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

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning **JANUARY**, 2014, and ending **DEC. 31**, 2014

Name of foundation

LEO A HERNING FOUNDATION

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

1411 COAL BELLY LANE

A Employer identification number

38-3654906

B Telephone number (see instructions)

630-963-7395C 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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► **\$ 1041542** J Accounting method: Cash Accrual
 Other (specify) *(Part I, column (d) must be on cash basis)*

Operating and Administrative Expenses	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)
		32716	32716	32716	RECEIVED MAR 23 2015 IRS FORM 990-PF
1 Contributions, gifts, grants, etc., received (attach schedule)					
2 Check ► <input 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					
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)		1151			
8 Net short-term capital gain					
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		32716	33867	32716	
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)		254	254	254	254
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see instructions)		325	325	325	325
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		457	457	457	457
22 Printing and publications					
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses.					
Add lines 13 through 23		1036	1036	1036	1036
25 Contributions, gifts, grants paid		53772			53772
26 Total expenses and disbursements. Add lines 24 and 25		54808			54808
27 Subtract line 26 from line 12:		(22092)			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			32831		
c Adjusted net income (if negative, enter -0-)				31680	

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
	1 Cash—non-interest-bearing			12757
	2 Savings and temporary cash investments			
	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)		522974	500882
	b Investments—corporate stock (attach schedule)			1028784
	c Investments—corporate bonds (attach schedule)			
	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)		522974	500882
				1041542
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 ►)			
	23 Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)			
	31 Total liabilities and net assets/fund balances (see instructions)			

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	522974
2 Enter amount from Part I, line 27a	2	(22092)
3 Other increases not included in line 2 (itemize) ►	3	0
4 Add lines 1, 2, and 3	4	500882
5 Decreases not included in line 2 (itemize) ►	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	500882

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 SCHEDULE 13 ATTACHED			D/P	VARIOUS	VARIOUS
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 26466		25315	1151		
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) FMV 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	1151	
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	0	

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))
2013	47618	915169	.0520
2012	42407	819002	.0518
2011	41012	787695	.0521
2010	37361	743648	.0502
2009	41667	838823	.0549
2 Total of line 1, column (d)			2 0.2610
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 .0522
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4 1010189
5 Multiply line 4 by line 3			5 52732
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 328
7 Add lines 5 and 6			7 53060
8 Enter qualifying distributions from Part XII, line 4			8 54808
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 ► and enter "N/A" on line 1.
Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)

1 **32.8**

1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

1b **32.8**

1c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

1c **32.8**

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 **32.8**

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

4 **0**

5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-

5 **32.8**

6 Credits/Payments:

6a 2014 estimated tax payments and 2013 overpayment credited to 2014

6a **0**

6b Exempt foreign organizations—tax withheld at source

6b **0**

6c Tax paid with application for extension of time to file (Form 8868)

6c **0**

6d Backup withholding erroneously withheld

6d **0**

7 Total credits and payments. Add lines 6a through 6d

7 **0**

8 Enter any **penalty** for underpayment of estimated tax. Check here if Form 2220 is attached

8 **0**

9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed**

9 **32.8**

10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid**

10 **0**

11 Enter the amount of line 10 to be: **Credited to 2015 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?

1a **X**

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.

1b **X**

1c Did the foundation file **Form 1120-POL** for this year?

1c **X**

1d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. ► \$ **0** (2) On foundation managers. ► \$ **0**

1e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ **0**

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 **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

3 **X**

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a **X**

4b If "Yes," has it filed a tax return on **Form 990-T** for this year?

4b **N/A**

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

5 **X**

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

- By language in the governing instrument, or
- By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

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) ► **ILLINOIS**

8b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation

8b **X**

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV

9 **X**

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

10 **X**

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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? Website address ►	13	X
14	The books are in care of ► LANCE G HERLING Telephone no. ► 630-963-7395 Located at ► 1411 COLA BELAY LN DOWNELS GROVE IL ZIP+4 ► 60515-1335		
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 2014, 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 FinCEN Form 114, (formerly TD F 90-22.1) If "Yes," enter the name of the foreign country ►	16	Yes No X

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 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 2014? . . .		
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If "Yes," list the years ► 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.) . . .		
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 2014 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 2014.) . . .		
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 2014? . . .		

