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

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

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation FROST MEMORIAL FUND, INC.		A Employer identification number 14-1803911
Number and street (or P O box number if mail is not delivered to street address) PO BOX 808	Room/suite	B Telephone number 845-452-8300
City or town, state, and ZIP code RHINEBECK, NY 12572		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☒ Address change ☐ Initial return of a former public charity ☒ Amended return ☐ Name change		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		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 6,992,790.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		11.	11.		STATEMENT 2
4 Dividends and interest from securities		209,771.	153,310.		STATEMENT 3
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		13,726.			STATEMENT 1
b Gross sales price for all assets on line 6a		1,228,212.			
7 Capital gain net income (from Part IV, line 2)			17,742.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		223,508.	171,063.		
13 Compensation of officers, directors, trustees, etc		20,000.	0.		20,000.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		8,000.	4,000.		4,000.
c Other professional fees STMT 5		6,291.	0.		6,291.
17 Interest					
18 Taxes STMT 6		2,556.	1,387.		0.
19 Depreciation and depletion					
20 Occupancy		1,540.	0.		1,540.
21 Travel, conferences, and meetings		819.	0.		819.
22 Printing and publications		30.	0.		30.
23 Other expenses STMT 7		52,806.	48,750.		4,056.
24 Total operating and administrative expenses. Add lines 13 through 23		92,042.	54,137.		36,736.
25 Contributions, gifts, grants paid		297,074.			297,074.
26 Total expenses and disbursements. Add lines 24 and 25		389,116.	54,137.		333,810.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-165,608.			
b Net investment income (if negative, enter -0-)			116,926.		
c Adjusted net income (if negative, enter -0-)				N/A	

SCANNED AUG 26 2014

Revenue

Operating and Administrative Expenses

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		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	171,561.	137,328.	137,328.
	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			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,704.	535.	535.
	10a Investments - U.S. and state government obligations STMT 9	2,323,253.	1,968,078.	1,943,519.
	b Investments - corporate stock STMT 10	3,039,775.	3,112,261.	3,927,597.
	c Investments - corporate bonds STMT 11	821,565.	884,805.	883,464.
	11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 12	0.	89,242.	89,339.
Liabilities	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 13)	7,830.	7,830.	11,008.
	16 Total assets (to be completed by all filers)	6,365,688.	6,200,079.	6,992,790.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31 ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	6,365,688.	6,200,079.	
Net Assets or Fund Balances	30 Total net assets or fund balances	6,365,688.	6,200,079.	
	31 Total liabilities and net assets/fund balances	6,365,688.	6,200,079.	

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	6,365,688.
2	Enter amount from Part I, line 27a	2	-165,608.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	6,200,080.
5	Decreases not included in line 2 (itemize) ▶ ROUNDING DIFFERENCE	5	1.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,200,079.

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 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE SCHEDULE ATTACHED	P		
b SEE SCHEDULE ATTACHED	D		
c SEE SCHEDULE ATTACHED	P		
d CAPITAL GAINS DIVIDENDS			
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 70,090.		64,353.	5,737.
b 198,241.		148,417.	49,824.
c 958,252.		997,700.	-39,448.
d 1,629.			1,629.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			5,737.
b			49,824.
c			-39,448.
d			1,629.
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	17,742.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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))
2011	294,282.	6,803,244.	.043256
2010	174,578.	6,347,749.	.027502
2009	28,000.	2,317,899.	.012080
2008	17,897.	467,888.	.038251
2007	4,000.	355,632.	.011248

2 Total of line 1, column (d)	2	.132337
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	.026467
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	6,907,947.
5 Multiply line 4 by line 3	5	182,833.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,169.
7 Add lines 5 and 6	7	184,002.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	333,810.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,169.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,169.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		5	1,169.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,704.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,704.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	535.	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax	11	0.	

535. Refunded

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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>NY</u>		
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► WWW.FROSTMEMORIALFUND.ORG	13	X	
14	The books are in care of ► KIRSHON & COMPANY, PC Telephone no. ► 845-473-1811 Located at ► 311 MILL STREET, POUGHKEEPSIE, NY ZIP+4 ► 12601			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
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 ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► N/A	1b	
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?	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 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 ►	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 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)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	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)? ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **N/A**

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☐ Yes ☒ No **X**

If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 14		20,000.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

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

Total number of other employees paid over \$50,000**0**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. 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

0

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3

0.

Form 990-PF (2012)

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	6,866,150.
b	Average of monthly cash balances	1b	135,451.
c	Fair market value of all other assets	1c	11,543.
d	Total (add lines 1a, b, and c)	1d	7,013,144.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	7,013,144.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	105,197.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,907,947.
6	Minimum investment return. Enter 5% of line 5	6	345,397.

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	345,397.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,169.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,169.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	344,228.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	344,228.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	344,228.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	333,810.
b	Program-related investments - total from Part IX-B	1b	0.
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	333,810.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,169.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	332,641.

