes (attach schedule) (see page 14 of the instructions)	STMT 5	1,158	1,158	1,158
19	Depreciation (attach schedule) and depletion	STMT 6	14,830	14,830	14,830
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch)	STMT 7	38,020		
24	Total operating and administrative expenses.		70,656	27,135	27,135
	Add lines 13 through 23		91,813		91,813
25	Contributions, gifts, grants paid		162,469	27,135	27,135
26	Total expenses and disbursements. Add lines 24 and 25				91,813
27	Subtract line 26 from line 12:		-18,338		
a	Excess of revenue over expenses and disbursements			116,996	
b	Net investment income (if negative, enter -0-)				
c	Adjusted net income (if negative, enter -0-)				116,996

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Operating and Administrative Expenses

Revenue

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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
	1 Cash—non-interest-bearing				
	2 Savings and temporary cash investments		163,633	70,516	70,516
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7 Other notes and loans receivable (att schedule) ► SEE WRK	2,029,670			
	Less: allowance for doubtful accounts ►		1,952,015	2,029,670	2,029,670
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
Assets	10a Investments—U.S. and state government obligations (attach schedule)	STMT 8	185,302	275,397	277,935
	b Investments—corporate stock (attach schedule)				
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment basis ►	647,475			
	Less accumulated depreciation (attach sch) ► STMT 9	175,093	473,540	472,382	3,131,446
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
	15 Other assets (describe ► SEE STATEMENT 10)		4,000	4,000	4,000
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		2,778,490	2,851,965	5,513,567
Liabilities	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ►)		0	0	
	23 Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg , and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see page 17 of the instructions)		2,778,490	2,851,965	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)		2,778,490	2,851,965	
			2,778,490	2,851,965	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,778,490
2 Enter amount from Part I, line 27a	2	-18,338
3 Other increases not included in line 2 (itemize) ► SEE STATEMENT 11	3	91,813
4 Add lines 1, 2, and 3	4	2,851,965
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,851,965

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a N/A					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3		

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	111,802	3,426,503	0.032629
2007	99,436	2,323,720	0.042792
2006	131,689	2,319,890	0.056765
2005	130,933	2,320,600	0.056422
2004	114,464	2,184,422	0.052400

2 Total of line 1, column (d)

2 0.241008

3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3 0.048202

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 3,430,966

5 Multiply line 4 by line 3

5 165,379

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 1,170

7 Add lines 5 and 6

7 166,549

8 Enter qualifying distributions from Part XII, line 4

8 91,813

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)

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	2,340
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	0
3	Add lines 1 and 2	3	2,340
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,340
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,760
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	2,760
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	420
11	Enter the amount of line 10 to be Credited to 2010 estimated tax ►	11	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?	Yes	No
1a		X	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	Yes	No
1b	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.	X	
1c	Did the foundation file Form 1120-POL for this year?	Yes	No
1c		X	
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	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	Yes	No
2		X	
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	Yes	No
3		X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	No
4a		X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	No
4b		X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	Yes	No
5		X	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	Yes	No
6		X	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	Yes	No
7		X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► IA	Yes	No
8b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	Yes	No
8b		X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	Yes	No
9		X	
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	Yes	No
10		X	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11	<input checked="" type="checkbox"/>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	<input checked="" type="checkbox"/>
14	The books are in care of ► CITIZENS FIRST NATIONAL BANK E 5TH & LAKE STORM LAKE, IA	Telephone no ► 712-732-5440	
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	ZIP+4 ► 50588	► 15

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)		<input type="checkbox"/>	<input checked="" type="checkbox"/> No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?		<input type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		<input type="checkbox"/>	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?		<input type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)		<input type="checkbox"/>	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		N/A	► <input type="checkbox"/>
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 2009?		N/A	
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?		<input type="checkbox"/>	<input checked="" type="checkbox"/> No
	If "Yes," list the years ► 20 , 20 , 20 , 20			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.)		N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?		<input type="checkbox"/>	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 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 2009.)		N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			
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 2009?			

