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

**2012**

Department of the Treasury  
Internal Revenue Service

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

**For calendar year 2012, or tax year beginning** \_\_\_\_\_, **2012, and ending** \_\_\_\_\_

Name of foundation <b>HARMON FOUNDATION INC</b>		<b>A</b> Employer identification number <b>13-5562236</b>
Number and street (or P O box number if mail is not delivered to street address) <b>30 JERICHO EXECUTIVE PLAZA</b>	Room/suite <b>200W</b>	<b>B</b> Telephone number (see the instructions) <b>(516) 282-7070</b>
City or town <b>JERICHO</b>	State ZIP code <b>NY 11753-1028</b>	<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>G</b> Check all that apply	<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change	<b>D 1</b> Foreign organizations, check here <input type="checkbox"/> <b>2</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>H</b> Check type of organization	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ <b>501,223.</b>	<b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>REVENUE</b>	<b>1</b> Contributions, gifts, grants, etc. received (att sch)	276,000.			
	<b>2</b> Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	<b>3</b> Interest on savings and temporary cash investments	3.	3.		
	<b>4</b> Dividends and interest from securities	18,149.	18,149.		
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain/(loss) from sale of assets not on line 10	-3,578.	L-6a Stmt		
	<b>b</b> Gross sales price for all assets on line 6a	301,563.			
	<b>7</b> Capital gain net income (from Part IV, line 2)		0.		
	<b>8</b> Net short-term capital gain			0.	
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold					
<b>c</b> Gross profit/(loss) (att sch)					
<b>11</b> Other income (attach schedule)					
<b>12 Total.</b> Add lines 1 through 11	290,574.	18,152.	0.		
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>	<b>13</b> Compensation of officers, directors, trustees, etc				
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule) L-16a Stmt	0.			
	<b>b</b> Accounting fees (attach sch) L-16b Stmt	17,000.			17,000.
	<b>c</b> Other prof fees (attach sch) L-16c Stmt	6,738.	6,738.		
	<b>17</b> Interest				
	<b>18</b> Taxes (attach schedule)(see instrs) See Line-18 Stmt	85.	8.		
	<b>19</b> Depreciation (attach sch) and depletion				
	<b>20</b> Occupancy				
	<b>21</b> Travel, conferences, and meetings	19,430.			19,430.
	<b>22</b> Printing and publications				
	<b>23</b> Other expenses (attach schedule) See Line 23 Stmt	571.			571.
	<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	43,824.	6,746.		37,001.
	<b>25</b> Contributions, gifts, grants paid	280,400.			280,400.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	324,224.	6,746.		317,401.	
<b>27</b> Subtract line 26 from line 12:					
<b>a Excess of revenue over expenses and disbursements</b>	-33,650.				
<b>b Net investment income</b> (if negative, enter -0-)		11,406.			
<b>c Adjusted net income</b> (if negative, enter -0-)			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			
	2 Savings and temporary cash investments	31,853.	30,560.	30,560.
	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 sch)			
	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)			
	b Investments – corporate stock (attach schedule) L-10b Stmt	354,829.	349,519.	470,663.
	c Investments – corporate bonds (attach schedule) L-10c Stmt	27,046.	0.	0.
	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)	413,728.	380,079.	501,223.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & 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 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. X			
	27 Capital stock, trust principal, or current funds	413,728.	380,079.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see instructions)	413,728.	380,079.		
31 Total liabilities and net assets/fund balances (see instructions)	413,728.	380,079.		

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	413,728.
2 Enter amount from Part I, line 27a	2	-33,650.
3 Other increases not included in line 2 (itemize) <u>rounding</u>	3	1.
4 Add lines 1, 2, and 3	4	380,079.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	380,079.

**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 shares MLC Company)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a SEE COMPILATION REPORT	P	Various	12/31/12
b SEE COMPILATION REPORT	P	Various	12/31/12
c SHORT TERM CAPITAL GAIN DIVIDEND	P	Various	12/31/12
d LONG TERM CAPITAL GAIN DIVIDEND	P	Various	12/31/12
e CLASS ACTION SETTLEMENTS	P	Various	12/31/12

(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 155,528.		158,268.	-2,740.
b 145,450.		146,873.	-1,423.
c 235.		0.	235.
d 320.		0.	320.
e 30.		0.	30.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-2,740.
b			-1,423.
c 0.	0.	0.	235.
d 0.	0.	0.	320.
e 0.	0.	0.	30.