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
1 Distributable amount for 2012 from Part XI, line 7				344,228.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			291,399.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 333,810.				
a Applied to 2011, but not more than line 2a			291,399.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				42,411.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				301,817.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

SEE STATEMENT 15

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
CHURCH OF THE MESSIAH 6436 MONTGOMERY STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	4,000.
DAUGHTERS OF THE AMERICAN REVOLUTION 77 LIVINGSTON ST RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE HISTORICAL ORGANIZATION	3,250.
FERNCLIFF FOREST PO BOX 1 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	41,000.
FIRST BAPTIST CHURCH OF RHINEBECK 9 ASTOR DRIVE RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
GOOD SHEPHERD CHURCH 3 MULBERRY STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
Total	SEE CONTINUATION SHEET(S)			3a 297,074.
b Approved for future payment				
NONE				
Total				3b 0.

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

- | | | Yes | No |
|----------|--|-------|----|
| 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? | | |
| 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]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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

Sign Here   

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name TAMMY S. KIRSHON, CPA	Preparer's signature TAMMY S. KIRSHON,	Date 05/16/14	Check ☐ if self-employed	PTIN P00187388
	Firm's name ▶ KIRSHON & COMPANY, P.C.			Firm's EIN ▶ 14-1569720	
	Firm's address ▶ 311 MILL STREET POUGHKEEPSIE, NY 12601			Phone no. 845-473-1811	

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
GRACE BIBLE FELLOWSHIP CHURCH 6959 ROUTE 9 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
HUDSON VALLEY COMMUNITY PRODUCTIONS - SINTERKLAAS RHINEBECK 118 LA BERGERIE LANE RED HOOK, NY 12571	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	2,500.
MORTON MEMORIAL LIBRARY COMMUNITY HOUSE 82 KELLY STREET RHINECLIFF, NY 12574	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE LIBRARY	15,000.
NORTHERN DUTCHESS HOSPITAL FOUNDATION 96 MONTGOMERY STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE HOSPITAL	55,000.
REFORMED CHURCH OF RHINEBECK 6368 MILL STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	4,000.
RHINEBECK AT HOME PO BOX 437 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	5,000.
RHINEBECK CHAMBER MUSIC SOCIETY, INC PO BOX 465 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	3,500.
RHINEBECK HISTORICAL SOCIETY PO BOX 291 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	2,500.
RHINEBECK PERFORMING ARTS CENTER 661 ROUTE 308 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	25,000.
RHINEBECK RHEINBACH STUDENT EXCHANGE PROGRAM INC PO BOX 513 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	2,000.
Total from continuation sheets				244,824.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
RHINEBECK UNITED METHODIST CHURCH 83 E MARKET STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
ST. PAUL'S LUTHERAN CHURCH OF WURTEMBERG 371 WURTEMBERG ROAD RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
STARR LIBRARY 68 WEST MARKET STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE LIBRARY	19,491.
THE SOUTHLANDS FOUNDATION 5771 ROUTE 9 SOUTH RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	10,000.
THIRD EVANGELICAL LUTHERAN CHURCH 31 LIVINGSTON STREET RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE CHURCH	2,000.
TOWN OF RHINEBECK CAPITAL FUND 80 EAST MARKET ST RHINEBECK, NY 12572	NONE	MUNICIPALITY	TO SUPPORT THE NEEDS OF THE TOWN	33,333.
UPSTATE FILMS, LTD PO BOX 324 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	35,000.
WILDERSTEIN HISTORIC SITE 330 MORTON RD RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	9,500.
WINNAKEE LAND TRUST PO BOX 610 RHINEBECK, NY 12572	NONE	501(C)(3) ORG	TO SUPPORT THE NEEDS OF THE ORGANIZATION	15,000.
Total from continuation sheets				

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
SEE SCHEDULE ATTACHED			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
70,090.	64,353.	0.	0.	5,737.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
SEE SCHEDULE ATTACHED			DONATED		
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
198,241.	115,341.	0.	0.	82,900.	

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
SEE SCHEDULE ATTACHED			PURCHASED		
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
958,252.	1,034,792.	0.	0.	-76,540.	

CAPITAL GAINS DIVIDENDS FROM PART IV	1,629.
TOTAL TO FORM 990-PF, PART I, LINE 6A	13,726.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
CASH/MMKT/CD'S	11.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	11.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ACCRUED INTEREST PD	-3,892.	0.	-3,892.
BOND INTEREST	105,509.	0.	105,509.
DIVIDENDS	109,783.	1,629.	108,154.
TOTAL TO FM 990-PF, PART I, LN 4	211,400.	1,629.	209,771.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KIRSHON AND COMPANY, P.C.	8,000.	4,000.		4,000.
TO FORM 990-PF, PG 1, LN 16B	8,000.	4,000.		4,000.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MARYANN THOMPSETT	6,291.	0.		6,291.
TO FORM 990-PF, PG 1, LN 16C	6,291.	0.		6,291.

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAX	1,387.	1,387.		0.	
EXCISE TAX	1,169.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	2,556.	1,387.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
NYS FILING FEE	250.	0.		250.	
INVESTMENT & CHECKING FEES	48,750.	48,750.		0.	
INSURANCE - NON-EMPLOYEE	3,750.	0.		3,750.	
POSTAGE, SHIPPING, DELIVERY	56.	0.		56.	
TO FORM 990-PF, PG 1, LN 23	52,806.	48,750.		4,056.	