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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) 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		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	5b
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	
6a	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		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870.	<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	N/A	7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
CITIZENS FIRST NATIONAL BANK E 5TH & LAKE AVE	STORM LAKE IA 50588	TRUSTEE 1.00	584	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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

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

Amount

1 N/A	
2	

All other program-related investments. See page 24 of the instructions

3

Total. Add lines 1 through 3 ►

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	230,693
b	Average of monthly cash balances	1b	117,075
c	Fair market value of all other assets (see page 24 of the instructions)	1c	3,135,446
d	Total (add lines 1a, b, and c)	1d	3,483,214
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	3,483,214
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	52,248
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,430,966
6	Minimum investment return. Enter 5% of line 5	6	171,548

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part)

1	Minimum investment return from Part X, line 6	1	171,548
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,340
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,340
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	169,208
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	169,208
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	169,208

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	1a	91,813
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the:	3b	
a	Suitability test (prior IRS approval required)	4	91,813
b	Cash distribution test (attach the required schedule)	5	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	91,813
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income		
	Enter 1% of Part I, line 27b (see page 26 of the instructions)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 XII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				169,208
2 Undistributed income, if any, as of the end of 2009			898	
a Enter amount for 2008 only				
b Total for prior years: 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4. ► \$ 91,813			898	
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				78,293
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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)				
a Paid during the year				
BUENA VISTA UNIV 610 W 4TH ST STORM LAKE IA 50588		PUBLIC	STUDENT LOANS	36,725
CORNELL COLLEGE 600 1ST ST SW MT VERNON IA 52314		PUBLIC	STUDENT LOANS	18,363
MORNINGSIDE COLLEGE 1501 MORNINGSIDE AVE SIOUX CITY IA 51102		PUBLIC	STUDENT LOANS	36,725
Total			► 3a	91,813
b Approved for future payment				
N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

12 Subtotal. Add columns (b), (d), and (e)

13 Total. Add line 12, columns (b), (d), and (e)

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

Forms 990 / 990-PF	Other Notes and Loans Receivable		
	For calendar year 2009, or tax year beginning 07/01/09 , and ending 06/30/10		2009
Name MABEL E. SHERMAN EDUCATIONAL FUND C/O CITIZENS FIRST NATIONAL BANK			Employer Identification Number 42-6278859

FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION

Name of borrower		Relationship to disqualified person
(1) LOANS - BUENA VISTA		
(2) CASH - BUENA VISTA		
(3) LOANS - CORNELL		
(4) CASH - CORNELL		
(5) LOANS - MORNINGSIDE		
(6) CASH - MORNINGSIDE		
(7) LOANS - WESTMAR		
(8)		
(9)		
(10)		

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower		Purpose of loan	
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1) 319,927	330,519	330,519	330,519
(2) 608,443	641,686	641,686	641,686
(3) 390,728	443,920	443,920	443,920
(4) 122,474	74,328	74,328	74,328
(5) 536,803	531,455	531,455	531,455
(6) -26,560	7,562	7,562	7,562
(7) 200	200	200	200
(8)			
(9)			
(10)			
Totals	1,952,015	2,029,670	2,029,670

4562Department of the Treasury
Internal Revenue Service
(99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2009Attachment
Sequence No **67**

Name(s) shown on return

**MABEL E. SHERMAN EDUCATIONAL FUND
C/O CITIZENS FIRST NATIONAL BANK**Identifying number
42-6278859

Business or activity to which this form relates

FARM RENTAL**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	1,158
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ► <input type="checkbox"/>		

Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	1,158
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Form 4562 (2009)

THERE ARE NO AMOUNTS FOR PAGE 2

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	\$ 93	\$ 93	\$ 93
TOTAL	\$ 93	\$ 93	\$ 93

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 516	\$ 0	\$ 0	\$ 0
TOTAL	\$ 516	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 1,200	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,200	\$ 0	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FARM RENTAL	\$ 11,147	\$ 11,147	\$ 11,147	\$ 0
TOTAL	\$ 11,147	\$ 11,147	\$ 11,147	\$ 0

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42-6278859

FYE: 6/30/2010

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Federal Statements**Statement 5 - Form 990-PF, Part I, Line 18 - Taxes**

	Description		Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAX			\$ 3,201	\$	\$	\$
TOTAL			\$ 3,201	\$ 0	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Prior Year Depreciation	Method	Life	Date Acquired		Cost Basis	
			Current Year Depreciation	Net Investment Income	Adjusted Net Income	
HOUSE \$ 30,000	S/L	25	9/19/77	\$ 30,000	\$	\$
ROOF 10,147	S/L	15	8/03/81	10,147		
GUTTER 660	S/L	15	8/20/81	660		
MORTON BUILDING 21,047	S/L	15	6/02/83	21,047		
GRAIN BIN 26,390	S/L	5	7/01/83	26,390		
HOUSE REMODEL 66,559	S/L	15	4/16/83	66,559		
MORTON BLDG WIRING 580	S/L	15	10/05/83	580		
GRAIN BIN WIRING 2,443	S/L	5	10/05/83	2,443		
12500 BU BIN 15,500	S/L	5	3/27/86	15,500		
TILING 610	150DB	15	10/16/08	12,192		
TOTAL \$ 173,936			1,158	1,158	1,158	
				\$ 185,518		
				\$ 1,158	\$ 1,158	\$ 1,158

