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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

OMB No 1545-0052






2013

Open to Public Inspection


For calendar year 2013, or tax year beginning 01-01-2013 , and ending 12-31-2013

Name of foundation FARRER ENDOWMENT FOUNDATION		A Employer identification number 42-1214699	
Number and street (or P O box number if mail is not delivered to street address) P O BOX 1567		Room/suite	
City or town, state or province, country, and ZIP or foreign postal code MASON CITY, IA 504021567		B Telephone number (see instructions) (641) 423-5154	
G Check all that apply <div><input type="checkbox"/> Initial return</div> <div><input type="checkbox"/> Initial return of a former public charity</div> <div><input type="checkbox"/> Final return</div> <div><input type="checkbox"/> Amended return</div> <div><input type="checkbox"/> Address change</div> <div><input type="checkbox"/> Name change</div>		C If exemption application is pending, check here <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <input checked="" type="checkbox"/> \$ 5,814,955		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

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)
Revenue	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				
	4 Dividends and interest from securities.	199,846	199,846		
	5a Gross rents				
	b Net rental income or (loss) _____				
	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)		92,067		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	199,846	291,913		
	13 Compensation of officers, directors, trustees, etc	570	570		570
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	18,556	18,556		18,556
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion . . .				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	4,330			
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	23,456	19,126		19,126
	25 Contributions, gifts, grants paid	232,200			232,200
	26 Total expenses and disbursements. Add lines 24 and 25	255,656	19,126		251,326
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-55,810			
	b Net investment income (if negative, enter -0-)		272,787		
	c Adjusted net income (if negative, enter -0-)				

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
Assets	1	Cash—non-interest-bearing	13,160	15,103	15,103
	2	Savings and temporary cash investments	238,042	165,344	165,344
	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 (attach schedule) ▶ _____ 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)	207,327	 158,077	140,852
	b	Investments—corporate stock (attach schedule)	2,756,881	 2,808,606	3,434,110
	c	Investments—corporate bonds (attach schedule).	1,862,347	 1,964,484	2,059,546
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	5,077,757	5,111,614	5,814,955	
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 ▶ _____)	 -2,000	 -4,400	
	23	Total liabilities (add lines 17 through 22)	-2,000	-4,400	
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	5,079,757	5,116,014	
	30	Total net assets or fund balances (see page 17 of the instructions)	5,079,757	5,116,014	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	5,077,757	5,111,614	

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	5,079,757
2	Enter amount from Part I, line 27a	2	-55,810
3	Other increases not included in line 2 (itemize) ▶ _____ 	3	92,067
4	Add lines 1, 2, and 3	4	5,116,014
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	5,116,014

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)
1 a	CAPITAL GAIN DIVIDENDS	P	2012-01-01	2013-12-31
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 92,067	0	0	92,067
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 0	0	0	92,067
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	92,067
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 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))
2012	227,748	5,176,887	0 043993
2011	241,873	5,060,334	0 047798
2010	218,497	4,792,919	0 045587
2009	165,950	4,443,318	0 037348
2008	259,225	4,866,031	0 053272

2	Total of line 1, column (d).	2	0 227998
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 045600
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	5,524,231
5	Multiply line 4 by line 3.	5	251,905
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,728
7	Add lines 5 and 6.	7	254,633
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	8	251,326

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)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	5,456
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	5,456
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	5,456
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	4,400
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	4,400
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	1,056
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 2014 estimated tax 0 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?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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.	1b		No
c	Did the foundation file Form 1120-POL for this year?.	1c		No
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.	2		No
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	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) IA			
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 .	8b	Yes	
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)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses.	10		No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address N/A				
14	The books are in care of HEINY LAW FIRM PLC Telephone no (641) 423-5154 Located at 11 FOURTH ST NE MASON CITY IA ZIP+4 50401			
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?	16	Yes	No
See 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.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the 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		No
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____			
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 checked="" 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<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)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here.	<input checked="" type="checkbox"/>		
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<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?	6b		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<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?	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
JAMES R HEINY	PRESIDENT	570	0	0
MASON CITY,IA 50401	7 00			
FRANK B INGRAM	V-P, TREASURER	0	0	0
MASON CITY,IA 50401	12 00			
GERALD M STAMBAUGH	SEC'Y	0	0	0
MASON CITY,IA 50401	7 00			
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