FOOTNOTES				STATEMENT	8
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RETURN IS AMENDED TO REFLECT REDUCTION
IN CHARITABLE GRANTS DUE TO RETURN OF
COMMUNITY COALITION FOR RHINEBECK YOUTH
GRANT IN THE AMOUNT OF \$1,500. PAYMENT
WAS RETURNED AND CHECK VOIDED AFTER FILING
OF ORIGINAL 2012 FORM 990-PF.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	9
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED		X	1,968,078.	1,943,519.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			1,968,078.	1,943,519.
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,968,078.	1,943,519.

FORM 990-PF	CORPORATE STOCK	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED	3,112,261.	3,927,597.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,112,261.	3,927,597.

FORM 990-PF	CORPORATE BONDS	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED	884,805.	883,464.
TOTAL TO FORM 990-PF, PART II, LINE 10C	884,805.	883,464.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	12
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CERTIFICATE OF DEPOSITS	COST	89,242.	89,339.
TOTAL TO FORM 990-PF, PART II, LINE 13		89,242.	89,339.

FORM 990-PF	OTHER ASSETS		STATEMENT 13
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE ATTACHED	1,480.	1,480.	4,658.
SEE SCHEDULE ATTACHED	6,350.	6,350.	6,350.
TO FORM 990-PF, PART II, LINE 15	7,830.	7,830.	11,008.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 14
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ELIZABETH M. WOLF PO BOX 241 SALT POINT, NY 12578	PRESIDENT 1.00	4,000.	0.	0.
VINCENT L. TEAHAN PO BOX 241 SALT POINT, NY 12578	VICE PRESIDENT/SECRETARY 1.00	4,000.	0.	0.
LEWIS RUGE PO BOX 241 SALT POINT, NY 12578	TREASURER 1.00	4,000.	0.	0.
DR. LOUIS TUMOLO, JR PO BOX 241 SALT POINT, NY 12578	TRUSTEE 1.00	4,000.	0.	0.
CHRISTOPHER CHESTNEY PO BOX 241 SALT POINT, NY 12578	TRUSTEE 1.00	4,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		20,000.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 15

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

FROST MEMORIAL FUND, INC.
PO BOX 241
SALT POINT, NY 12578

TELEPHONE NUMBER

845-452-8300

EMAIL ADDRESS

INFO@FROSTMEMORIALFUND.ORG

FORM AND CONTENT OF APPLICATIONS

BOARD DETERMINES WHETHER TO INVITE A FULL PROPOSAL FROM AN INITIAL LETTER OF INQUIRY. THOSE INVITED TO OFFER A FULL PROPOSAL MUST FOLLOW PROPOSAL FORMAT AND INCLUDE GOALS, STRATEGIES, TIME LINES, ANTICIPATED OUTCOMES, BACKGROUND OF APPLYING ORGANIZATION, BUDGETS FOR BOTH APPLIED FUNDS AND ORGANIZATION, INFORMATION ON OTHER SOURCES OF FINANCIAL SUPPORT, FINANCIAL STATEMENTS, IRS CERTIFICATION OF EXEMPT STATUS, AND OTHER INFORMATION.

ANY SUBMISSION DEADLINES

INQUIRY LETTERS MAY BE SUBMITTED AT ANY TIME. FULL PROPOSALS ARE DUE BY MARCH 1 OR SEPTEMBER 1.

RESTRICTIONS AND LIMITATIONS ON AWARDS

CHARITIES SEEKING GRANTS MUST BE LOCATED IN THE VILLAGE AND TOWN OF RHINEBECK, NEW YORK AREA COMMUNITY.

Poughkeepsie Journal

Poughkeepsie, N.Y.

AFFIDAVIT OF PUBLICATION

State of New York
County of Dutchess
City of Poughkeepsie

Rita Lombardi, of the City of Poughkeepsie,
Dutchess County, New York, being duly sworn, says
that at the several times hereinafter mentioned he/she
was and still is the Principle Clerk of the Poughkeepsie
Newspapers Division of Gannett Satellite Information
Network, Inc., publisher of the Poughkeepsie Journal, a
newspaper published every day in the year 2013 in the
city of Poughkeepsie, Dutchess County, New York, and
that the annexed Notice was duly published in the said
newspaper for one insertion
successively, in each week, commencing on the 3rd
day of May in the year of 2013 and
on the following dates thereafter, namely on:

And ending on the _____ day of _____ in
the year of 2013, both days inclusive.

Subscribed and sworn to before me this 6th day
of May in the year of 2013.

Rose Ann Simpson
Notary Public

My commission expires 1/4/2014

ROSE ANN SIMPSON
Notary Public, State of New York
No. 01SI6215893
Qualified in Dutchess County
Commission Expires January 4, 2014

Pursuant to New York
State law, notice is
hereby given that the
annual report of Frost
Memorial Fund, Inc. for
the calendar year
ended December 31,
2012 is available at its
accountants' office lo-
cated at 311 Mill Street,
Poughkeepsie, NY 12601
for inspection during
regular business hours
by any citizen who re-
quests it within 180
days hereof. (845) 473-
1611. Tammy S. Kin-
shon, Certified Public
Accountant.

