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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

2012

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

Open to Public Inspection

For calendar year 2012 or tax year beginning 07/01/12, and ending 06/30/13

<p>Name of foundation <b>MABEL E. SHERMAN EDUCATIONAL FUND C/O CITIZENS FIRST NATIONAL BANK</b></p> <p>Number and street (or P O box number if mail is not delivered to street address) <b>PO BOX 1227</b></p> <p>City or town, state, and ZIP code <b>STORM LAKE IA 50588</b></p> <p>G Check all that apply</p> <table style="margin-left: 20px; border: none;"> <tr><td><input type="checkbox"/></td><td>Initial return</td></tr> <tr><td><input type="checkbox"/></td><td>Final return</td></tr> <tr><td><input type="checkbox"/></td><td>Address change</td></tr> <tr><td><input type="checkbox"/></td><td>Initial return of a former public charity</td></tr> <tr><td><input type="checkbox"/></td><td>Amended return</td></tr> <tr><td><input type="checkbox"/></td><td>Name change</td></tr> </table> <p>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</p> <p>I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ <b>6,324,237</b> (Part I, column (d) must be on cash basis)</p>		<input type="checkbox"/>	Initial return	<input type="checkbox"/>	Final return	<input type="checkbox"/>	Address change	<input type="checkbox"/>	Initial return of a former public charity	<input type="checkbox"/>	Amended return	<input type="checkbox"/>	Name change	<p>A Employer identification number <b>42-6278859</b></p> <p>B Telephone number (see instructions) <b>712-732-5440</b></p> <p>C If exemption application is pending, check here ► <input type="checkbox"/></p> <p>D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/></p> <p>E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/></p> <p>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/></p> <p><b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 20%; text-align: center;">(a) Revenue and expenses per books</th> <th style="width: 20%; text-align: center;">(b) Net investment income</th> <th style="width: 20%; text-align: center;">(c) Adjusted net income</th> <th style="width: 20%; text-align: center;">(d) Disbursements for charitable purposes (cash basis only)</th> </tr> </thead> <tbody> <tr> <td>1 Contributions, gifts, grants, etc., received (attach schedule)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. 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Assets	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		45,379	83,698	83,698
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 instructions)				
7	Other notes and loans receivable (alt schedule) ► SEE WRK	2,418,791	0	2,292,798	2,418,791
	Less: allowance for doubtful accounts ►				
8	Inventories for sale or use				
9	Prepaid expenses and deferred charges				
10a	Investments – U S. and state government obligations (attach schedule)	STMT 7	269,334	182,822	194,026
b	Investments – corporate stock (attach schedule)				
c	Investments – corporate bonds (attach schedule)				
11	Investments – land, buildings, and equipment basis ►	469,558			
	Less accumulated depreciation (attach sch) ► STMT 8		470,401	469,558	3,623,722
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
14	Land, buildings, and equipment basis ►	0	0		
	Less accumulated depreciation (attach sch) ►				
15	Other assets (describe ► SEE STATEMENT 9	)	4,000	4,000	4,000
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		3,081,912	3,158,869	6,324,237
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)				
24	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
25	Temporarily restricted				
26	Permanently restricted				
27	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
28	Capital stock, trust principal, or current funds				
29	Paid-in or capital surplus, or land, bldg , and equipment fund				
30	Retained earnings, accumulated income, endowment, or other funds		3,081,912	3,158,869	
31	Total net assets or fund balances (see instructions)		3,081,912	3,158,869	
	Total liabilities and net assets/fund balances (see instructions)		3,081,912	3,158,869	

## 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	3,081,912
2	Enter amount from Part I, line 27a	2	-82,008
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 10	3	158,965
4	Add lines 1, 2, and 3	4	3,158,869
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	3,158,869

## Form 990-PF (2012) MABEL E. SHERMAN EDUCATIONAL FUND

42-6278859

Page 3

## Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a N/A					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) 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 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 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))
2011	148,648	3,214,889	0.046237
2010	96,673	3,416,180	0.028299
2009	91,813	3,430,966	0.026760
2008	111,802	3,426,503	0.032629
2007	99,436	2,323,720	0.042792