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.		0

Part IX-A

Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
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	
2	
All other program-related investments. See page 24 of the instructions	
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	5,593,448
b	Average of monthly cash balances.	1b	14,908
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	5,608,356
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	5,608,356
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	84,125
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,524,231
6	Minimum investment return. Enter 5% of line 5.	6	276,212

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	276,212
2a	Tax on investment income for 2013 from Part VI, line 5.	2a	5,456
b	Income tax for 2013 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	5,456
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	270,756
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	270,756
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	270,756

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	251,326
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	251,326
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	251,326
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				270,756
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only.			229,731	
b Total for prior years 20____, 20____, 20____				
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.				
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 251,326				
a Applied to 2012, but not more than line 2a			229,731	
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 2013 distributable amount.				21,595
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (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 2012 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				249,161
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 2008 not applied on line 5 or line 7 (see instructions). . . .				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2009. . . .				
b Excess from 2010. . . .				
c Excess from 2011. . . .				
d Excess from 2012. . . .				
e Excess from 2013. . . .				

Part XIVPrivate Operating Foundations (see instructions and Part VII-A, question 9)

1a

If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2013	(b) 2012	(c) 2011	(d) 2010	
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test—enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	"Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c	"Support" alternative test—enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
	(3) Largest amount of support from an exempt organization					
	(4) Gross investment income					

Part XVSupplementary Information (Complete this part only if the organization 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

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

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

b

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

WRITTEN REQUEST IN SPECIFIC FORM

c

Any submission deadlines

JANUARY THRU APRIL 30 EACH YEAR

d

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

NONE

Form 990-PF (2013)

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 See Additional Data Table				
Total			3a	232,200
b Approved for future payment				
Total			3b	

Enter gross amounts unless otherwise indicated


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

Form **990-PF** (2013)


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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
KINNEY PIONEER MUSEUM P O BOX 421 MASON CITY,IA 50402		501C3	CALLIOPERESTORATION OF	3,000
TLC BROADCASTING CORPORATION 600 FIRST STREET N W MASON CITY,IA 50401		501C3	EXPENSES FOR TOWERRELOCATION	8,000
CHARLIE BROWN PRESCHOOL 600 FIRST STREET N W MASON CITY,IA 50401		501C3	SECURITYUPGRADESYSTEM	4,000
COMMUNITY KITCHEN N I P O BOX 58 MASON CITY,IA 50402		501C3	PURCHASESFOOD	3,500
MEALS ON WHEELS P O BOX 58 MASON CITY,IA 50402		501C3	EXPENSESOPERATIONAL	3,000
OPPORTUNITY VILLAGE 1200 NORTH 9TH STREET WEST CLEAR LAKE,IA 50428		501C3	CARGO TRAILER	4,500
FRANCIS LAUER YOUTH SERVICES 50 NORTH EISENHOWER AVE MASON CITY,IA 50401		501C3	ACCREDITION &SUPPORTCONTINUING EDUCATION	35,000
CARING PREGNANCY CTR INC 830 15TH STREET S W MASON CITY,IA 50401		501C3	SUPPLIES &PURCHASEEEQUIPMENT	3,000
NIACC FOUNDATION 500 COLLEGE DRIVE MASON CITY,IA 50401		501C3	PHASE IISCHOLARSHIPSTRAINING	20,000
FRIENDS OF IOWA CASA 220 NORTH WASHINGTON AVE MASON CITY,IA 50401		501C3	RECRUITMENTVOLUNTEER	1,000
NORTH IOWA VOCATIONAL CENTER INC 1225 SOUTH HARRISON AVE MASON CITY,IA 50401		501C3	EMPLOYMENT TRAININGSUPPORT REPAIREQUIPMENT	3,000
THE CHORAL MUSIC GUILD 1700 FOURTH STREET S E MASON CITY,IA 50401		501C3	BACKS AND SEATSREPLACE CHAIR	3,000
NORTHERN LIGHTS ALLIANCE FOR HOMELESS 50 CRESCENT DR MASON CITY,IA 50401		501C3	OPERATIONS	5,000
NORTH CENTRAL IA AG IN THE CLASS PROGRAM 65 STATE STREET PO BOX 68 GARNER,IA 504380068		501C3	AG EDUCATIONEXPANSION OFWEEK	1,000
NORTH IOWA BAND FESTIVAL FD 25 WEST STATE STREET MASON CITY,IA 50401		501C3	FOR HIGH SCHOOLTRAVEL STIPENDSMARCHING BANDS	7,500
Total 3a				232,200