1165

FROST MEMORIAL FUND, INC.
EIN: 14-1803911
FORM: 990-PF, PAGE 2, PART II
BALANCE SHEETS
DECEMBER 31, 2012

HOLDING	BEGINNING	ENDING	
	BOOK VALUE	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL BONDS			
AMERICAN MUNI PW 3 615%, 02/15/13	50,948.00	50,948.00	50,163.00
ARKANSAS ST DEV 2.16%, 04/01/13	35,020.30	35,020.30	35,091.00
BARRINGTON ILL 2.62%, 12/15/13	35,621.95	35,621.95	35,593.95
BEND ORE 2.15%, 06/01/13	80,040.00	80,040.00	80,406.40
CARTERET NJ RE 2.00%; 11/21/12	39,972.40	0.00	0.00
CHICAGO ILL 4 86%; 01/01/14	38,200.75	0.00	0.00
COLUMBUS IND MU 2 361%; 01/15/13	40,386.40	40,386.40	40,025.20
COMMONWEALTH FL 3 383%, 06/01/13	36,286.25	36,286.25	35,357.00
COOK CNTY ILL 2 503%, 11/15/13	35,460.25	35,460.25	35,669.55
CORALVILLE IOWA 4 75%; 06/01/13	38,001.25	0.00	0.00
DAUPHIN CNTY PA 4 85%; 03/01/13	43,283.60	0.00	0.00
DODGE CNTY WIS 2 125%; 03/01/13	40,109.60	40,109.60	40,094.80
FRANKFORT KY SWR 2.10%; 12/01/13	39,957.20	39,957.20	40,354.00
GERMANTOWN WIS 2.15%, 03/01/13	30,102.60	30,102.60	30,072.30
GREENFIELD WIS 3.00%; 04/01/14	49,932.00	49,932.00	51,018.50
INDIANA BO BK 4.96%; 07/15/13	43,475.60	43,475.60	40,844.40
JEA FL BULK PWR SUPPLY SYS 2.25%, 10/01/13	35,000.00	35,000.00	35,421.40
KANE COOK & DU PA 5 50%; 01/01/13	16,321.80	0.00	0.00
KANE COOK & DU PA 5.50%; 01/01/13	38,084.20	38,084.20	35,000.00
KANSAS ST DEV FI 2.59%; 11/01/13	35,131.25	35,131.25	35,450.45
KIMBERLY WIS 2.05%; 03/01/13	50,005.00	0.00	0.00
LANSE CREUSE MI 2.375%; 05/01/13	40,006.80	40,006.80	40,113.60
LAS VEGAS NEV 6 00%; 05/01/12	43,200.00	0.00	0.00
MALONE NY CENT 3.75%, 06/15/15	42,041.60	42,041.60	41,690.40
MONTGOMERY CNTY MD 4 00%; 05/01/13	42,094.00	42,094.00	40,430.80
NEW JERSEY ECONO 3.25%, 06/15/14	40,558.80	40,558.80	41,088.00
NEW JERSEY ECONOM 2 60%, 06/15/13	35,840.85	0.00	0.00
NEW JERSEY ECONOMIC 2.00%; 06/15/12	49,983.00	0.00	0.00
NEW YORK NY 4 75%; 03/01/15	0.00	44,086.00	43,251.60
NEW YORK ST DOR 2 302%, 12/01/13	10,003.90	10,003.90	10,162.10
NEW YORK ST DORM 5 50%, 12/15/13	0.00	53,433.50	52,383.50
NEW YORK ST DORM AU 5.00%; 03/15/13	43,260.80	43,260.80	40,387.20
NORFOLK VA 2 50%, 03/01/14	35,028.00	35,028.00	35,548.80
NORTH TEX TWY 2.306%; 09/01/13	40,128.00	0.00	0.00
OAKLAND CNTY MI 2 50%, 10/01/13	35,337.40	35,337.40	35,406.70
