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Form 990-PF

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

OMB No 1545-0052

2013

Department of the Treasury
Internal Revenue Service

For calendar year 2013 or tax year beginning 07/01/13, and ending 06/30/14

Name of foundation

MABEL E. SHERMAN EDUCATIONAL FUND
C/O CITIZENS FIRST NATIONAL BANK

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 or province, country, and ZIP or foreign postal code

STORM LAKE IA 50588

G Check all that apply: Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name changeH Check type of organization: Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 9,879,066 (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

A Employer identification number

42-6278859

B Telephone number (see instructions)

712-732-5440

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

		(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	33,533	33,533	33,533	
4	Dividends and interest from securities				
5a	Gross rents	164,527	164,527	164,527	
b	Net rental income or (loss)	163,767			
6a	Net gain or (loss) from sale of assets not on line 10	STMT 1	118,000		OPENED
b	Gross sales price for all assets on line 6a	118,000			
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	01/26/2015
9	Income modifications				
10a	Gross sales less returns and allowances				
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	316,060	198,060	198,060	
13	Compensation of officers, directors, trustees, etc.	3,013			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)	SEE STMT 2	9,108		
b	Accounting fees (attach schedule)	STMT 3	1,100		
c	Other professional fees (attach schedule)	STMT 4	17,073	17,073	
17	Interest				
18	Taxes (attach schedule) (see instructions)	STMT 5	507		
19	Depreciation (attach schedule) and depletion	STMT 6	760	760	760
20*	Occupancy		12,124		
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att. sch.)	STMT 7	38,386	18	
24	Total operating and administrative expenses.				
	Add lines 13 through 23		82,071	17,851	760 0
25	Contributions, gifts, grants paid		118,475		118,475
26	Total expenses and disbursements. Add lines 24 and 25		200,546	17,851	760 118,475
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements		115,514		
b	Net investment income (if negative, enter -0-)		180,209		
c	Adjusted net income (if negative, enter -0-)			197,300	

For Paperwork Reduction Act Notice, see instructions.

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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		83,698	209,949	209,949			
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 (att. schedule) ► SEE WRK	2,528,782						
	Less: allowance for doubtful accounts ►	0	2,418,791	2,528,782	2,528,782			
8	Inventories for sale or use							
9	Prepaid expenses and deferred charges							
10a	Investments – U.S. and state government obligations (attach schedule)	STMT 8	182,822	181,329	191,435			
b	Investments – corporate stock (attach schedule)							
c	Investments – corporate bonds (attach schedule)							
11	Investments – land, buildings, and equipment: basis ►	468,798						
	Less: accumulated depreciation (attach sch.) ► STMT 9		469,558	468,798	6,944,900			
12	Investments – mortgage loans							
13	Investments – other (attach schedule)							
14	Land, buildings, and equipment: basis ►	0						
	Less: accumulated depreciation (attach sch.) ►	0						
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 1)		3,158,869	3,392,858	9,879,066			
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	0			
23	Total liabilities (add lines 17 through 22)							
	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		3,158,869	3,392,858				
30	Total net assets or fund balances (see instructions)		3,158,869	3,392,858				
31	Total liabilities and net assets/fund balances (see instructions)		3,158,869	3,392,858				

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	3,158,869
2	Enter amount from Part I, line 27a		2	115,514
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 11		3	118,475
4	Add lines 1, 2, and 3		4	3,392,858
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	3,392,858

Part IV Capital Gain's 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 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.

N/A

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2012			
2011			
2010			
2009			
2008			

2 Total of line 1, column (d)

2

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

4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5

4

5 Multiply line 4 by line 3

5

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

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

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 checked="" type="checkbox"/> and enter "N/A" on line 1.	
	Date of ruling or determination letter: 09/10/14 (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	N/A
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).	
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2
3	Add lines 1 and 2	3
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
6	Credits/Payments:	
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a
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
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
11	Enter the amount of line 10 to be: Credited to 2014 estimated tax ►	Refunded
		11

Part VIIA: 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		<input checked="" type="checkbox"/>	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the 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.	<input checked="" type="checkbox"/>	
1c	Did the foundation file Form 1120-POL for this year?	Yes	No
1c		<input checked="" type="checkbox"/>	
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?	Yes	No
2	If "Yes," attach a detailed description of the activities.	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>		
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	No
4a	<input checked="" type="checkbox"/>		
b	If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	No
4b	<input checked="" type="checkbox"/>		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	Yes	No
5	If "Yes," attach the statement required by General Instruction T.	<input checked="" type="checkbox"/>	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:		
6	• By language in the governing instrument, or		
6	• 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	<input checked="" type="checkbox"/>		
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	<input checked="" type="checkbox"/>		
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	Yes	No
8b	<input checked="" type="checkbox"/>		
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	Yes	No
9	<input checked="" type="checkbox"/>		
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	Yes	No
10	<input checked="" type="checkbox"/>		

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	<input checked="" type="checkbox"/>
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	<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	Telephone no. ► 712-732-5440	
	Located at ► STORM LAKE 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	15	<input type="checkbox"/>
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(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 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 2013?	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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years ► 20 20 20 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)	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"/> 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013)	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 2013?	4b <input checked="" type="checkbox"/>	

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
	(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
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/>	Yes
	(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
	(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
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	N/A	
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).	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No	
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
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
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/>	Yes
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? If "Yes," attach the statement required by Regulations section 53.4945–5(d).	N/A	

Part VII: 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	3,013	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
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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 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	BUENA VISTA UNIVERSITY	79,208
2	MORNINGSIDE COLLEGE	67,356
3	CORNELL COLLEGE OF IOWA	32,430
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