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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
HANCOCK CO AGRICULTURAL MUSEUM 2090 JAMES AVENUE BRITT,IA 50423		501C3	IMPROVEMENTSREMODELING	2,000
CITY OF MASON CITY 303 2ND ST SE MASON CITY,IA 50401		501C3	REPLACEMENTFURNITUREPOLICE DEPT	2,000
COMMUNITY POLICING AD BD 78 S GEORGIA AVE MASON CITY,IA 50401		501C3	MATERIALSEducational	1,000
ROCKWELL SWALEDALE EMT 3 WALNUT COURT ROCKWELL,IA 50469		501C3	CARDIAC MONITORPURCHASE OFDEFIBRILLATOR	9,000
CITY OF SWALEDALE 3 WALNUT COURT ROCKWELL,IA 50469		501C3	WASHER EXTRACTORCOMMERCIALFIRE DEPT	3,000
YOUTH SPORTS FOUNDATION 2923 CEDAR ST SUITE 3 MUSCATINE,IA 52761		501C3	FOR PLAYERS INSCHOLARSHIPSMASON CITY AREA	2,000
CERRO GORDO FREE HEALTH CARE CLINIC 1443 EAST STREET MASON CITY,IA 50401		501C3	MEDICATION FORPRESCRIPTIONPATIENTS	7,500
NIAD CENTER FOR HUMAN DEV P O BOX 656 MASON CITY,IA 50402		501C3	SERVICESPROGRAM FOR SUPPORT	5,000
NORTH IOWA COMMUNITY ACTION P O BOX 1627 MASON CITY,IA 50401		501C3	PROGRAMSOUTREACHOUTERWEAR FOR HEADSTART STUDENTS	6,000
HABITAT FOR HUMANITY 1411 SOUTH TAFT AVENUE MASON CITY,IA 50401		501C3	EQUIPMENTLADDERS &	1,500
WINNEBAGO HISTORIAL SOCIETY P O BOX 27 FOREST CITY,IA 504360027		501C3	RESTORATIONCEILINGHERITAGE PARK	5,000
CITY OF MASON CITY NORTH IOWA DIVERSITY TEAM MASON CITY,IA 50401		501C3	TEAM ART CONTESTDIVERSITY APP	500
IOWA LEGAL AID 600 1ST STREET NW SUITE 103 MASON CITY,IA 50401		501C3	EXPENSESMOVING	4,000
CLEAR LAKE ARTS COUNCIL 17 SOUTH 4TH STREET CLEAR LAKE,IA 50428		501C3	AUDIOSPEAKERSEQUIPMENT	1,000
CITY OF ROCKWELL 801 EAST ELM STREET ROCKWELL,IA 50469		501C3	AQUATICUPGRADES TOCENTER	1,000
Total  3a				232,200

