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Return of Private Foundation

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Serviceor Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

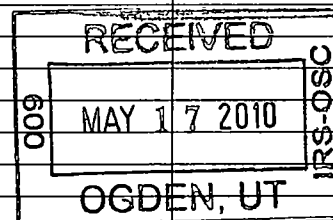
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning, and ending

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

Use the IRS label Otherwise, print or type See Specific Instructions.	Name of foundation HERSEY FOUNDATION		A Employer identification number 23-7001771
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (651) 298-0218
	City or town, state, and ZIP code ST. PAUL, MN 55102-1119		C If exemption application is pending, check here ☐
	H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 7,506,982.95 (Part I, column (d) must be on cash basis)		J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) _____	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 ☐

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))		(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			N/A		
	2 Check ☒ if the foundation is not required to attach Sch. B					
	3 Interest on savings and temporary cash investments	3,674.53	3,674.53		STATEMENT 1	
	4 Dividends and interest from securities	169,742.38	169,742.38		STATEMENT 2	
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain or (loss) from sale of assets not on line 10	11,717.52				
	b Gross sales price for all assets on line 6a	71,012.07				
	7 Capital gain net income (from Part IV, line 2)		11,717.52			
	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)						
11 Other income						
12 Total. Add lines 1 through 11	185,134.43	185,134.43				
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.00	0.00		0.00	
	14 Other employee salaries and wages					
	15 Pension plans, employee benefits					
	16a Legal fees					
	b Accounting fees	STMT 3	19,044.00	0.00		19,044.00
	c Other professional fees					
	17 Interest					
	18 Taxes	STMT 4	7,265.55	0.00		3,562.86
	19 Depreciation and depletion					
	20 Occupancy					
	21 Travel, conferences, and meetings					
	22 Printing and publications		258.50	0.00		258.50
	23 Other expenses	STMT 5	1,172.47	0.00		1,172.47
	24 Total operating and administrative expenses. Add lines 13 through 23		27,740.52	0.00		24,037.83
	25 Contributions, gifts, grants paid		280,668.00			280,668.00
26 Total expenses and disbursements. Add lines 24 and 25		308,408.52	0.00		304,705.83	
27 Subtract line 26 from line 12:						
a Excess of revenue over expenses and disbursements		<123,274.09>				
b Net investment income (if negative, enter -0-)			185,134.43			
c Adjusted net income (if negative, enter -0-)				N/A		



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Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash - non-interest-bearing	43,130.87	42,026.20	42,026.20
	2 Savings and temporary cash investments	447,478.52	572,258.46	572,258.46
	3 Accounts receivable ▶ 272,128.93			
	Less: allowance for doubtful accounts ▶	2,256,625.33	272,128.93	272,128.93
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 6	9,242,739.36	10,980,286.40	6,620,569.36
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	11,989,974.08	11,866,699.99	7,506,982.95
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	200,000.00	200,000.00	STATEMENT 7
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	200,000.00	200,000.00	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	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 ▶ ☒			
	and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.00	0.00	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.00	0.00	
	29 Retained earnings, accumulated income, endowment, or other funds	11,789,974.08	11,666,699.99	
	30 Total net assets or fund balances	11,789,974.08	11,666,699.99	
	31 Total liabilities and net assets/fund balances	11,989,974.08	11,866,699.99	

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	11,789,974.08
2 Enter amount from Part I, line 27a	2	<123,274.09>
3 Other increases not included in line 2 (itemize) ▶	3	0.00
4 Add lines 1, 2, and 3	4	11,666,699.99
5 Decreases not included in line 2 (itemize) ▶	5	0.00
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	11,666,699.99

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 ATTACHED			P		
b SCHEDULE ATTACHED			P		
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 71,001.63		59,268.66	11,732.97
b 10.44		25.89	<15.45>
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			11,732.97
b			<15.45>
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	11,717.52
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). If (loss), enter -0- in Part I, line 8		3	N/A

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 instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	463,335.20	8,832,117.39	.052460
2007	571,239.62	11,305,936.19	.050526
2006	507,997.59	10,437,903.54	.048669
2005	484,702.86	10,083,176.25	.048070
2004	462,163.11	9,562,947.16	.048329

2 Total of line 1, column (d)	2	.248054
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	.049611
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	6,763,150.11
5 Multiply line 4 by line 3	5	335,526.64
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,851.34
7 Add lines 5 and 6	7	337,377.98
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	304,705.83