2 Capital gain net income or (net capital loss)	- [ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]	2	-3,578.
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	-3,578.

**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 (column (b) divided by column (c))
	2011	310,952.	644,252.	0.482656
	2010	350,800.	645,757.	0.543238
	2009	353,023.	603,838.	0.584632
	2008	381,766.	842,414.	0.453181
	2007	464,725.	1,143,330.	0.406466

2 Total of line 1, column (d)	2	2.470173
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	0.494035
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	645,024.
5 Multiply line 4 by line 3	5	318,664.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	114.
7 Add lines 5 and 6	7	318,778.
8 Enter qualifying distributions from Part XII, line 4	8	317,401.

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)**

<b>1 a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary -- see instrs)		
<b>b</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	<b>1</b>	228.
<b>c</b> All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>2</b>	0.
<b>3</b> Add lines 1 and 2	<b>3</b>	228.
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>4</b>	0.
<b>5 Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0-	<b>5</b>	228.
<b>6 Credits/Payments</b>		
<b>a</b> 2012 estimated tax prmts and 2011 overpayment credited to 2012	<b>6 a</b>	
<b>b</b> Exempt foreign organizations -- tax withheld at source	<b>6 b</b>	
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	<b>6 c</b>	
<b>d</b> Backup withholding erroneously withheld	<b>6 d</b>	
<b>7</b> Total credits and payments Add lines 6a through 6d	<b>7</b>	
<b>8</b> Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9 Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	<b>9</b>	228.
<b>10 Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	<b>10</b>	0.
<b>11</b> Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1 a</b> 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>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year <b>(1)</b> On the foundation <input type="checkbox"/> \$ _____ <b>(2)</b> On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
<b>3</b> 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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
<b>4 a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
<b>6</b> 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	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
<b>8 a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <u>NY - New York</u>		
<b>b</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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
<b>9</b> 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>	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)			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)			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	X		
14	The books are in care of <u>BOYCE HUGHES &amp; ASSOC., LLP</u> Telephone no <u>(516) 282-7070</u> Located at <u>30 JERICHO EXEC. PLAZA</u> <u>JERICHO</u> <u>NY</u> ZIP + 4 <u>11753-1028</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			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country		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
1 a	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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	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 2012?	1 c	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer 'No' and attach statement - see instructions)	2 b	
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3 a	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 2012 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 2012)	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2012?	4 b	X

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

**5 a** 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 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 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)

**6 a** 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

**7 a** 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 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
GREGORY N SMITH C/O FDN. JERICHO NY 11753	CHAIRPERSON 0.50	0.	0.	0.
MARY H PERSSON C/O FDN. JERICHO NY 11753	PRES. 0.50	0.	0.	0.
MICHAEL B. HOLLYDAY C/O FDN. JERICHO NY 11753	VICE PRES. 0.50	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc		0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter 'NONE.'**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000  None

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
-----		
-----		
-----		
-----		
-----		
<b>Total</b> number of others receiving over \$50,000 for professional services		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.

	Expenses
1 -----	
2 -----	
3 -----	
4 -----	

**Part IX-B Summary of Program-Related Investments** (see instructions)

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

	Amount
1 -----	
2 -----	
All other program-related investments See instructions	
3 -----	
<b>Total.</b> 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	1 a	617,929.
b	Average of monthly cash balances	1 b	36,918.
c	Fair market value of all other assets (see instructions)	1 c	
d	<b>Total</b> (add lines 1a, b, and c)	1 d	654,847.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	654,847.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	9,823.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	645,024.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	32,251.

**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	32,251.
2a	Tax on investment income for 2012 from Part VI, line 5	2 a	228.
b	Income tax for 2012 (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	228.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	32,023.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	32,023.
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	32,023.

**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	1 a	317,401.
b	Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	317,401.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	317,401.

