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

OMB No 1545-0052

2010

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation **HESED FOUNDATION INC.** **A** Employer identification number **02-0513464**

Number and street (or P O box number if mail is not delivered to street address) **P.O. BOX 716** Room/suite **B** Telephone number (see page 10 of the instructions) **603-548-7767**

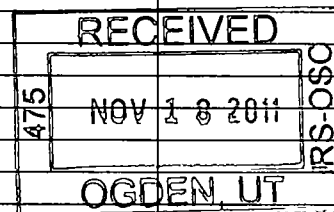
City or town, state, and ZIP code **RYE BEACH, NH 03871** **C** If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

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) **\$ 1,008,503** **J** Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____ (Part I, column (d) must be on cash basis)
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) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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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	72,750	72,750	
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)			
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	72,750	72,750	
13	Compensation of officers, directors, trustees, etc.	12,000	12,000	
14	Other employee salaries and wages			
15	Pension plans, employee benefits			
16a	Legal fees (attach schedule)			
b	Accounting fees (attach schedule)	2,313	2,313	
c	Other professional fees (attach schedule)			
17	Interest			
18	Taxes (attach schedule) (see page 14 of the instructions)			
19	Depreciation (attach schedule) and depletion			
20	Occupancy			
21	Travel, conferences, and meetings			
22	Printing and publications			
23	Other expenses (attach schedule)	1,075	1,075	
24	Total operating and administrative expenses. Add lines 13 through 23	15,388	15,388	
25	Contributions, gifts, grants paid	49,760		49,760
26	Total expenses and disbursements. Add lines 24 and 25	65,148	15,388	49,760
27	Subtract line 26 from line 12			
a	Excess of revenue over expenses and disbursements	7,602		
b	Net investment income (if negative, enter -0-)		57,362	
c	Adjusted net income (if negative, enter -0-)			



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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	34,693	70,354	70,354
	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 page 15 of the 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			
	10 a Investments - U.S. and state government obligations (attach schedule),			
	b Investments - corporate stock (attach schedule)	1,314,383	1,185,750	938,149
	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)	1,349,076	1,256,104	1,008,503	
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	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 and complete lines 27 through 31. ▶ <input type="checkbox"/>			
	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	1,349,076	1,256,104	
30 Total net assets or fund balances (see page 17 of the instructions)	1,349,076	1,256,104		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,349,076	1,256,104		

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	1,349,076
2 Enter amount from Part I, line 27a	2	7,602
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,356,678
5 Decreases not included in line 2 (itemize) ▶ CAPITAL LOSS	5	100,574
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,256,104

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 VARIOUS STOCK SALES-SEE ATTACHED****P****VAR****VAR**

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 313,896		414,470	(100,574)
b			
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			(100,574)
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	(100,574)
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. }	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	77,289	984,686	0.0785
2008	64,852	978,373	0.0663
2007	74,024	1,158,967	0.0639
2006	49,900	1,188,369	0.0420
2005	56,125	1,085,729	0.0517

2 Total of line 1, column (d)	2	0.3024
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.0605
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,097,757
5 Multiply line 4 by line 3	5	66,414
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	574
7 Add lines 5 and 6	7	66,988
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 on page 18	8	49,760

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	1,147
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	1,147
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	1,147
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b Exempt foreign organizations-tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	495	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7		495
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		652
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 2011 estimated tax Refunded	11		

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 page 19 of the instructions for definition)?		X
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		
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 \$ _____ (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?		X
If "Yes," attach a detailed description of the activities		
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?		X
If "Yes," attach the statement required by General Instruction T		
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 page 19 of the instructions) NEW HAMPSHIRE		
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? 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

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 page 20 of the 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?	13	X	
Website address ▶ <u>www.hesedfoundation.com</u>				
14	The books are in care of ▶ <u>ELIZA SHULMAN</u> Telephone no ▶ <u>603-548-7767</u>			
	Located at ▶ <u>P.O. BOX 716, RYE BEACH, NH</u> ZIP + 4 ▶ <u>03871</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	15		
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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

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

	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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b	X
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years ▶		
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 page 22 of the instructions)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶		
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 2010 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 2010)	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 2010?	4b	X

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

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

(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)? (see page 22 of the instructions) ☐ 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 page 22 of the instructions)? ☐ Yes ☒ No
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? ☐ 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? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

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 page 22 of the 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
ELIZA P. SHULMAN BOSTON, MA	SECRETARY 4HR	12,000		
JASON SHULMAN RYE, NH	TREASURER 1 HR	0		
ALEXANDER SHULMAN RYE, NH	TRUSTEE 0	0		
JENNIFER SHULMAN RYE, NH	TRUSTEE 0	0		

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the 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 ☐

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 page 23 of the 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 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

1	NONE	
2		
All other program-related investments See page 24 of the instructions		
3		
Total. Add lines 1 through 3		▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	1,061,950
b	Average of monthly cash balances	1b	52,524
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,114,474
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	1,114,474
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	16,717
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,097,757
6	Minimum investment return. Enter 5% of line 5	6	54,888