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 4945(d)(4)(A)? (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"/>	
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	<input type="checkbox"/> Yes <input 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 <input checked="" type="checkbox"/> No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	
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?	
		5b
		6b
		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
LANCE G HERNING 1411 CORAL BELL LN DOWNTOWN GROVE IL 60515	DIRECTOR 1			
LELAND P HERNING 3510 TURNBERRY DR FINDLAY OH 45840	DIRECTOR 0			
JUN A HERNING 7914 TRIPP AVE. SKOKIE IL 60076	VIALECTOR 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
Total number of other employees paid over \$50,000				►

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

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

Part IX A Summary of Direct Charitable Activities

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

organizations and other beneficiaries served, conferences convened, research papers produced, etc			Expenses
1	PPPS	20272	0
2	MONTGOMERY TWP	13000	0
3	PALESTINE GRANT-IN-AID	10500	0
4	PALESTINE PUBLIC LIBRARY	6980	0

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.

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	NONE	
2	NONE	
All other program-related investments See 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	1025573
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1025573
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	1025573
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	15384
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1010189
6	Minimum investment return. Enter 5% of line 5	6	50509

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	50509
2a	Tax on investment income for 2014 from Part VI, line 5	2a	328
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	0
c	Add lines 2a and 2b	2c	328
3	Distributable amount before adjustments Subtract line 2c from line 1	3	50181
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	50181
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	50181

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	54808
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	54808
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	328
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	54480

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				50181
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only				28521
b Total for prior years: 20 ____,20 ____,20 ____				
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e				
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ <u>54808</u>				
a Applied to 2013, but not more than line 2a				28521
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 2014 distributable amount				21660
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (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 2013. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				28521
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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

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:

LANCE C. HERLING 1411 CORAL BEACH LN. DUNMORE GROVE IL. 60045 630-963-7395

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

BASIC ORGANIZATION INFO., FINANCIAL INFO., LIST OF DIRECTORS, IRS TAX EXEMPT LETTER

c Any submission deadlines:

OCTOBER 1 OF EACH YEAR

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

ORGANIZATIONS LOCATED IN LAMOTTE & MONTGOMERY TOWNS, LINCOLN TRAIL COLLEGE
AND CRAWFORD MEMORIAL HOSPITAL FOUNDATION Form 990-PF (20)

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				
PALESTINE PRESERVATION PROJECTS SOCIETY PO BOX 87 PALESTINE IL		501C3	MOLD TREATMENT IN HISTORIC HOUSE	20272
MONTGOMERY TWP. 20272 E 300TH AVE. FLAT ROCK IL 62427		501C3	CEMETARY RENOVATIONS	13000
PALESTINE PUBLIC LIBRARY 201 S. WASHINGTON ST. PALESTINE IL		501C3	COMPUTER TRAINING	6980
PALESTINE GRANT-IN-AID FUND 100 S. MAIN ST. PALESTINE IL		501C3	SCHOLARSHIPS	10500
PALESTINE POLICE DEPT 301 S. MAIN ST. PALESTINE IL		IRS TAX EXEMPT LETTER	SQUAD CAR UPGRADES	3020
Total				► 3a 53772
b Approved for future payment				
Total				► 3b 0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

1 Program service revenue:

a _____
 b _____
 c _____
 d _____
 e _____
 f _____

g Fees and contracts from government agencies**2 Membership dues and assessments****3 Interest on savings and temporary cash investments****4 Dividends and interest from securities****5 Net rental income or (loss) from real estate:**

a Debt-financed property
 b Not debt-financed property

6 Net rental income or (loss) from personal property**7 Other investment income****8 Gain or (loss) from sales of assets other than inventory****9 Net income or (loss) from special events****10 Gross profit or (loss) from sales of inventory****11 Other revenue:**

a _____
 b _____
 c _____
 d _____
 e _____

12 Subtotal. Add columns (b), (d), and (e)**13 33867****13 Total. Add line 12, columns (b), (d), and (e)****13 33867**

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

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

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of:	1a(1)	X
	(1) Cash	1a(2)	X
	(2) Other assets		
b	Other transactions:	1b(1)	X
	(1) Sales of assets to a noncharitable exempt organization	1b(2)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(3)	X
	(3) Rental of facilities, equipment, or other assets	1b(4)	X
	(4) Reimbursement arrangements	1b(5)	X
	(5) Loans or loan guarantees	1b(6)	X
	(6) Performance of services or membership or fundraising solicitations	1c	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