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)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	3,702.69
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	0.00
3 Add lines 1 and 2		3	3,702.69
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.00
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	3,702.69
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	4,164.44	
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	4,164.44	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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	461.75	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ 461.75 Refunded ☐	11	0.00	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0.00 (2) On foundation managers. ☐ \$ 0.00		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.00		
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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ MN		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>DEAN E. BUSCH</u> Telephone no. ► <u>(651) 298-0218</u> Located at ► <u>408 ST. PETER STREET #434 ST. PAUL, MN</u> ZIP+4 ► <u>55102-1119</u>			
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	N/A

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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☒ Yes ☐ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		1b X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ► _____ , _____ , _____	☐ Yes ☒ 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	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. ► _____ , _____ , _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b X

Form 990-PF (2009)

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ 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)?

☐ Yes ☒ 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?

☐ Yes ☒ 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)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

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?

N/A

☐ Yes ☒ 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?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

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?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
EDWARD H. HAMM, JR. 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	PRESIDENT & DIRECTOR	0.00	0.00	0.00
EDWARD H. HAMM 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	V. PRES., TREA. & DIRECTOR	0.00	0.00	0.00
DEAN E. BUSCH 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	SECRETARY & DIRECTOR	0.00	0.00	0.00

2 Compensation of five highest-paid employees (other than those included on line 1). 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 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	4,321,710.33
b	Average of monthly cash balances	1b	2,544,431.91
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,866,142.24
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.00
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	6,866,142.24
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	102,992.13
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,763,150.11
6	Minimum investment return. Enter 5% of line 5	6	338,157.51

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	338,157.51
2a	Tax on investment income for 2009 from Part VI, line 5	2a	3,702.69
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,702.69
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	334,454.82
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	334,454.82
6	Deduction from distributable amount (see instructions)	6	0.00
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	334,454.82

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	304,705.83
b	Program-related investments - total from Part IX-B	1b	0.00
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	304,705.83
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	5	0.00
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	304,705.83

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				334,454.82
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.00	
b Total for prior years:		0.00		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007	8,214.37			
e From 2008	29,800.45			
f Total of lines 3a through e	38,014.82			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 304,705.83				
a Applied to 2008, but not more than line 2a			0.00	
b Applied to undistributed income of prior years (Election required - see instructions)		0.00		
c Treated as distributions out of corpus (Election required - see instructions)	0.00			
d Applied to 2009 distributable amount				304,705.83
e Remaining amount distributed out of corpus	0.00			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	29,748.99			29,748.99
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	8,265.83			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.00		
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		0.00		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.00		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.00	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.00
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.00			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.00			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	8,265.83			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008	8,265.83			
e Excess from 2009				

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

N/A

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

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.

- 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 XV **Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see the 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 of the person to whom applications should be addressed:

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

c Any submission deadlines:

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)
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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>				
SEE STATEMENT 8				
Total				► 3a 280,668.00
b <i>Approved for future payment</i>				
NONE				
Total				► 3b 0.00

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: | | | |
| (1) Cash | | | X |
| (2) Other assets | | | X |
| b Other transactions: | | | |
| (1) Sales of assets to a noncharitable exempt organization | | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | | X |
| (3) Rental of facilities, equipment, or other assets | | | X |
| (4) Reimbursement arrangements | | | X |
| (5) Loans or loan guarantees | | | X |
| (6) Performance of services or membership or fundraising solicitations | | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | | X |
| 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. | | | |

[illegible]

- 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
N/A		

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 or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here

**Paid
Preparer's
Use Only**

Preparer's signature 

Firm's name (or yours if self-employed)
address, and ZIP code

ACOMA OIL CORPORATION
408 ST. PETER STREET #434
ST. PAUL, MN 55102-1119

Signature of officer or trustee

Date _____

SECRETARY

Title

Date

5-11-10

☐ Check if self-employed

Preparer's identifying number

EIN ►

Phone no.

651-227-6675

Form **990-PF** (2009)