**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 2011	(c) 2011	(d) 2012
<b>1</b> Distributable amount for 2012 from Part XI, line 7				32,023.
<b>2</b> Undistributed income, if any, as of the end of 2012				
<b>a</b> Enter amount for 2011 only			0.	
<b>b</b> Total for prior years. 20 __, 20 __, 20 __				
<b>3</b> Excess distributions carryover, if any, to 2012.				
<b>a</b> From 2007	0.			
<b>b</b> From 2008	0.			
<b>c</b> From 2009	0.			
<b>d</b> From 2010	0.			
<b>e</b> From 2011	0.			
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 317,401.				
<b>a</b> Applied to 2011, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required – see instructions)				
<b>c</b> Treated as distributions out of corpus (Election required – see instructions)				
<b>d</b> Applied to 2012 distributable amount				32,023.
<b>e</b> Remaining amount distributed out of corpus	285,378.			
<b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e. Subtract line 5	285,378.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		0.		
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount – see instructions		0.		
<b>e</b> Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount – see instructions			0.	
<b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	285,378.			
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0.			
<b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9.				
<b>a</b> Excess from 2008	0.			
<b>b</b> Excess from 2009	0.			
<b>c</b> Excess from 2010	0.			
<b>d</b> Excess from 2011	0.			
<b>e</b> Excess from 2012	0.			

**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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> 'Assets' alternative test – enter.					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> 'Support' alternative test – enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 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))

N/A

**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

N/A

**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 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)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	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
<p><i>a Paid during the year</i></p> <p>SEE SCHEDULE FROM YEAR END COMPILATION REPORT</p> <p>NY 11753</p>	<p>N/A</p>	<p>PUBLIC</p>	<p>GENERAL</p>	<p>280,400.</p>
<p><b>Total</b></p>				<p>▶ <b>3 a</b> 280,400.</p>
<p><i>b Approved for future payment</i></p>				
<p><b>Total</b></p>				<p>▶ <b>3 b</b></p>





**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF

OMB No 1545-0047

**2012**

Name of the organization <b>HARMON FOUNDATION INC</b>	Employer identification number <b>13-5562236</b>
--	---

**Organization type** (check one)

**Filers of:**

Form 990 or 990-EZ

**Section:**

- 501(c)( \_\_\_\_ ) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.**

Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

<b>Name of organization</b> HARMON FOUNDATION INC	<b>Employer identification number</b> 13-5562236
--	---

**Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HARMON TRUST FDN. C/O J P MORGAN CHASE 245 PARK AVE-15TH FLOOR New York NY 10167-0001	\$ 276,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )

Name <b>HARMON FOUNDATION INC</b>	Employer Identification Number <b>13-5562236</b>
--------------------------------------	---

**Asset Information:**

Description of Property PUBLICLY TRADED SECURITIES LONG TERM

Date Acquired: 11/01/11 How Acquired Purchased

Date Sold 12/31/12 Name of Buyer \_\_\_\_\_

Sales Price 155,528. Cost or other basis (do not reduce by depreciation) 158,268.

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) -2,740. Accumulation Depreciation \_\_\_\_\_

Description of Property CLASS ACTION SETTLEMENTS

Date Acquired 11/01/11 How Acquired Purchased

Date Sold 12/31/12 Name of Buyer \_\_\_\_\_

Sales Price 30. Cost or other basis (do not reduce by depreciation) 0.

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) 30. Accumulation Depreciation \_\_\_\_\_

Description of Property PUBLICLY TRADED SECURITIES - SHORT TERM

Date Acquired: 01/01/12 How Acquired: Purchased

Date Sold 12/31/12 Name of Buyer \_\_\_\_\_

Sales Price: 145,450. Cost or other basis (do not reduce by depreciation) 146,873.

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) -1,423. Accumulation Depreciation \_\_\_\_\_

Description of Property ST CAPITAL GAIN DIVIDEND

Date Acquired 12/01/12 How Acquired: Purchased

Date Sold 12/31/12 Name of Buyer \_\_\_\_\_

Sales Price 235. Cost or other basis (do not reduce by depreciation) 0.