2 Total of line 1, column (d) 2 0.176717

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 0.035343

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 4 3,524,082

5 Multiply line 4 by line 3 5 124,552

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 1,711

7 Add lines 5 and 6 7 126,263

8 Enter qualifying distributions from Part XII, line 4 8 158,965

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

**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	1,711
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		
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-)		
3	Add lines 1 and 2	2	0
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	3	1,711
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0-	4	0
6	<b>Credits/Payments:</b>	5	1,711
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,207
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	1,207
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	3
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	507
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►	Refunded	► 11

**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
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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	1a	X
1c	Did the foundation file Form 1120-POL for this year?	1b	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 ► \$ _____	1c	X
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____	2	X
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.	3	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	4a	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4b	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	5	X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	N/A	
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	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	7	X
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►	8b	X
IA		9	X
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? If "No," attach explanation	10	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		

## 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  X

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  X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13  X

Website address ► N/A

14 The books are in care of ► CITIZENS FIRST NATIONAL BANK  
E 5TH & LAKE

Telephone no ► 712-732-5440

IA

ZIP+4 ► 50588

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 ►

16 At any time during calendar year 2012, 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? 16  Yes  No X

See 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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

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?  Yes  No(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  No(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  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)?  Yes  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)  Yes  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 ► 

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 2012? N/A 1c

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?  Yes  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 instructions) N/A 2b

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?  Yes  No

b If "Yes," did it have excess business holdings in 2012 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 2012) N/A 3b

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a  X

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012? 4b  X

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

5a	During the year did the foundation pay or incur any amount to:	<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 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A ► <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? 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		6b
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		X
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 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	2,989	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

► 0

Form 990-PF (2012)

**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."

(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 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 instructions	
3	

Total. Add lines 1 through 3 ►

Form 990-PF (2012)

**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	237,860
b	Average of monthly cash balances	1b	64,538
c	Fair market value of all other assets (see instructions)	1c	3,275,350
d	Total (add lines 1a, b, and c)	1d	3,577,748
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	3,577,748
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	53,666
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,524,082
6	Minimum investment return. Enter 5% of line 5	6	176,204

**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	176,204
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,711
b	Income tax for 2012 (This does not include the tax from Part VI )	2b	
c	Add lines 2a and 2b	2c	1,711
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	174,493
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	174,493
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	174,493

**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	158,965
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	158,965
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	1,711
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	157,254

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				174,493
2 Undistributed income, if any, as of the end of 2012			158,964	
a Enter amount for 2011 only				
b Total for prior years 20_____, 20_____, 20_____,				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 158,965			158,964	
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				1
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (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 instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				174,492
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9.				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

**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) )  
**NONE**

## **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**

**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 of the person to whom applications should be addressed.

SEE STATEMENT 13 712-732-5440

PO BOX 1227 STORM LAKE IA 50588

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

SEE : STATEMENT 11

c Any submission deadlines:  
**NONE**

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

any restrictions or limitations on a factor:

## 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
a Paid during the year				
BUENA VISTA UNIV 610 W 4TH ST STORM LAKE IA 50588		PUBLIC	STUDENT LOANS	63,586
CORNELL COLLEGE 600 1ST ST SW MT VERNON IA 52314		PUBLIC	STUDENT LOANS	31,793
MORNINGSIDE COLLEGE 1501 MORNINGSIDE AVE SIOUX CITY IA 51102		PUBLIC	STUDENT LOANS	63,586
Total			► 3a	158,965
b Approved for future payment				
N/A				
Total			► 3b	
DAA				

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions )
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)		0		171,296	0
13 Total Add line 12, columns (b), (d), and (e)				13	171,296

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

## Part XVI-B Relationship of Act

## Part XVI-B Relationship of Activities to

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions )
N/A	



**Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
SERVICE CHARGES	18	18		
BAD DEBT EXP	200	200		
LOAN ADMINISTRATION EXP	60, 357			
TOTAL	\$ 60, 575	\$ 218	\$ 0	\$ 0