Part XI Distributable Amount (see page 25 of the 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	54,888
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,147
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,147
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	53,741
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	53,741
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	53,741

Part XII Qualifying Distributions (see page 25 of the 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	49,760
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	49,760
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 page 26 of the instructions)	5	574
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	49,186

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				53,741
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				9,683
d From 2008				18,095
e From 2009				29,477
f Total of lines 3a through e	57,255			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 49,760				
a Applied to 2009, but not more than line 2a . . .				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2010 distributable amount				49,760
e Remaining amount distributed out of corpus . . .				
5 Excess distributions carryover applied to 2010 . . . (If an amount appears in column (d), the same amount must be shown in column (a))	3,981			3,981
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	53,274			
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 page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	53,274			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				5,702
c Excess from 2008				18,095
d Excess from 2009				29,477
e Excess from 2010				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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 2010, 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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 Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 of 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 page 28 of the 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

HESED FOUNDATION, P.O. BOX 716 RYE BEACH, NH 03871

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

SEE ATTACHED

c Any submission deadlines

OCTOBER 15

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

SEE ATTACHED

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	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
<div>a Paid during the year</div> <div>SEE ATTACHED SCHEDULE</div>				49,760
Total ▶ 3a				49,760
<div>b Approved for future payment</div>				
Total ▶ 3b				

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions on page 29 to verify calculations)

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 page 29 of the instructions)
---------------	---

[illegible]

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

- b** If "Yes," complete the following schedule

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

Signature of officer or trustee

Date _____

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

PTIN

VAN H. SWEATT

Van A. Swenson

11/2/11

Check ☐ if self-employed

P01278198

Firm's name ► **BORNSTEIN & SWEATT, P.C.**

Firm's EIN ► 02-0482858

Firm's address ► **834 ELM ST.**

MANCHESTER, NH 03101

Phone no **603-669-1730**

HESED FOUNDATION INC.
FORM 990-PF
December 31, 2010

Part I, Line 16 b

Accounting fees-Preparation of Form 990-PF \$ 2,313

Line 23

Miscellaneous \$ 925
Investment fees 150
\$ 1,075

Part II, Balance Sheet

Line 10b, Investments Corporate Stocks

Security Description	# of Shs.	Cost	FMV
Alpine Global Dynamic Dividend Fund	4,978	\$ 83,087	\$ 36,290
Alpine Total Dynamic Dividend fund SBI	18,062	315,781	106,927
Blackrock Real Asset Equity Trust	2,351	32,253	34,372
Blackrock Equity Div Fund C	1,687	25,363	28,974
Claymore Guggenheim Strategic EAI	1,526	26,243	30,383
Eaton Vance Funds Tax Managed Div Equity	4,360	62,081	49,312
Eaton Vance Div Builder Fund Class C	2,789	25,735	28,119
Gabelli Equity Income Fund Class C	1,991	33,242	38,463
Govt Properties Income Tr Reit	1,000	26,405	26,790
Ivy Asset Strategy Fund	1,185	25,005	28,129
John Hancock Income Securities Trust	5,000	62,813	75,500
Kinder Morgan Energy Partners	500	35,501	35,130
Nuveen Multi-Currency ST Gov Income Fund	6,028	105,896	83,006
Power Shares Ex Traded FD Devel Mkts	400	8,454	8,860
Power Shares Ex Traded FD. Emerg Mkts.	500	9,101	9,183
Putnam Premier Income Trust	5,000	31,235	31,400
Rydex/S&P Mid Cap Value Fund Class C	1,064	25,005	30,236
TCW Strategic Income Fund Inc	5,000	25,773	26,100
Templeton Global Income Fund	5,800	34,437	62,060
Templeton Emerging Markets Income Fund	4,000	37,000	65,560
Wells Fargo Advantage Multi	2,957	49,656	45,301
Wells Fargo Adv GLB OPP FD	6,079	105,684	58,054
TOTALS	<u>82,257</u>	<u>\$ 1,185,750</u>	<u>\$ 938,149</u>

HESED FOUNDATION, INC. 02-0513464
2010 FORM 990PF

PART IV CAPITAL GAINS AND LOSSES

DESCRIPTION	HOW ACQUIRED	DATE ACQUIRED	DATE SOLD	SALE PRICE	COST	GAIN (LOSS)
1,076 SHS.-BLACKROCK ENERGY & RES TR.	P	VAR	VAR	25,024	28,456	(3,432)
\$30000-FIRST THIRD BANCORP 5.45 %	P	02/01/10	10/06/10	31,218	29,739	1,479
3,125 SHS.-ALPINE TOTAL DYNAMIC DIV FD	P	01/25/07	01/28/10	26,266	54,634	(28,368)
11,531 SHS -EATON VANCE TAX MANGD. DIV EQ. FD	P	VAR	VAR	120,738	178,655	(57,917)
6,000 SHS - NUVEEN MULTI-CURRENCY ST GOVT FD	P	04/25/07	01/28/10	94,099	113,736	(19,637)
1,000 SHS.-TEMPLETON EMERGING MKT INCOME FD	P	10/01/99	10/06/10	16,551	9,250	7,301
				313,896	414,470	(100,574)