Sales Expense \_\_\_\_\_ Valuation Method: \_\_\_\_\_

Total Gain (Loss) 235. Accumulation Depreciation: \_\_\_\_\_

Description of Property LONG TERM CAPITAL GAIN DIVIDEND

Date Acquired 11/01/11 How Acquired Purchased

Date Sold 12/31/12 Name of Buyer \_\_\_\_\_

Sales Price 320. Cost or other basis (do not reduce by depreciation) 0.

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) 320. Accumulation Depreciation \_\_\_\_\_

Description of Property \_\_\_\_\_

Date Acquired \_\_\_\_\_ How Acquired \_\_\_\_\_

Date Sold \_\_\_\_\_ Name of Buyer \_\_\_\_\_

Sales Price. \_\_\_\_\_ Cost or other basis (do not reduce by depreciation) \_\_\_\_\_

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) \_\_\_\_\_ Accumulation Depreciation \_\_\_\_\_

Description of Property \_\_\_\_\_

Date Acquired \_\_\_\_\_ How Acquired \_\_\_\_\_

Date Sold \_\_\_\_\_ Name of Buyer \_\_\_\_\_

Sales Price \_\_\_\_\_ Cost or other basis (do not reduce by depreciation) \_\_\_\_\_

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) \_\_\_\_\_ Accumulation Depreciation \_\_\_\_\_

Description of Property \_\_\_\_\_

Date Acquired \_\_\_\_\_ How Acquired. \_\_\_\_\_

Date Sold \_\_\_\_\_ Name of Buyer \_\_\_\_\_

Sales Price \_\_\_\_\_ Cost or other basis (do not reduce by depreciation) \_\_\_\_\_

Sales Expense \_\_\_\_\_ Valuation Method \_\_\_\_\_

Total Gain (Loss) \_\_\_\_\_ Accumulation Depreciation \_\_\_\_\_

Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
FOREIGN TAX ON DIVIDENDS	8.	8.		
990-PF EXCISE TAX	77.			
<b>Total</b>	<u>85.</u>	<u>8.</u>		

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
BANK CHARGES	57.			57.
NYS FILING FEE	100.			100.
POSTAGE/PRINTING	284.			284.
PUBLICATION NOTICE	130.			130.
<b>Total</b>	<u>571.</u>			<u>571.</u>

Form 990-PF, Page 6, Part VIII, Line 1

**Information about Officers, Directors, Trustees, Etc.**

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> A C BARNES McNEVIN 111 C/O FDN. JERICHO NY 11753	TREASURER 2.00	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> JAMES HOLLYDAY JR. C/O FDN JERICHO NY 11753	SECRETARY 1.00	0.	0.	0.

Total

0. 0. 0.

Form 990-PF, Page 1, Part I

**Line 16a - Legal Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BURNS, KENNEDY ETAL	LEGAL	0.			

Total

0.

Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BOYCE, HUGHES & ASSOC	ACCOUNTING, TAX	17,000.			17,000.
Total		<u>17,000.</u>			<u>17,000.</u>

Form 990-PF, Page 1, Part I

**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGG, MASON	INVESTMENT COUNSEL	6,234.	6,234.		
BNY MELLON	CUSTODY FEES	504.	504.		
Total		<u>6,738.</u>	<u>6,738.</u>		

Form 990-PF, Page 2, Part II, Line 10b

**L-10b Stmt**

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
SEE ATTACHED PAGES FROM COMPILATION REPORT	349,519.	470,663.
Total	<u>349,519.</u>	<u>470,663.</u>

Form 990-PF, Page 2, Part II, Line 10c

**L-10c Stmt**

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
SEE ATTACHED PAGE FROM COMPILATION REPORT	0.	0.
Total	<u>0.</u>	<u>0.</u>

**Additional Information**

ELECTION UNDER REGULATIONS SEC. 52.4942(a)-3(c)(2)

DURING 2012 \$276,000 WAS RECEIVED FROM HARMON FOUNDATION TRUST,  
ALSO A PRIVATE FOUNDATION. THIS AMOUNT HAS BEEN DISBURSED FOR CHARITABLE PURPOSES  
BY HARMON FOUNDATION INC AS FOLLOWS:

UNDISTRIBUTED FROM 2011	\$ 4,117
2012 CONTRIBUTION RECEIVED	276,000
EXCESS DISTRIBUTION CARRYOVER	--

DEDUCT 2012 990-PF ELECTION-DISTRIBUTION FROM CORPUS PART XIII LINE 7	-285,378
BALANCE--EXCESS DISTRIBUTION CARRYOVER TO 12/31/13	\$ -5,261

SIGNED BY A.C. BARNES MCNEVIN III, TREASURER

*[Handwritten signature]* *[Handwritten initials]* *[Handwritten initials]* *[Handwritten initials]* 5/13/13

**HARMON FOUNDATION, INC.**

**Compiled Financial Statements and  
Supplementary Information  
(Modified Cash Basis)**

**For the years ended December 31, 2012 and 2011**

**HARMON FOUNDATION, INC.**

**Financial Statements  
and Supplemental Financial Information**

For the years ended December 31, 2012 and 2011

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*Boyce, Hughes & Associates, LLP*  
*Certified Public Accountants*

30 JERICO EXECUTIVE PLAZA, SUITE 200W  
JERICO, NEW YORK 11753-1028

TELEPHONE  
516 282-7070

FACSIMILE  
516 282-7075

ACCOUNTANTS' COMPILATION REPORT

To the Board of Trustees of  
Harmon Foundation, Inc.

We have compiled the accompanying Statement of Financial Position on a Modified Cash Basis of Harmon Foundation, Inc. as of December 31, 2012 and 2011 and the related Statement of Activities on a Modified Cash Basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Harmon Foundation, Inc.

April 18, 2013

*Boyce, Hughes & Associates, LLP*

HARMON FOUNDATION, INC.

Statement of Financial Position on a Modified Cash Basis  
as at December 31,

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash - Bank of America - checking account	\$ 16,735.86	\$ 9,211.27
Dreyfus Inst. Reserves Treasury Prime Fund	<u>13,823.73</u>	<u>22,641.55</u>
<u>Total cash and current assets</u>	\$ 30,559.59	\$ 31,852.82
Investments in marketable securities at cost – Pages 7-8	<u>349,518.63</u>	<u>381,875.56</u>
Total assets	\$ 380,078.22	\$ 413,728.38
<b>Liabilities</b>	<u>0.00</u>	<u>0.00</u>
<b>Net Assets (unrestricted)</b>	<u>\$ 380,078.22</u>	<u>\$ 413,728.38</u>

See Accountants' Compilation Report and Notes to Financial Statements

**HARMON FOUNDATION, INC.**

**Statement of Activities on a Modified Cash Basis  
As of December 31,**

<b>Revenues and Gain</b>	<u>2012</u>	<u>2011</u>
Income distribution from the William E. Harmon Trust Fund (Note 4)	\$ 276,000.00	\$ 276,000.00
Dividends	14,801.45	12,113.91
Interest on corporate bonds	3,347.15	3,273.20
Profit (loss) on sales of securities (page 9)	(4,163.05)	(15,994.98)
Interest on checking account	3.15	2.86
Capital gain dividends / class action	585.02	18.30
<b>Total revenues &amp; gain (loss)</b>	<u>\$ 290,573.72</u>	<u>\$ 275,413.29</u>
<b>Expenses</b>		
Management & general:		
Investment advisory fees	\$ 6,233.86	\$ 6,186.10
Custody fees	503.84	1,425.04
Foreign tax withheld on dividends	7.62	41.14
<b>Investment expenses (subtotal)</b>	<u>\$ 6,745.32</u>	<u>\$ 7,652.28</u>
Board meeting expenses	19,430.31	18,233.61
Accounting and tax preparation fee	17,000.00	16,550.00
Legal fees	-	-
Office expenses	284.25	-
Miscellaneous expenses	230.00	125.00
Bank charges	57.00	225.00
Taxes – Form 990PF	77.00	150.00
<b>Total management and general expenses</b>	<u>\$ 43,823.88</u>	<u>\$ 42,935.89</u>
Charitable contributions paid (page 10)	280,400.00	275,895.00
<b>Total expenditures</b>	<u>\$ 324,223.88</u>	<u>\$ 318,830.89</u>
Increase (decrease) in unrestricted net assets	\$ (33,650.16)	\$ (43,417.60)
NET ASSETS (unrestricted) – January 1	<u>413,728.38</u>	<u>457,145.98</u>
NET ASSETS (unrestricted) – December 31	<u>\$ 380,078.22</u>	<u>\$ 413,728.38</u>