**Statement 7 - 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
	\$	\$	COST	\$
INVESTMENTS	\$ 269, 334	\$ 182, 822		\$ 194, 026
TOTAL	\$ 269, 334	\$ 182, 822		\$ 194, 026

**Statement 8 - 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, 623, 722
BUILDINGS & IMPROV	8, 443	7, 600		
TOTAL	\$ 470, 401	\$ 469, 558	\$ 0	\$ 3, 623, 722

**Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 26,265	\$ 0	\$ 0	\$ 0
TOTAL	\$ 26,265	\$ 0	\$ 0	\$ 0

**Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING FEES	\$ 1,810	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,810	\$ 0	\$ 0	\$ 0

**Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FARM RENTAL	\$ 16,658	\$ 16,658	\$ 16,658	\$ 0
TOTAL	\$ 16,658	\$ 16,658	\$ 16,658	\$ 0

**Statement 4 - Form 990-PF, Part I, Line 18 - Taxes**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAX	\$ 2,700	\$ 0	\$ 0	\$ 0
TOTAL	\$ 2,700	\$ 0	\$ 0	\$ 0

44021/0009 MABEL E. SHERMAN EDUCATIONAL FUND  
42-6278859  
FYE: 6/30/2013

**Federal Statements**

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**Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation**

		Description		Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired	Cost Basis								
HOUSE 9/19/77	\$ 30,000	\$ 30,000	S/L				25	\$	\$
ROOF 8/03/81	10,147	10,147	S/L				15		
GUTTER 8/20/81	660	660	S/L				15		
MORTON BUILDING 6/02/83	21,047	21,047	S/L				15		
GRAIN BIN 7/01/83	26,390	26,390	S/L				5		
HOUSE REMODEL 4/16/83	66,559	66,559	S/L				15		
MORTON BLDG WIRING 10/05/83	580	580	S/L				15		
GRAIN BIN WIRING 10/05/83	2,443	2,443	S/L				5		
12500 BU BIN 3/27/86	15,500	15,500	S/L				5		
TILING 10/16/08		12,192	3,748	150DB			15	845	845
TOTAL	\$ 185,518	\$ 12,192	\$ 177,074				\$ 845	\$ 845	\$ 845

• 426278859 MABEL E. SHERMAN EDUCATIONAL FUND

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42-6278859

EYE: 6/30/2013

## **Federal Statements**

**Statement 9 - 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 10 - Form 990-PF, Part III, Line 3 - Other Increases

<u>Description</u>	<u>Amount</u>
GRANTS PAID TO COLLEGES	\$ 158,965
TOTAL	\$ 158,965

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

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

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

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

**Statement 11 - 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 12 - 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	BUENA VISTA UNIVERSITY STORM LAKE, IOWA 50588
--	--

**Federal Statements****Statement 12 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**  
**(continued)****Description**

MT. VERNON, IOWA 52314

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 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.

Form **4562**Department of the Treasury  
Internal Revenue Service

(99)

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2012**

Attachment Sequence No

**179**

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 instructions)	1	<b>500,000</b>
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	<b>2,000,000</b>
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 2011 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 2013 Add lines 9 and 10, less line 12	13	

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

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

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

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

Section A		17	845
17	MACRS deductions for assets placed in service in tax years beginning before 2012		

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 **Section B—Assets Placed in Service During 2012 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 2012 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	845
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

THERE ARE NO AMOUNTS FOR PAGE 2

Form **4562** (2012)

426278859 MABEL E. SHERMAN EDUCATIONAL FUND

42-6278859

FYE: 6/30/2013

11/12/2013 1:23 PM

## Federal Statements

### Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs (\$ or %)
INTEREST INCOME	\$ 39,547			14	
TOTAL	\$ 39,547				

426278859 MABEL E. SHERMAN EDUCATIONAL FUND

42-6278859

FYE: 6/30/2013

11/12/2013 1:23 PM

**Federal Statements**

**PART X - LINE 1c**

Description	Amount
MINERAL RIGHTS	\$ 4,000
631 ACRES OF FARMLAND	3,271,350
<b>TOTAL</b>	<b><u>\$ 3,275,350</u></b>