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
RIVER CITY SOCIETY FOR HISTORIC PRESERVATION 431 1ST STREET SE MASON CITY,IA 50401		501C3	PLANTERSBENCHES AND	2,000
CITY OF MASON CITY 225 2ND STREET SE MASON CITY,IA 50401		501C3	MUSEUM REHOUSINGMACNIDER ARTSAFE BOXES & PHOTOS	4,000
CITY OF KLEMME 118 N 4TH ST KLEMME,IA 50449		501C3	MACHINE TO CLEANPUBLIC LIBRARYREPAIR DVDS	1,000
UNITED WAY OF NORTH IOWA 600 FIRST STREET NW MASON CITY,IA 50401		501C3	TEENSCREENRELOCATION &PROGRAM	5,000
WRIGHT ON THE PARK INC P O BOX 792 MASON CITY,IA 504020792		501C3	OF POSTCARDPUBLICATIONBOOK	1,500
FOREST CITY FIREFIGHTERS ASSOC P O BOX 328 FOREST CITY,IA 504360328		501C3	CONSTRUCTIONPHASE IIactivities	5,000
CONSUMER CREDIT COUNSELING 404 SOUTH MONROE AVE MASON CITY,IA 50401		501C3	SOFTWARE UPGRADE	1,000
LUTHERAN SERVICES IN IOWA INC 3116 UNIVERSITY AVE DES MOINES,IA 50311		501C3	RISKFAMILY SAFETYPROGRAM	4,000
MASON CITY PUBLIC LIBRARY FDN 225 2ND ST SE MASON CITY,IA 50401		501C3	FORPURCHASE MATERIALYOUTH	2,000
HOSPICE OF NORTH IOWA 232 2ND ST SE MASON CITY,IA 50401		501C3	INPATIENTCHAIRS FORROOMS	5,000
COMPREHENSIVE SYSTEMS INC 1453 4TH ST SW MASON CITY,IA 50401		501C3	MECHANICAL LIFTPURCHASE OFPOWER LIFT	5,000
NEWMAN CATHOLIC SCHOOLS 2445 19TH ST SW MASON CITY,IA 50401		501C3	RISKASSIST ATSTUDENTS	5,000
CITY OF RUDD 402 CHICKASAW ST RUDD,IA 50471		501C3	MENDING WALKINGCLEANING &TRAIL AROUND LAKE	5,000
NORTH IOWA FAIR ASSOCIATION 3700 4TH STREET SW MASON CITY,IA 50401		501C3	FENCINGREPLACE	4,000
CITY OF ROCKFORD P O BOX 496 ROCKFORD,IA 504690496		501C3	PRESERVATIONPUBLIC LOBRARYOF HISTORY	1,000
Total  3a				232,200

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
CENTRAL GARDENS OF NORTH IOWA INC 17539 JONQUIL AVENUE CLEAR LAKE,IA 50428		501C3	IMPROVEMENTS	2,000
APPLE DAYCARE INC 119 NORTH 7TH STREET SHEFFIELD,IA 50475		501C3	AND PLAYOUTDOOR STORAGEEQUIPMENT	2,000
MASON CITY MOHAWK BOOSTER CLUB 4 HAMPSHIRE COURT MASON CITY,IA 50401		501C3	FOR MOHAWKWARN-UPSDANZERS	1,000
MASON CITY EDUCATION FDN 23 NORTH FEDERAL AVENUE MASON CITY,IA 50401		501C3	TO FURNISHMATCHING GRANTFEMA BUILDING	10,000
RUDD COMMUNITY FIRE SERVICE 1497 130TH STREET RUDD,IA 50471		501C3	NEW CHAIN SAW	1,200
LAKE MILLS COMMUNITY SCHOOL DISTRICT 102 SOUTH FOURTH AVENUE EAST LAKE MILLS,IA 504501628		501C3	IN FEMADIVIDER CURTAINSAFE ROOM	2,500
ACCESS INCORPORATED P O BOX 268 HAMPTON,IA 504410268		501C3	OUTDATEDREPLACECOMPUTERS	2,000
FOREST CITY ENTERTAINMENT INC 145 SOUTH CLARK STREET FORST CITY,IA 50436		501C3	SYSTEMFIRE ALARM	3,000
CITY OF ROCKWELL 213 JEFFERSON STREET ROCKWELL,IA 50469		501C3	PURCHASEFIRE DEPARTMENTHOSE	3,000
Total  3a				232,200