See Accountants' Compilation Report and Notes to Financial Statements

# HARMON FOUNDATION, INC.

## Notes to Financial Statements December 31, 2012

### Note 1: Summary of Significant Accounting Policies

*Nature of Operations.* The Harmon Foundation is a private foundation that makes contributions to various U.S. not for profit charitable entities. The financial statements are presented on the modified cash basis using the method of accounting which is the basis the Federal government permits a charitable organization to use in filing its Form 990-PF excise tax return. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, these financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

### Note 2: Investments in Marketable Securities

The Harmon Foundation has not adopted Statement of Financial Accounting Board statements relating to accounting for certain investments held by not-for-profit organizations in that the cash basis method of accounting is used as explained above. Investments in marketable securities are carried at cost basis and the market values are presented in the report for information purposes. Consequently, profit or loss is reflected as revenue or loss in the year in which the investments are sold. Annual fluctuations in the market value of the investments are not reflected in the Statements of Activities.

The unrecorded net increase (decrease) in the market value of investments is recapped as follows:

	<u>2012</u>	<u>2011</u>
Market value of investments	\$ 470,663	\$ 461,452
Cost basis	<u>349,519</u>	<u>381,876</u>
<u>Unrealized increase (decrease)</u>	<u>\$ 121,144</u>	<u>\$ 79,576</u>

### Note 3: Tax Status

The Foundation is a not for profit corporation which qualifies under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from Federal income tax; however, the Foundation is a "private foundation" under the Tax Reform Act of 1969 and is thus subject to a 2% (or 1%) excise tax on net investment income, and must make minimum distributions as required by the Act.

**HARMON FOUNDATION, INC.**

**Notes to Financial Statements  
December 31, 2012**

**Note 4: William E. Harmon Trust Fund**

The Foundation is the sole beneficiary of the Harmon Foundation, Inc. Trust U/A/D July 21, 1922 created by William E. Harmon. This Trust is effectively treated as and subject to the rules governing private foundations. The Harmon Foundation, Inc. must, not later than the close of the first tax year after the tax year in which it receives contributions from this Trust Fund, distribute an amount equal to the contributions received in the prior tax year and have no remaining undistributed income from the prior tax year.

The Trust Fund is administered and controlled by the J.P. Morgan Chase Bank and the Harmon Foundation, Inc. directors have no incidences of influence or control other than the right to receive income and required principal distributions. The market value of Trust Fund assets at January 31, 2012 was \$5,000,216 and on January 31, 2013 was \$5,208,704. This fund files its' 990PF on a January 31 fiscal year.

**Supplementary Information**

**HARMON FOUNDATION, INC.**

**Investments in Marketable Securities (Note 2)  
Calendar year ended December 31, 2012**

<u>Date Acquired</u>	<u>Principal - Corporate stock</u>	<u>No. of Shares</u>	<u>Cost or Acquisition Value</u>	<u>Market Value</u>
06/19/09	Abbott Laboratories	125	\$ 5,947.50	13,100.00
03/09/10		75	4,119.63	
02/02/04	Air Products and Chemicals Inc.	130	4,279.75	7,141.70
10/26/99	American Express Co.	300	12,661.65	17,244.00
07/21/08	Apple Inc.	35	5,731.29	37,252.11
12/18/08		35	3,169.06	
05/17/12	Caterpillar Inc.	65	6,115.85	5,824.55
05/17/12	Cerner Corp.	75	5,954.25	5,813.25
10/26/99	Cisco Systems, Inc.	700	23,909.38	13,754.58
05/17/12	Coach Inc.	100	6,746.85	5,551.00
09/23/04	Colgate-Palmolive Co.	140	6,798.40	14,635.60
06/30/11	Covidien PLC	130	6,902.81	7,506.20
07/21/04	Emerson Electric Company	180	5,503.93	9,532.80
05/17/12	Estee Lauder Companies	120	6,920.28	7,183.20
07/27/07	Express Scripts Inc. CL A	400	9,973.64	21,600.00
04/03/01 - 2002	Exxon Mobil Corp.	170	6,679.30	14,713.50
11/01/82	General Electric Co.	595	1,129.26	12,489.05
05/17/12	Goldman Sachs Group Inc. Pfd.	1,000	25,367.80	26,100.00
09/18/12	Goldman Sachs H/Y Float Ins	2,495	25,000.00	25,049.90
03/27/08	Google Inc.	20	8,940.80	14,147.60
12/10/01	JP Morgan Chase & Co.	250	9,652.50	21,984.55
08/02/12		250	9,019.88	
06/19/09	Mc Donald's Corp.	105	6,114.59	12,790.45
03/09/10		40	2,614.73	
01/28/02	Microsoft Corp.	20	639.10	534.19