HESED FOUNDATION, INC.
FORM 990-PF
December 31, 2010

Part XV Supplementary Information

<u>Recipient</u>	<u>Foundation Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
Brown University Alumni Fund Office of Development P O Box 1893 Providence, RI 02912	School	To support educational programs	\$ 1,000
Families First Health & Support Center 100 Campus Drive Suite 12 Portsmouth, NH 03801	Public Charity	To support program to provide health care services to individuals and families	5,000
Northfield Mt Herman School 206 Main Street Northfield, MA 01360	School	To support educational programs	1,000
Middlebury College Middlebury VT 05753	School	To support educational programs	1,000
Planned Parenthood of NE 51 Talcott Road Williston, VT 05495	Public Charity	To support high quality affordable reproductive health care	7,500
Riverdale Country School 5250 Fieldston Road Riverdale, NY 10471	School	To support educational programs	1,000
Smith College 33 Elm St Northampton, MA 01063	School	To support educational programs	1,000
University of New England College 716 Stevens Ave Portland, ME 04103	School	To support educational programs	1,000
Oberlin College Bosworth Hall 50 West Lorain St Oberlin, OH 44074-1089	School	To support educational programs	1,000
CASA of New Hampshire P O Box 1327 Manchester, NH 03105-1327	Public Charity	Court appointed special advocates for children in NH	7,500
University of Michigan 3003 S State Street 8000 Wolverine Tower Ann Arbor, MI 48109-1288	School	To support educational programs	1,000
The Music Hall 28 Chestnut St Portsmouth, NH 03801	Public Charity	Support performing arts	5,000
Rye Educational Foundation C/O Derek Malila 7 Merrill Ind Drive Hampton NH 03842	School	Support for Rye Elementary School's educational programs	1,760

Boston University One Sherborn St 7th Floor Boston, MA 02215	School	To support educational programs	500
State University of NY at Genesco The Genesco Foundation Erwin Hall, Room 202 One College Circle Genesco, NY 14454	School	To support educational programs	500
The Childrens Museum Of NH 6 Washington St Dover, NH 03820	Public Charity	Support museum educational programs for children	5,000
Feminist Health Center of Portsmouth PO Box 456 Greenland NH 03840	Public Charity	Support health programs for women	3,000
More Than Wheels 250 Commercial St Suite 4021 Manchester, NH 03101	Public Charity	Help low income individuals obtain vehicles for work	1,000
Zen Hospice Project 44 Gough St Suite 303 San Francisco, CA 94103	Public Charity	Hospice organization	<u>5,000</u>
Total Contributions			<u>\$ 49,760</u>

Hesed Foundation

HESED

FOUNDATION

HOW TO SUBMIT A GRANT

HOW TO SUBMIT A GRANT

HOW TO SUBMIT

Please review our funding requirements prior to applying for a grant.

Please do not hesitate to contact us if you have any questions or concerns about the application process.

Application Process

Funding proposals must be received before October 15 to be considered for funding.

Proposal Format

Please limit narrative to no more than five pages (not including attachments). At a minimum, the cover letter and proposal narrative should be sent electronically; attachments and other supporting documents are also encouraged via electronic submission. One complete copy, unbound, must follow in the mail within ten days.

1. Cover Letter

- Should include contact information for organization seeking funds
- Brief description of the organization including its history, purpose, and goals
- What population does your organization serve? What geographic area?

2. Proposal Narrative Please address the following

- Brief description of project or program for which funds are being requested including timeline for implementation and evaluation.
- Who is the target population? How will they benefit?
- Are there other partners in the project? What are their roles?

- What are the project goals?
- How will you know when your goals have been met?
- What is the budget for this project? How will the money be spent?
- If the project is going to continue beyond the grant period how will it be funded? Where else have you sought funds?

3. Required Attachments

- Copy of IRS status determination letter indicating 501(c)(3) tax-exempt status.
- Copy of employment non-discrimination policy. If your organization does not have any employees or a formal policy, an affirmation of support of non-discrimination policies is acceptable. This can take the form of a letter of affirmation signed and dated by a director of the organization.
- List of Board of Directors with affiliations.
- Organization's current operating budget including expenses and revenue. Please include most recent annual financial statement, and audit, if available.

4. Optional Attachments

- Letters of support

Hesed Foundation

About the Hesed Foundation

The Hesed Foundation is dedicated to the improvement and enhancement of human life and the strengthening of communities. Hesed seeks to achieve these goals by supporting programs that enhance the lives and welfare of all people, particularly those in underrepresented populations and communities.. Specifically we fund programs relating to youth and education, health, and community building. In addition we reserve a percentage of our annual giving for discretionary projects of interest to the board.

The Hesed foundation does not fund individuals or political organizations. The best way to get an idea of our funding priorities is to examine our past recipients. Grants ranged from \$1,000 to \$10,000 in 2003; the average grant was \$3,500. We reserve the right to partially fund proposals.