OHIO ST FOR ISS 4.95%; 10/01/12	42,932.80	0.00	0.00
OKLAHOMA CITY 3 50%, 03/01/14	41,432.40	41,432.40	41,383.20
OREGON SCH BRDS 4 773%; 06/30/13	54,414.50	54,414.50	51,045.50
OREGON ST 2 215%, 08/01/13	40,000.00	40,000.00	40,292.80
OXFORD MICH COMM 2 25%; 05/01/13	40,022.00	40,022.00	40,182.00
PRESCOTT ARIZ 2.428%; 07/01/13	100,872.00	100,872.00	100,525.00
RACINE CNTY WIS 2.60%, 06/01/13	40,667.20	40,667.20	40,348.40
REETHS-PUFFER MI 2 40%, 05/01/13	50,030.00	50,030.00	50,216.00
RENEWABLE WTR 2.559%, 01/01/13	25,016.25	25,016.25	25,000.00
SHEBOYGAN CNTY 2 35%, 05/01/13	30,236.40	30,236.40	30,165.60
SIOUX CITY IOWA 2 25%, 06/01/13	35,241.50	35,241.50	35,272.65
ST CLAIR MADISON COLL GO 2 50%, 12/01/13	50,339.50	50,339.50	50,578.00
SUPERIOR WIS 2 10%, 12/01/13	20,015.00	20,015.00	20,292.80
TENNESSEE STATE SCHOOL BOND AUTHORITY	0.00	9,999.90	9,992.50
TEXAS ST 5 20%, 10/01/13	55,126.00	55,126.00	51,934.50
TORRINGTON CONN 2.65%; 12/01/12	25,014.50	0.00	0.00
TORRINGTON CONN 3.20%, 12/01/13	25,063.75	25,063.75	25,636.75
UNION CNTY NJ 4.89%; 04/01/13	108,154.00	108,154.00	100,667.00
UNIVERSITY NC 5 204%, 04/01/14	38,266.80	38,266.90	36,854.30
WAUWATOSA WIS 1.6%; 10/01/15	38,586.00	38,586.00	40,540.00
WEST ALLIS WIS 2.05%, 04/01/13	35,014.35	35,014.35	35,128.10
WHITESIDE CNTY 2.65%, 12/30/13	35,253.05	35,253.05	35,587.30
WILMINGTON NC 2 39%, 06/01/13	40,013.60	40,013.60	40,260.00
WISCONSIN ST GEN 4 8%, 05/01/13	42,907.60	42,907.60	40,592.00
TOTAL INVESTMENTS - US AND STATE OBLIGATIONS	2,323,252.85	1,968,076.30	1,943,519.05
COMMON STOCK			
3M COMPANY	0.00	25,530.67	27,855.00
A T & T INC	32,526.00	32,526.00	43,823.00
ADT CORP	0.00	8,234.46	11,822.50
AMGEN INC	28,984.25	21,571.40	34,480.00
AMN SOFTWARE, INC	14,450.00	14,450.00	19,400.00
ANADARKO PETROLEUM CORP	35,751.12	29,628.00	44,586.00
APPLE INC	61,133.25	61,133.25	212,869.16
APPLIED MATERIALS INC	24,377.40	24,377.40	22,880.00
ASTEC IND INC	0.00	14,864.30	16,680.00
ASTEC INDUSTRIES INC	0.00	29,576.50	33,360.00
B C E INC	36,041.40	36,041.40	42,940.00
BANCROFT FUND LTD	0.00	65,721.60	65,600.00
BAXTER INTERNATIONAL	13,632.00	13,632.00	19,998.00
BROOKS AUTOMATION	17,385.00	17,385.00	16,100.00
CALAVO GROWERS INC	0.00	24,437.50	25,210.00
CALGON CARBON CORP	10,693.12	10,693.12	11,344.00
CANADIAN WESTERN BANK	0.00	26,072.70	28,590.00