HERSEY FOUNDATION
Schedule D - Capital Gains and Losses
As of: December 31, 2009

<u>Quantity</u>	<u>Asset</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Proceeds</u>	<u>Tax Basis</u>	<u>Gain/Loss</u>
<u>Short-Term Capital Gains and Losses</u>						
1,000	INDIA FD RIGHTS 7 21 09/RT	Jul 21 09	Sep 1 09	0.00	0.00	0.00
0.38	TIME WAR CAB 1 12 07/T_S#1	Mar 30 09	Apr 17 09	10.44	25.89	-15.45
Total Short-term				10.44	25.89	-15.45
<u>Long-Term Capital Gains and Losses</u>						
0.15	AMER INTL GRP 4 2 81/A_S#1	May 2 81	Jul 1 09	2.81	23.97	-21.16
0.30	AOL INC 1 2 01/AOL_SLD#1	Jan 2 01	Dec 21 09	8.41	19.43	-11.02
0.5	DWS HIT 4 30 07/KHI_SLD#1	Apr 30 07	Aug 7 09	3.75	6.35	-2.60
0.01	EL PASO 6 3 02/STLMT	Jun 3 02	Apr 8 09	430.18	0.00	430.18
0.29	EQUUS II INC 7 28 99/E_S#1	Jul 28 99	Mar 30 09	0.89	4.06	-3.17
0.01	FIRSTENERGY 3 20 02/STLMT	Mar 20 02	May 12 09	24.79	0.00	24.79
0.7	MERCK & CO 1 27 04/MRK_S#1	Jan 27 04	Nov 5 09	23.09	12.74	10.35
423.3	SCHERING PL 1 27 04/SGP	Jan 27 04	Nov 5 09	10,500.00	7,703.69	2,796.31
0.01	SEAGATE TECH 12 2 99/SEG	Dec 2 99	Sep 23 09	61.23	0.00	61.23
0.38	TIME WARNER 11 23 99/T_S#1	Nov 23 99	Mar 30 09	6.07	34.52	-28.45
0.3	WELLS FARGO 9 14 07/WF_S#1	Sep 14 07	Jan 2 09	8.32	75.37	-67.05
1,400	XCEL ENERGY 3 23 05/XE_S#1	Mar 23 05	Nov 24 09	27,941.12	23,970.28	3,970.84
400	XCEL ENERGY 4 30 04/XEL	Apr 30 04	Nov 24 09	7,983.16	6,853.25	1,129.91
200	XCEL ENERGY 6 1 04/XEL	Jun 1 04	Nov 23 09	4,003.24	3,441.25	561.99
400	XCEL ENERGY 6 2 04/XEL	Jun 2 04	Nov 23 09	8,006.50	6,859.25	1,147.25
200	XCEL ENERGY 6 8 04/XEL	Jun 8 04	Nov 24 09	3,991.59	3,414.62	576.97
200	XCEL ENERGY 6 8 04/XEL_S#1	Jun 8 04	Nov 23 09	4,003.24	3,414.63	588.61
200	XCEL ENERGY 7 29 04/XEL	Jul 29 04	Nov 23 09	4,003.24	3,435.25	567.99
Total Long-term				71,001.63	59,268.66	11,732.97
TOTAL CAPITAL GAINS				71,012.07	59,294.55	11,717.52

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
UBS FINANCIAL SERVICES - MONEY MARKET ACCOUNT	3,532.70
UBS FINANCIAL SERVICES - MONEY MARKET ACCOUNT	141.83
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	3,674.53

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SCHEDULE AVAILABLE	169,742.38	0.00	169,742.38
TOTAL TO FM 990-PF, PART I, LN 4	169,742.38	0.00	169,742.38

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING & TAX FEES	19,044.00	0.00		19,044.00
TO FORM 990-PF, PG 1, LN 16B	19,044.00	0.00		19,044.00

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAXES	3,702.69	0.00		0.00
FOREIGN TAXES ON DIVIDENDS	3,562.86	0.00		3,562.86
TO FORM 990-PF, PG 1, LN 18	7,265.55	0.00		3,562.86

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FILING FEE	25.00	0.00		25.00	
UBS FINANCIAL SERVICES - SERVICE FEES	1,147.47	0.00		1,147.47	
TO FORM 990-PF, PG 1, LN 23	1,172.47	0.00		1,172.47	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CORPORATE STOCK-SCHEDULE ATTACHED	10,980,286.40		6,620,569.36	
TOTAL TO FORM 990-PF, PART II, LINE 10B	10,980,286.40		6,620,569.36	

FORM 990-PF	LOANS PAYABLE TO OFFICER'S, DIRECTOR'S, ETC.	STATEMENT	7
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LENDER'S NAME AND TITLE

EDWARD H. HAMM, VICE PRES., TREAS. & DIRECTOR

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TERMS OF REPAYMENT</u>
01/28/02		.00%	ON DEMAND

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
NONE	INCREASE FOUNDATION INCOME

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>BALANCE DUE</u>
CASH	200,000.00	200,000.00	200,000.00