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

b If "Yes," complete the following schedule.

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

**Sign
Here**

Lance G Herring

3/15/15

DIRECTOR

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

Signature of officer or trustee		Date	Title		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ►			Firm's EIN ►	
	Firm's address ►			Phone no	

SCHEDULE A

Schwab One® Account of
LEO A HERNING FOUNDATION

Account Number
9063-0327

Statement Period
December 1-31, 2014

Change in Account Value

	This Period	Year to Date	Account Value (\$) Over Last 12 Months [in Thousands]
Starting Value	\$ 1,049,499.88	\$ 1,009,604.05	
Cash Value of Purchases & Sales	0.00	26,505.79	1500
Investments Purchased/Sold	0.00	(26,505.79)	1250
Deposits & Withdrawals	(457.03)	(53,308.03)	
Dividends & Interest	5,029.50	32,716.22	
Fees & Charges	0.00	(6.95)	
Transfers	0.00	0.00	
Income Reinvested	(0.73)	(12.54)	
Change in Value of Investments	(12,530.10)	52,548.77	1/14 2/14 3/14 4/14 5/14 6/14 7/14 8/14 9/14 10/14 11/14 12/14
Ending Value on 12/31/2014	\$ 1,041,541.52	\$ 1,041,541.52	
Accrued Income^d	849.50		
Ending Value with Accrued Income^d	\$ 1,042,391.02		

Asset Composition

	Market Value	% of Account Assets	Overview
Cash and Money Market Funds [Sweep]	\$ 12,757.25	1%	
Equities	960,081.27	92%	
Other Assets	68,703.00	7%	
Total Assets Long	\$ 1,041,541.52		
			<div style="display: flex; justify-content: space-around;"> 92% Equities 7% Other Assets 1% Cash, MMFs [Sweep] </div>
			<div style="display: flex; justify-content: space-around;"> <input checked="" type="checkbox"/> Short Term <input type="checkbox"/> Long Term </div>
			<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Unrealized Gain or (Loss) <input checked="" type="checkbox"/> All Investments </div>
			<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Values may not reflect all of your gains/losses. <input checked="" type="checkbox"/> Accrued Notes </div>
			<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Accrued Dividend is \$849.50 </div>

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

SCHEDULE A 2014

LEO A HERNING FOUNDATION
ASSET ALLOCATION

FROM CHARLES SCHWAB DEC. 1- 31 2014 REPORT

ALL ASSETS ARE IN CHARLES SCHWAB BROKERAGE ACCT.

SCHEDULE B 2014

RECORD OF STOCK SALES FOR 2014

<u>POSITION</u>	<u>SALE'S DATE</u>	<u>SALES PRICE</u>	<u>PURCHASE DATE</u>	<u>PURCHASE PRICE</u>
200 SH. ABBOTT LABS	7-16-14	8276	6-10-05	9254
100 SH. US BANCORP	7-3-14	4353	12-17-07	3200
52 SH. VERIZON COMM.	7-11-14	2592	7-1-14	2548
109 SH. VODAPHONE	7-3-14	3667	10-6-10	5453
100 SH. WALMART	7-3-14	7578	11-7-02	4860
		26466		25315

NET GAIN 1151

SCHEDULE C

2014

TRIP TO PALESTINE IL	OCT 2014	457
TAX PREPARATION FEE		254
US TREASURY 2013 TAXES		300
ILLINOIS CHARITY BUREAU		15
ILLINOIS SECRETARY OF STATE		10
		<hr/> 1036