TY 2013 Investments Corporate

Bonds Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Name of Bond	End of Year Book Value	End of Year Fair Market Value
VAN KAMPEN INCOME TRUSTS 43,47,49,67,70,73,74,75	369,204	376,305
270 UTS NUVEEN INSURED CORP TR #5	21,075	24,268
75 CLAYMORE SER GUG CORP SER 1	64,093	57,342
50 CLAYMORE SER GUG CORP SER 15	46,714	46,623
50 CLAYMORE SER GUG CORP SER 17	48,009	47,551
45 CLAYNORE SER GUG CORP SER 21	43,569	41,956
62 CLAYMORE SER GUG CORP SER 24	62,552	58,907
12500 FIRST TRUST EQUITY INC 27	134,897	192,750
4400 FIRST TRUST EQUITY INC 28	44,734	61,468
10028 FIRST TRUST EQUITY INC 30	92,126	113,517
5014 FIRST TRUST EQUITY INC 31	46,179	60,920
4400 FIRST TRUST EQUITY INC 34	43,111	50,380
70 GUGG SHRT DUR HI YLD 8	43,330	42,361
50 ADVISORS ASSET MGMT 42	49,569	50,312
201 ADVISORS ASSET MGMT 46	200,734	196,616
60 ADVISORS ASSET MGMT 59	60,085	59,281
40 ADVISORS ASSET MGMT 62	40,018	38,642
200 1ST TR PORT SER 3	195,867	197,936
100 FIRST TRUST HI YIELD SHT #2	82,220	80,650
100 INVESCO INV GRD TR SER16	99,750	90,258
56 1ST TR PORT SER 7	55,712	51,857
2500 1ST TR STRENGTH SER 19	25,976	28,050
20 GUGG SHRT DUR HI YLD SER 29	19,915	19,084
50 ADVISORS ASSET MGMT 73	50,026	48,668
25 ADVISORS ASSET MGMT 77	25,019	23,844

TY 2013 Investments Corporate Stock Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Name of Stock	End of Year Book Value	End of Year Fair Market Value
1435 SH CHEVRON TEXACO CORPORATION	79,648	179,246
600 SH ING GRP NV PFD 7.375%	15,000	15,240
1000 SH GOLDMAN SACHS PFD 6.5%	25,000	25,230
400 SH ING GRP NV PFD 7.2%	10,471	10,160
1000 SH PUBLIC STORAGE PFD 6.35%	25,842	23,350
865 SH EXXON MOBIL CORPORATION	53,896	87,538
DAVIS NY VENTURE FUND	219,020	267,761
DWS HIGH INCOME FUND	155,347	127,333
EURO PACIFIC GROWTH FD	27,708	26,319
FRANKLIN UTILITY FUND	239,062	332,476
GROWTH FUND OF AMERICA	248,043	299,199
INCOME FUND OF AMERICA	322,228	386,141
INVESTMENT CO OF AMERICA	434,191	522,339
TEMPLETON GLOBAL GOVT FD	285,744	311,704
TEMPLETON GLOB TOTAL FD A	175,000	187,520
WASHINGTON MUTUAL FD	158,011	205,101
FRANKLIN GROWTH FUND	112,047	163,201
FRANKLIN INCOME FUND	55,856	61,976
FRANKLIN MUTUAL FUND	78,207	106,138
FRANKLIN SMALL CAP FUND	40,606	53,798
1000 HOSPITALITY 7.125% PFD	26,460	23,130
1000 PS BUS PARKS 5.75% PFD	21,219	19,210

TY 2013 Investments Government Obligations Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

US Government Securities - End of

Year Book Value:

158,077

US Government Securities - End of

Year Fair Market Value:

140,852

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

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

TY 2013 Legal Fees Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
HEINY LAW FIRM PLC TAX PREPARATION & ACCOUNTING	18,556			18,556

TY 2013 Other Expenses Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	4,330			

TY 2013 Other Increases Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Description	Amount
CAPITAL GAINS	92,067

TY 2013 Other Liabilities Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Description	Beginning of Year - Book Value	End of Year - Book Value
FEDERAL TAX ESTIMATE	-2,000	-4,400

TY 2013 Other Liabilities Schedule

Name: FARRER ENDOWMENT FOUNDATION

EIN: 42-1214699

Description	Beginning of Year - Book Value	End of Year - Book Value
FEDERAL TAX ESTIMATE	-2,000	-4,400