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**HARMON FOUNDATION, INC.**

**Investments in Marketable Securities (Note 2)  
Calendar year ended December 31, 2012**

<u>Date Acquired</u>	<u>Principal - Corporate stock</u>	<u>No. of Shares</u>	<u>Cost or Acquisition Value</u>	<u>Market Value</u>
08/29/03	Microsoft Corp. (con't)	400	10,560.00	10,683.88
06/17/11 - 04/09	Monsanto Co.	120	6,973.90	8,991.75
06/19/09	National Oilwell Varco Inc.	170	5,834.40	11,619.50
06/20/08	Netapp Inc.	210	4,919.92	7,045.50
06/01/10	Northeast Utilities	310	7,913.74	12,114.80
10/12/00	Pepsico Inc.	165	7,687.76	11,290.95
06/30/11	Phillip Morris International Inc.	120	7,935.43	10,036.80
06/29/11	Pimco Total Return Inst. Fund	2,138.26	23,482.56	24,034.32
05/17/12	Potash Corp.	145	5,844.88	5,900.05
08/29/03	Procter & Gamble Co.	170	7,395.00	11,541.30
05/17/12	Qualcomm Inc.	100	6,167.99	6,185.96
01/27/07	Schlumberger Ltd.	200	12,406.00	13,859.72
06/01/10	Target Corp.	145	7,879.13	14,496.65
05/17/12		100	5,514.95	
06/30/11	Union Pac Corp.	70	7,032.20	8,800.40
04/03/01	United Technologies Corp.	140	4,974.20	11,481.40
06/30/11	Yum! Brands Inc.	130	7,104.34	8,632.00
	<u>Common Stock Totals</u>	<u>12,388.26</u>	<u>\$ 349,518.63</u>	<u>\$ 470,663.21</u>
	<u>Total Investments</u>	<u>12,388.26</u>	<u>\$ 349,518.63</u>	<u>\$ 470,663.21</u>

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**HARMON FOUNDATION, INC.**

**Profit (Loss) on Sales of Securities  
Calendar year ended December 31, 2012**

<u>Par Value or Share</u>		<u>Acquired</u>	<u>Sold</u>	<u>Proceeds</u>	<u>Cost</u>
380	Abb LTD, ADR	6/1/2010	5/17/2012	\$ 6,254.84	\$ 6,417.86
130	Air Products & Chemicals Inc.	2/2/2004	5/17/2012	3,741.21	2,265.75
1,000	BB & T Corp.	8/17/2012	11/20/2012	24,989.43	25,240.00
230	Broadcom Corp Cl A	10/25/2007	5/17/2012	7,608.24	7,806.18
90	Deere & Co.	10/7/2009	11/20/2012	7,679.52	6,898.50
\$1,000	Goldman Sachs Group Inc. PFD 6.2%	6/30/2011	11/20/2012	24,774.54	24,990.00
229.585	Harbor FD Int'l	6/23/2008	7/6/2012	12,836.10	15,000.00
\$900	JP Morgan Chase & Co. 8.625%	6/1/2010	11/20/2012	23,291.47	24,492.69
25	Monsanto Co.	6/17/2011	5/17/2012	1,788.95	2,016.50
100	Occidental Petroleum Corp.	3/9/2010	11/20/2012	7,413.83	8,206.00
2,586.21	Pimco Total Return FD	6/29-12/29/12	11/16/2012	30,000.00	29,052.23
150	Pimco Total Return FD	6/29-12/29/12	11/20/2012	16,490.63	16,043.00
210	State Street Corp.	6/1/2010	8/2/2012	8,420.81	7,862.11
300	Vanguard ST Bond	8/17/2012	11/20/2012	24,377.45	24,363.00
\$25,000	Bank Amer Corp. 4.875% 1/15/13	5/17/2012	11/20/2012	25,144.50	25,559.00
\$25,000	Goldman Sachs Group 5.7% 9/1/12	3/9/2010	9/4/2012	25,000.00	27,046.00
\$25,000	Morgan Stanley 5.3% 3/1/13	5/17/2012	11/20/2012	25,294.25	25,546.00
\$25,000	Wells Fargo & Co. New 4.95% 10/16/13	5/17/2012	11/20/2012	25,871.50	26,335.50
	Net capital gain (loss)				\$ (4,163.05)
	<u>Totals</u>			<u>\$ 300,977.27</u>	<u>\$ 300,977.27</u>