TOTAL TO FORM 990-PF, PART II, LINE 20, COLUMN B	200,000.00
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FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT	8
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RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
HAMM CLINIC 408 ST. PETER STREET, SUITE 429 ST PAUL, MN 55102	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	163668.00
J.A.Y. OUTREACH MINISTRIES 2831 AVENUE "S" RIVIERA BEACH, FL 33404	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	2,000.00
LAW ENFORCEMENT LEGAL DEFENSE FUND 45005 AVIATION DRIVE WASHINGTON, DC 20041-6129	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	2,000.00
MINNESOTA LANDMARKS 75 W. 5TH STREET, ROOM 404 ST PAUL, MN 55102-1498	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	30,000.00
NATIONAL RIGHT TO WORK LEGAL DEFENSE FOUNDATION, INC. 8001 BRADDOCK ROAD, SUITE 600 SPRINGFIELD, VA 22160	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	2,000.00
NEW MOUNT ZION MISSIONARY BAPTIST CHURCH P O BOX 771, PETTWAY AVENUE HOBE SOUND, FL 33455	NONE GENERAL FUND-RELIGIOUS ACTIVITIES	PUBLIC	2,000.00
OGLALA LAKOTA COLLEGE 537 PIYA WICONI ROAD KYLE, SD 57752-0490	NONE GENERAL FUND-EDUCATIONAL PURPOSES	PUBLIC	2,000.00
PRISON FELLOWSHIP P O BOX 1550 MERRIFIELD, VA 22116-1550	NONE GENERAL FUND-COMMUNITY PROJECTS	PUBLIC	2,000.00

HERSEY FOUNDATION

23-7001771

PRO-CHOICE RESOURCES
250 3RD AVE. N. #625
MINNEAPOLIS, MN 55401

NONE
GENERAL FUND-COMMUNITY
PROJECTS

PUBLIC

43,000.00

ST. MARTIN'S CHURCH BY THE LAKE
2801 WESTWOOD ROAD MINNETONKA ,
MN 55361

NONE
GENERAL FUND-RELIGIOUS
ACTIVITIES

PUBLIC

2,000.00

YOUTH FORUM
3432 DENMARK AVENUE, PMB 204
EAGAN, MN 55123

NONE
GENERAL FUND-COMMUNITY
PROJECTS

PUBLIC

30,000.00

TOTAL TO FORM 990-PF, PART XV, LINE 3A

280,668.00

HERSEY FOUNDATION**Schedule of Securities****December 31, 2009**

<u>Ave. Cost per Share</u>	<u>CORPORATE STOCKS</u>	<u>Shares</u>	<u>Cost</u>	<u>Market Value December 31, 2009</u>
19.65	ADC Telecommunications	2,314	45,464.71	14,369.94
18.59	Alcatel-Lucent Spon ADR	117	2,175.06	388.44
22.63	Allegheny Energy Inc	1,000	22,633.25	23,480.00
855.60	American International Group Inc.	316	270,368.34	9,473.68
42.31	AOL Inc	589	24,920.82	13,711.92
24.10	Applied Materials Inc.	2,000	48,191.50	27,880.00
14.92	Ariba Inc	2,033	30,329.27	25,453.16
48.00	BivC Software inc.	1,000	48,004.50	40,100.00
26.74	Bank of America Corp.	10,000	267,367.45	150,600.00
14.02	Blackrock Real Asset Equity Trust	3,084	43,251.62	39,074.28
5.86	Blue Chip Value Fund	18,600	108,956.48	58,590.00
26.47	Bristol Myers Squibb Co.	5,000	132,365.19	126,250.00
14.79	CMS Energy Corp.	2,600	38,447.28	40,716.00
19.63	CenterPoint Energy	2,400	47,115.19	34,824.00
69.76	Ciena Corp.	2,457	171,409.51	26,633.88
32.32	Cisco Systems Inc.	13,900	449,193.90	332,766.00
20.39	CitiGroup Inc.	3,200	65,245.09	10,592.00
64.09	Coca Cola Company	200	12,817.00	11,400.00
25.46	Comcast Corporation	1,551	39,487.37	26,149.86
21.77	Conagra Food Inc.	4,000	87,082.14	92,200.00
29.29	Cornerstone Strategic Value Fund Inc.	1,370	40,124.39	15,905.70
46.43	Covidien PLC	2,650	123,033.18	126,908.50
15.34	DWS High Income Trust	21,594	331,346.97	182,901.18
10.07	DWS Multi Market Inc.	1,000	10,074.49	8,610.00
8.49	Dryden High Yield Fund Class A	3,772.10	32,043.37	19,765.80
10.11	Duke Energy Holding Corp.	1,000	10,111.72	17,210.00
30.43	EMC Corp Mass	18,600	566,028.48	324,942.00
10.90	El Paso Corp.	1,200	13,077.10	11,796.00
28.23	Enerplus Resources	200	5,645.79	4,592.00
13.28	Equus II Inc	2,634	34,984.00	8,428.80
42.94	FPL Group Inc.	3,800	163,170.45	200,716.00
58.35	Fannie Mae	1,400	81,695.35	1,652.00
24.12	Fifth Third Bancorp	5,000	120,610.25	48,750.00
38.01	First Industrial Realty Trust	2,200	83,618.35	11,506.00
28.02	General Electric	25,400	711,818.90	384,302.00
33.42	General Growth Properties	1,200	40,108.50	13,872.00
9.37	Helois Total Return Fund	2,400	22,476.75	12,408.00
37.77	Home Depot Inc	10,850	409,771.00	313,890.50
42.44	India Fund Inc	1,000	42,444.55	30,700.00
22.66	Intel Corp.	5,800	131,444.75	118,320.00
6.52	Interstate Hotels Corporation	89	580.43	195.80
35.83	Istar Financial Inc.	18,000	644,937.24	46,080.00
9.22	JDS Uniphase Corp.	1,025	9,454.00	8,456.25
47.18	Johnson & Johnson Company	1,176	55,485.32	75,746.16
18.81	LSI Logic Corp.	88	1,655.59	528.88
39.76	Lilly Eli & Co.	5,000	198,793.75	178,550.00
12.50	Malaysia Fund Inc	2,600	32,508.05	19,630.00
41.68	Medtronic Inc	3,500	145,895.94	153,930.00
32.14	Merck & Co.	4,176	134,214.94	152,591.04
23.73	Microsoft Corp.	3,800	90,173.62	115,824.00
41.63	Moduslink Global Solutions Inc.	420	17,485.75	3,952.20