Federal Statements**Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
LOAN ADMINISTRATION EXP	38,020			
TOTAL	\$ 38,020	\$ 0	\$ 0	\$ 0

Statement 8 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$	\$		\$
INVESTMENTS				
	\$ 185,302	\$ 275,397	COST	\$ 277,935
TOTAL	\$ 185,302	\$ 275,397		\$ 277,935

Statement 9 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	\$	\$	\$	\$
LAND				
	\$ 461,958	\$ 461,958	\$	\$ 3,131,446
BUILDINGS & IMPROV	185,517	185,517		
ACCUMULATED DEPRECIATION			175,093	
TOTAL	\$ 647,475	\$ 647,475	\$ 175,093	\$ 3,131,446

Statement 10 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
	\$	\$	\$
MINERAL RIGHTS	\$ 4,000	\$ 4,000	\$ 4,000
TOTAL	\$ 4,000	\$ 4,000	\$ 4,000

Statement 11 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
GRANTS PAID TO COLLEGES	\$ 91,813
TOTAL	\$ 91,813

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

Name of Manager _____ Amount _____
NONE _____ \$ _____
TOTAL _____ \$ _____ C _____

Form 990-PF, Part XV, Line 1b - Managers Who Own 10% or More Stock

Name of Manager _____ Amount _____
NONE \$ _____
TOTAL \$ _____ 0

Statement 12 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
LOAN APPLICATION FORMS ARE AVAILABLE AT GRANTEE EDUCATIONAL INSTITUTIONS

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description	
NONE	

Statement 13 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

THE MABEL E. SHERMAN EDUCATIONAL FUND MAKES AVAILABLE ITS ANNUAL NET INCOME TO THE FOLLOWING AREA COLLEGES FOR PURPOSES OF LOANING TO STUDENTS SELECTED BY SAID COLLEGES

MORNINGSIDE COLLEGE SIOUX CITY, IOWA 51106 CORNELL COLLEGE MT. VERNON, IOWA 52314	BUENA VISTA UNIVERSITY STORM LAKE, IOWA 5058
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ALL LOANS ARE EVIDENCED BY PROMISSORY NOTES PAYABLE TO THE
MABEL E. SHERMAN EDUCATIONAL FUND. DUE DATES OF THESE
NOTES ARE NOT TO EXCEED TEN YEARS FROM THE DATE THE LOAN
WAS MADE. SAID NOTES DO NOT BEAR INTEREST UNTIL DUE AT
WHICH TIME THEY BEAR INTEREST AT THE RATE OF 7% PER ANNUM
UNTIL PAID.

IN AWARDING LOANS, THE AFOREMENTIONED COLLEGES ARE TO
SELECT RECIPIENTS IN A WISE AND PROPER MANNER, WITH
PREFERENCE GIVEN TO STUDENTS WHO RESIDE IN IDA COUNTY AND
CHEROKEE COUNTY, IOWA. IF AVAILABLE FUNDS ARE NOT

Federal Statements**Statement 13 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**
(continued)**Description**

EXHAUSTED BY SUCH LOANS, THE COLLEGES MAY CONSIDER STUDENTS RESIDING IN OTHER IOWA COUNTIES.

THE FUNDS ARE DISTRIBUTED TO STUDENTS ONLY IF OTHER MEANS OF FINANCIAL AID ARE INSUFFICIENT TO MEET THE NEED OF THE PARTICULAR STUDENT. NONE OF THE COLLEGES REQUIRE ANY ADDITIONAL MATERIAL OR INFORMATION THAT IS NOT ALREADY REQUIRED FOR OTHER MEANS OF FINANCIAL AID.

FOR FURTHER INFORMATION REGARDING TIME AND FORM OF APPLICATION FOR THESE LOANS, CONTACT THE FINANCIAL AID OFFICES OF THE AFOREMENTIONED COLLEGES.

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Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
INTEREST INCOME	\$ 21,158			14
TOTAL	\$ 21,158			

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
INTEREST FROM SECURITIES	\$ 10,624			14
TOTAL	\$ 10,624			

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Federal Statements

PART X - LINE 1c

<u>Description</u>	<u>Amount</u>
631 ACRES OF FARMLAND MINERAL RIGHTS	\$ 3,131,446 4,000
TOTAL	\$ 3,135,446