FROST MEMORIAL FUND, INC.
EIN: 14-1803911
FORM: 990-PF, PAGE 2, PART II
BALANCE SHEETS
DECEMBER 31, 2012

HOLDING	BEGINNING	ENDING	
	BOOK VALUE	BOOK VALUE	FAIR MARKET VALUE
CENOVUS ENERGY INC	28,805.00	28,805.00	40,248 00
CHEMUNG FINL CORP RP	12,171.60	12,171.60	17,934 00
CHEVRON CORP	48,967 58	48,967 58	75,698 00
CISCO SYSTEMS INC	109,407.00	109,407 00	97,264.53
COCA COLA COMPANY	105,002 80	105,002 80	145,000 00
CONOCOPHILLIPS	73,612 50	0.00	0 00
CORNING INC	12,765 00	28,309.00	25,240.00
DARLING INTERNATIONAL INC	0 00	8,916 36	9,624 00
DIAMOND OFFSHORE DRILLING	0 00	0.00	0 00
DRESSER RAND GROUP INC	0 00	12,383.97	16,842 00
DRESSER-RAND GROUP INC	0 00	14,626.71	16,842 00
DUKE ENERGY CORP	36,078 30	36,059 89	46,765 40
DUKE ENERGY CORP	9,874.98	9,874 98	12,760 00
DUKE ENERGY CORP	19,763 28	19,763.28	25,520 00
E M C CORP MASS	67,482.50	67,482.50	111,320 00
ELLSWORTH FUND LTD	13,177 40	13,177.40	14,280 00
EMERSON ELECTRIC CO	0 00	47,808 00	52,960.00
ENCANA CORP	30,470 00	0 00	0 00
EXELON CORP	12,359.97	0.00	0 00
EXXON MOBIL CORP	44,567 18	44,567 18	61,277 40
EXXON MOBIL CORP	52,707 60	52,707.60	68,547 60
FLOWERVE CORP	0 00	22,513 48	29,360 00
FUEL SYSTEMS SOLUTIONS	20,417.84	0 00	0 00
GILEAD SCIENCES INC	82,127 58	48,522.19	73,450 00
GLAXOSMITHKLINE PLC SP ADR	34,440 50	34,440.50	43,470 00
GOOGLE, INC	47,839.55	47,839.55	70,738 00
GOOGLE, INC	37,553 25	37,553.25	53,053 50
GRANITE CONSTRUCTION INC	29,487 40	29,487.40	33,620.00
GREAT PLAINS ENERGY INC	38,622 40	38,622.40	40,620 00
HALLIBURTON COMPANY	0 00	8,565.00	10,407.00
HONEYWELL INTL INC	80,164 00	80,164.00	126,940 00
I T T CORP	9,029.98	9,029.98	11,730 00
IDACORP	37,327.90	37,327.90	43,350 00
INTEL CORP	7,527.00	0.00	0 00
JOHNSON & JOHNSON	25,036.60	25,036 60	28,040 00
JOHNSON & JOHNSON	25,787.88	25,787.88	28,040.00
JOHNSON & JOHNSON	96,911.25	96,911 25	105,150 00
JP MORGAN CHASE & CO	0.00	37,280 00	43,969 10
KT CORPORATION ADR	39,250 60	0.00	0 00
LACLEDE GAS COMPANY	37,277 70	37,277.70	38,610 00
LANDEC CORP	0.00	13,060.00	19,020 00
LINDSAY MFG CO	0 00	23,916 00	32,048.00
M D U RESOURCES	20,864.00	0.00	0 00
MARVELL TECH GROUP LTD	0.00	23,898.55	10,890 90
MDU RESOURCES GROUP, INC	38,211 00	0 00	0 00
MEDTRONIC INC	8,833.40	6,833.40	8,204 00
MERCK & CO	69,485 00	69,485 00	81,880 00
MERCK & CO	18,103 50	18,103.50	20,470 00
MERCK & CO	34,848 50	34,848.50	40,940 00
MICRON TECHNOLOGY INC	19,461.20	0 00	0 00
MONSANTO CO NEW	66,072.00	66,072.00	104,115.00
MONSANTO CO NEW	26,536.90	26,536.90	28,395 00
NEXTERA ENERGY INC	39,494.00	39,494 00	48,433 00
NEXTERA ENERGY INC	23,832 60	23,832 60	34,595 00
NEXTERA ENERGY INC	71,832 15	47,888 10	69,190 00
O G E ENERGY CP HLDG CO	0 00	26,383.15	28,155 00
OIS A ADR COM SHS	0 00	0.00	0.00
OIS A ADR PFD SHS	0 00	0 00	0.00
PALL CORP	16,850 00	16,850 00	30,130 00
PENTAIR LTD	- 0 00	4,467.02	5,848 85
PEPSICO INC	92,561.99	92,561.99	109,488 00
PERUSAHAAN PERSEROAN	55,582.85	0.00	0 00
PFIZER INC	20,585.00	20,585 00	30,095 16
PFIZER INC	16,460 00	16,460 00	25,079 30
PHILLIPS66	0 00	0 00	0 00
PORTLAND GENERAL ELECTRIC CO	0 00	12,370 00	13,680 00
PORTLAND GENERAL ELECTRIC CO	0 00	0 00	0 00
PROCTER & GAMBLE CO	106,431.50	106,431.50	132,385.50
SCHLUMBERGER LTD	23,918.78	23,918 78	27,719 44
SCHLUMBERGER LTD	18,576 00	18,576 00	20,789 58
SCHLUMBERGER LTD	0 00	19,932.00	20,789.58
SIGMA-ALDRICH CORP	12,448.10	12,448 10	14,716 00
ST JUDE MEDICAL INC	11,568 00	11,568 00	10,842.00
STEEL EXCEL INC	15,274 00	15,274 00	12,475 00
STERIS CORP	0.00	29,961.20	34,730.00
TELE NORTE LESTE ADR	28,300 00	0 00	0 00
TELLABS INC	17,291 00	0 00	0 00
TEXAS INSTRUMENTS INC	11,400.00	6,840 00	9,267 00
THERMO FISHER SCIENTIFIC	0 00	25,000 00	31,890.00
THERMO FISHER SCIENTIFIC	0 00	5,301 19	6,378.00