HERSEY FOUNDATION

Schedule of Securities

December 31, 2009

Ave. Cost per Share		Shares	Cost	Market Value December 31, 2009
	CORPORATE STOCKS			
14.22	New York Community Bancorp	22,000	312,812.13	319,220.00
198.60	Nortel Networks Corp.	120	23,832.50	2.76
22.80	NV Energy Inc	1,000	22,803.80	12,380.00
22.67	Oracle Corp.	2,515	57,023.36	61,692.95
25.84	Pfizer Inc.	13,100	338,473.67	238,289.00
44.20	Pioneer Nat Res Co	1,000	44,195.25	48,170.00
35.95	Plum Creek Timber Co Inc	3,000	107,851.01	113,280.00
61.82	Procter & Gamble	1,000	61,823.65	60,630.00
36.66	Progress Energy	2,600	95,357.33	106,626.00
40.68	Redwood Trust Inc.	23,400	951,966.19	338,364.00
16.02	Rock of Ages Corp. Dela	200	3,204.50	590.00
14.64	Service Corp International	2,000	29,277.15	16,380.00
69.33	Source Capital Inc.	1,000	69,331.25	42,908.00
14.58	Spectra Energy	500	7,289.28	10,255.00
8.63	Stewart Enterprises Inc.	6,000	51,759.00	30,900.00
65.45	Symantec	300	19,635.39	5,367.00
26.57	Sysco Corp	2,400	63,761.75	67,056.00
17.38	Telecom Corp. New Zealand	35,737	620,960.49	321,275.63
16.91	Thai Capital Fund Inc	419	7,086.76	4,118.77
45.97	Thermo Fisher Scientific	3,000	137,916.90	143,070.00
251.63	Thornburg Mtge Inc.	1,200	301,951.77	-
69.17	3M Company	3,400	235,173.25	281,078.00
76.97	Time Warner Cable Inc	1,627	125,237.85	67,341.53
54.79	Time Warner Inc.	6,483	355,205.74	188,914.62
42.42	Tyco Electronics	2,650	112,420.02	65,057.50
57.06	Tyco International Ltd	2,650	151,204.85	94,552.00
719.41	Walter Inv Mgmt Corp (was Hanover Cap)	20	14,388.25	286.60
26.73	Washington Mutual	3,000	80,177.38	417.00
34.02	Waste Management Inc	2,000	68,043.25	67,620.00
59.60	Wells Fargo & Co.	2,597	154,770.88	70,093.03
15.95	Xcel Energy Inc.	6,000	95,713.16	127,320.00
			<u>10,980,286.40</u>	<u>6,620,569.36</u>