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**Contributions  
2012**

<u>Name</u>	<u>Amount</u>
A Better Chance in Ridgefield, Inc.	\$ 3,000.00
Achilles Track Club Inc.	2,000.00
Arts Start	2,500.00
Bartow-Pell Landmark Fund	4,000.00
Bayside Historical Society	3,000.00
Birthright Inc. (Atlanta Head Office)	500.00
Birthright Inc. (Kings East)	5,000.00
Camp Sunshine at Sebago Lake Inc.	7,500.00
Caritas of Austin	2,000.00
Chewonki Foundation	5,000.00
Church of the Holy Apostle	6,000.00
Cite de Arts	5,000.00
City of Bucyrus	5,000.00
Claflin Hill Music Performance Foundation	5,000.00
Coldwell Banker Cares	2,500.00
Collaborative Medical Research Group	5,000.00
Corwin - Russell School - Broccoli Hall	10,000.00
Daily Bread & Food Pantry	7,000.00
DFW Humane Society	500.00
EQuest	4,000.00
Friends of Harmon Field Inc.	2,500.00
Guiding Eyes for the Blind, Inc.	2,000.00
Hearing and Service Dogs	10,000.00
Immigrant Scholarship Fund	6,000.00
Island Harvest	4,000.00
Lao Association of New Haven	2,000.00
Melanoma Research Foundation	1,000.00
Miriam's Kitchen	8,700.00
Mount Hope Trust in Bristol	10,000.00
National 4-H Council	5,000.00
National Vitaligo Foundation, Inc.	5,000.00
Newmarket High School	3,000.00
North Texas Food Bank	500.00
Norwalk Emergency Shelter	2,500.00
Norwalk Grassroots Tennis	5,000.00
Upper Charles River Bike Trail	1,000.00
The Opportunity Alliance	5,000.00
The Sow Institute	5,000.00
Our Lady of Good Counsel	10,000.00
Our Lady of Mount Carmel	10,000.00

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**Contributions  
2012**

<u>Name</u>	<u>Amount</u>
Ottawa Health Institute	10,000.00
Partners for Health	2,000.00
PMC/Jimmy Fund	500.00
Rockingham Community Action Program Inc.	2,000.00
Save the Children	12,000.00
Sisters of Notre Dame de Namur	5,000.00
Seabury Academy	10,000.00
Ski for Light, Inc.	3,500.00
SOO Visual Arts Center, Inc.	6,000.00
St. Jean Baptiste School	4,000.00
Stay Focused Inc.	4,000.00
Sunset Youth Services (Incentives for Education)	5,000.00
Sunset Youth Services (Juvenile Case Management Program)	10,000.00
Tompkins County Public Library	3,000.00
Trinity College	5,000.00
Trinity Foundation Inc.	700.00
United Service Organizations, Inc.	5,000.00
Upper Valley Haven	10,000.00
VSA Arts Rhode Island	2,500.00
Wayside Evening Soup Kitchen	3,000.00
	<hr/>
Total	285,900.00
Voided check from 2011 contributions	(5,500.00)
Total Contributions	<hr/> <u>\$ 280,400.00</u> <hr/>