FROST MEMORIAL FUND, INC.
EIN: 14-1803911
FORM: 990-PF, PAGE 2, PART II
BALANCE SHEETS
DECEMBER 31, 2012

HOLDING	BEGINNING	ENDING	
	BOOK VALUE	BOOK VALUE	FAIR MARKET VALUE
TRANSCANADA CORP	32,169.30	32,169.30	47,320.00
TYCO INTL LTD	0.00	12,591.05	14,625.00
XYLEM INC	27,165.42	27,165.42	27,100.00
XYRATEX LTD	0.00	20,928.60	16,820.00
ZOLTEK COMPANIES, INC	21,309.50	21,309.50	19,375.00
MUTUAL FUNDS			
EG SHARES ETF BRAZIL INFRASTRUCTURE INDEX FD	81,931.60	81,931.60	83,996.00
EG SHARES ETF CHINA INFRASTRUCTURE INDEX FD	20,493.70	20,493.70	19,630.00
EG SHARES ETF INDIA INFRASTRUCTURE INDEX FD	22,969.40	0.00	0.00
GUGGENHEIM EXCH TRD FD CHINA ALL CAP	22,500.00	22,500.00	25,540.00
ISHARES FTSE CHINA 25 INDEX FD	29,880.00	29,880.00	32,360.00
ISHARES MSCI EMERG MKTS INDX FD	141,137.00	141,137.00	166,312.50
ISHARES MSCI ETF ALL PERU CAPPED INDEX FD	37,958.72	37,958.72	36,704.08
ISHARES MSCI ETF ALL PERU CAPPED INDEX FD	14,221.35	14,221.35	13,764.03
ISHARES MSCI SINGAPORE INDEX FD	21,580.80	21,580.80	27,380.00
POWERSHARES ETF WATER RESOURCE PORTFOLIO	15,586.90	0.00	0.00
SWISS HELVETIA FD INC	17,477.55	17,477.55	16,935.00
VANGUARD SHORT TERM BOND	32,052.00	0.00	0.00
WISDOMTREE DREYFUS ETF EMERG CURRENCY FD	21,754.70	21,754.70	21,088.00
TOTAL INVESTMENTS - CORPORATE STOCK	3,039,775.07	3,112,261.00	3,927,597.11
CORPORATE BONDS			
BANK NOVA SCOTIA 3.35%, 11/18/2014	36,921.50	36,921.50	36,340.85
BARCLAYS BK PLC 5.20%, 07/10/14	108,877.00	108,877.00	106,698.30
BERKSHIRE HATH 2.125%, 02/11/13	39,997.00	39,997.00	40,074.08
BERKSHIRE HATH 2.20%, 08/15/16	40,105.20	40,105.20	41,695.24
BERKSHIRE HATH 4.85%, 01/15/15	55,135.00	55,135.00	54,231.80
CANADA GOVT-CAD 2.00%, 12/01/14	10,447.17	10,447.17	10,239.70
CANADA GOVT-CAD 3.00%, 12/01/15	0.00	21,382.96	21,162.40
CANADIAN GOVT BONDS 4.0%, 06/01/2016	5,469.86	5,469.86	5,471.93
GENERAL ELEC CAP CORP 1.825%, 07/02/15	0.00	39,966.00	40,716.12
GENERAL ELEC CAP CORP 3.35%, 10/17/16	24,970.25	24,970.25	26,817.23
GENERAL ELECTRIC CAP CORP 1% FIXED; 12/07/17	0.00	7,980.00	7,971.68
GENERAL ELECTRIC CAP CORP 5.90%; 05/13/14	0.00	27,641.00	26,792.75
GOLDMAN SACHS GP 2.00%, 11/15/15	20,000.00	0.00	0.00
GOLDMAN SACHS GP 3.50%; 11/15/20	24,652.50	0.00	0.00
GOLDMAN SACHS GRO 5.50%; 11/15/14	47,795.85	47,795.85	48,511.89
HEWLETT PACKARD 4.75%, 06/02/14	27,174.50	27,174.50	26,040.15
IBM CORP 7.50%; 06/15/13	0.00	52,895.00	51,626.90
JP MORGAN CHASE & CO 4.75%, 05/01/13	43,008.00	43,008.00	40,577.20
JP MORGAN CHASE & CO 6.125%, 06/27/17	44,258.58	44,258.58	46,731.20
MICROSOFT CORP 2.50%; 02/08/16	0.00	52,799.50	52,715.55
MORGAN STANLEY 3.50%, 10/15/20	9,930.00	9,930.00	10,047.01
MORGAN STANLEY SENIOR FIXED RATE STEP UP 5.00%,	15,055.50	0.00	0.00
PITNEY BOWES INC 3.875%, 06/15/13	33,520.00	0.00	0.00
ROYAL BK SCOTLAND 3.25%, 10/12/18	10,000.00	0.00	0.00
SOUTHWEST AIRLINES CO 6.50%; 03/01/12	19,951.00	0.00	0.00
TUFF COBB RESH LLC 2.17%, 09/01/12	35,000.00	0.00	0.00
TUFF COBB RESH LLC 3.40%; 09/01/14	35,000.00	35,000.00	35,969.85
UNIVERSITY OF NOTRE DAME 4.141%; 09/01/13	0.00	20,907.00	20,499.00
USD BANK NOVA SCOTIA	40,269.60	40,269.60	40,044.00
VERIZON COMMUNICATIONS 4.35%; 02/15/13	42,526.00	0.00	0.00
WELLS FARGO & CO 1.25%, 02/13/15	0.00	40,373.60	40,311.28
YALE UNIVERSITY 2.90%; 10/15/14	51,500.00	51,500.00	52,178.05
TOTAL INVESTMENTS - CORPORATE BONDS	821,564.51	884,804.57	883,464.16