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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	192,731
b	Average of monthly cash balances	1b	146,822
c	Fair market value of all other assets (see instructions)	1c	6,948,900
d	Total (add lines 1a, b, and c)	1d	7,288,453
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	7,288,453
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	109,327
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,179,126
6	Minimum investment return. Enter 5% of line 5	6	358,956

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	358,956
2a	Tax on investment income for 2013 from Part VI, line 5	2a	
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	358,956
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	358,956
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	358,956

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	118,475
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	118,475
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	118,475

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 instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				358,956
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			174,492	
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: ► \$ 118,475			118,475	
a Applied to 2012, 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 2013 distributable amount				
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			56,017	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				358,956
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 XIV. Private 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 foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

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

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 12

- c Any submission deadlines:
NONE
- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other

factors:

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	47,390
CORNELL COLLEGE 600 1ST ST SW MT VERNON IA 52314		PUBLIC	STUDENT LOANS	23,695
MORNINGSIDE COLLEGE 1501 MORNINGSIDE AVE SIOUX CITY IA 51102		PUBLIC	STUDENT LOANS	47,390
Total			► 3a	118,475
b Approved for future payment				
N/A				
Total			► 3b	

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		197,300	118,000
13 Total. Add line 12, columns (b), (d), and (e)				13	315,300
(See worksheet in line 13 instructions to verify calculations)					

Part XVIB 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	

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 42-6278859
 FYE: 6/30/2014

Federal Statements

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Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Date Acquired	Date Sold	How Received		Expense	Depreciation	Net Gain / Loss
			Sale Price	Cost			
SALE OF ACREAGE		VARIOUS 12/26/13	\$ 118,000	\$ 173,325	\$ 173,325	\$ 173,325	\$ 118,000
TOTAL			\$ 118,000	\$ 173,325	0	\$ 173,325	\$ 118,000

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

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
		\$	\$		
LEGAL FEES	\$ 9,108	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 9,108	\$ 0	\$ 0	\$ 0	\$ 0

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

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
		\$	\$		
ACCOUNTING FEES	\$ 1,100	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,100	\$ 0	\$ 0	\$ 0	\$ 0

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

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
		\$	\$		
MANAGEMENT FEE	\$ 17,073	\$ 17,073	\$ 17,073	\$ 0	\$ 0
TOTAL	\$ 17,073	\$ 0	\$ 0	\$ 0	\$ 0

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

Description	Total		Adjusted Net Investment	Adjusted Net	Charitable Purpose
	Excise Tax	Total			
EXCISE TAX	\$ 507	\$ 507	\$ 0	\$ 0	\$ 0
TOTAL	\$ 507	\$ 507	\$ 0	\$ 0	\$ 0

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

Description	Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
HOUSE	9/19/77	\$ 30,000	\$ 30,000	S/L		\$ 25	\$ 0	\$ 0
ROOF	8/03/81	10,147	10,147	S/L		\$ 15	\$ 0	\$ 0
GUTTER	8/20/81	660	660	S/L		\$ 15	\$ 0	\$ 0
MORTON BUILDING	6/02/83	21,047	21,047	S/L		\$ 15	\$ 0	\$ 0
GRAIN BIN	7/01/83	26,390	26,390	S/L		\$ 5	\$ 0	\$ 0
HOUSE REMODEL	4/16/83	66,559	66,559	S/L		\$ 15	\$ 0	\$ 0
MORTON BLDG WIRING	10/05/83	580	580	S/L		\$ 15	\$ 0	\$ 0
GRAIN BIN WIRING	10/05/83	2,443	2,443	S/L		\$ 5	\$ 0	\$ 0
12500 BU BIN	3/27/86	15,500	15,500	S/L		\$ 5	\$ 0	\$ 0
TILING	10/16/08	\$ 12,192	\$ 4,593	150DB		\$ 15	\$ 760	\$ 760
TOTAL		\$ 185,518	\$ 177,919				\$ 760	\$ 760

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

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
EXPENSES				\$
SERVICE CHARGES				
LOAN ADMINISTRATION EXP	18	18	18	
APPRaisal, SURVEY, ABSTRACT C	34,669			
TOTAL	3,699			
	\$ 38,386			
			\$ 0	

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
INVESTMENTS	\$ 182,822	\$ 181,329	COST	\$ 191,435
TOTAL	\$ 182,822	\$ 181,329		\$ 191,435

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

<u>Description</u>	<u>Beginning Net Book</u>	<u>End Cost / Basis</u>	<u>End Accumulated Depreciation</u>	<u>Net FMV</u>
LAND	\$ 461,958	\$ 461,958	\$	\$ 6,944,900
BUILDINGS AND IMPROVEMENTS	7,600	6,840		
TOTAL	\$ 469,558	\$ 468,798	\$ 0	\$ 6,944,900

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	\$ 118,475
TOTAL	\$ 118,475

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 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	BUENA VISTA UNIVERSITY
SIOUX CITY, IOWA 51106	STORM LAKE, IOWA 50588
CORNELL COLLEGE	

Form 4562

Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

Department of the Treasury
Internal Revenue Service

(99)

2013

► See separate instructions. ► Attach to your tax return.

Attachment Sequence No.

179

Name(s) shown on return

MABEL E. SHERMAN EDUCATIONAL FUND
C/O CITIZENS FIRST NATIONAL BANKIdentifying 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	500,000
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	2,000,000
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	

(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 2012 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 2014. 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 MACRS deductions for assets placed in service in tax years beginning before 2013	17	760
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 2013 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 2013 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	760
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.

Form 4562 (2013)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Federal Statements**PART X - LINE 1c**

Description	Amount
MINERAL RIGHTS	\$ 4,000
631 ACRES OF FARMLAND	<u>6,944,900</u>
TOTAL	<u><u>\$ 6,948,900</u></u>