FROST MEMORIAL FUND, INC.
 EIN: 14-1803911
 FORM: 990-PF, PAGE 2, PART II
 BALANCE SHEETS
 DECEMBER 31, 2012

DESCRIPTION	BEGINNING	ENDING	
	BOOK VALUE	BOOK VALUE	FAIR MARKET VALUE
J E W E L R Y - held for investment			
PAIR OF BUTTON PINK FRESHWATER PEARL EARCLIPS	25 00	25 00	200 00
PAIR OF GOLD AND MABE PEARL EARCLIPS AND RING (COMBINED WITH J07)	50 00	50 00	750 00
PAIR OF GOLD AND RHODOCHROSITE EARCLIPS	5.00	5 00	100 00
RUBY AND DIAMOND TIE TAC	250.00	250.00	412 00
GARNET AND DIAMOND PIN	300 00	300.00	1,000 00
LOW KT. GOLD AND ONYX PENDANT (NO COMMERCIAL VALUE)	-	-	-
SILVER AND BLUE STONE RING (NO COMMERCIAL VALUE)	-	-	-
GOLD, TANZANITE AND DIAMOND RING	500.00	500.00	986 00
PAIR OF GOLD, TANZANITE AND DIAMOND EARCLIPS	-	-	660 00
PINK TOURMALINE AND DIAMOND RING	350 00	350 00	550 00
DOUBLE STRAND IMITATION PEARL NECKLACE (NO COMMERCIAL VALUE)	-	-	-
SINGLE CARVED IVORY FLOWER EARRING (NO COMMERICAL VALUE)	-	-	-
WHITE METAL MECHANICAL PENCIL (NO COMMERCIAL VALUE)	-	-	-
TOTAL JEWELRY	1,480.00	1,480.00	4,658.00
A R T W O R K - held for investment			
OIL ON CANVAS, LANDSCAPE, GILT FRAME	350 00	350 00	350 00
OIL ON CANVAS, ALTOON SULTAN PAINTING	6,000.00	6,000 00	6,000 00
TOTAL ARTWORK	6,350.00	6,350.00	6,350.00
TOTAL OTHER ASSETS	7,830.00	7,830.00	11,008.00

FROST MEMORIAL FUND, INC.

EIN: 14-1803911

FORM: 990-PF, PAGE 3, PART IV

CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

DECEMBER 31, 2012

SHORT-TERM CAPITAL GAINS AND LOSSES

DESCRIPTION	QUANTITY	HOLDING DATE	SALE DATE	PROCEEDS	BASIS		GAIN/(LOSS)	
					BOOK	TAX	BOOK	TAX
PURCHASED PROPERTY								
DIAMOND OFFSHORE DRILLING	500.00	2/6/2012	3/9/2012	35,087.56	31,282.95	31,282.95	3,814.61	3,814.61
M D U RESOURCES	1,000.00	2/14/2011	2/2/2012	21,329.79	20,664.00	20,664.00	665.79	665.79
PENTAIR LTD	0.972	6/28/2012	10/1/2012	41.24	38.47	38.47	4.77	4.77
PORTLAND GENERAL ELECTRIC CO	500.00	2/24/2012	8/22/2012	13,621.24	12,370.00	12,370.00	1,251.24	1,251.24
TOTAL PURCHASED PROPERTY - SIT				70,089.83	64,353.42	64,353.42	5,736.41	5,736.41

LONG-TERM CAPITAL GAINS AND LOSSES

DESCRIPTION	QUANTITY	HOLDING DATE	SALE DATE	PROCEEDS	BASIS		GAIN/(LOSS)	
					BOOK	TAX	BOOK	TAX
DONATED PROPERTY								
ANADARKO PETROLEUM CORP	124.00	8/10/1982	12/3/2012	9,173.68	6,123.12	5,988.99	3,050.56	3,184.69
CONOCOPHILLIPS	100.00	6/29/2007	12/19/2012	5,956.90	3,783.19	5,956.90	2,173.71	0.00
CONOCOPHILLIPS	100.00	6/14/2007	12/19/2012	5,956.90	3,783.19	5,956.90	2,173.71	0.00
CONOCOPHILLIPS	50.00	5/14/2007	12/19/2012	2,978.45	1,891.60	2,725.13	1,086.85	253.32
CONOCOPHILLIPS	100.00	1/9/2007	12/19/2012	5,956.90	3,783.19	5,160.40	2,173.71	796.50
CONOCOPHILLIPS	650.00	12/21/2006	12/19/2012	38,719.85	24,580.75	35,882.70	14,129.10	2,837.15
CONOCOPHILLIPS	250.00	12/21/2006	12/19/2012	14,892.25	9,457.98	13,801.04	5,434.27	1,091.21
CONOCOPHILLIPS	100.00	12/21/2006	12/19/2012	5,956.90	3,783.19	5,520.42	2,173.71	436.48
CONOCOPHILLIPS	150.00	12/13/2006	12/19/2012	8,935.35	5,674.79	8,221.65	3,260.56	713.70
GILEAD SCIENCES INC	100.00	4/14/2009	12/19/2012	52,575.12	4,637.39	29,781.50	21,607.12	2,873.34
GILEAD SCIENCES INC	700.00	6/29/2007	12/19/2012	2,641.87	1,124.31	1,786.98	1,517.56	854.89
PHILLIPS66	50.00	6/14/2007	12/19/2012	2,641.87	1,124.31	1,804.39	1,517.56	837.48
PHILLIPS66	25.00	5/14/2007	12/19/2012	1,320.94	562.15	808.87	758.79	511.07
PHILLIPS66	50.00	1/9/2007	12/19/2012	2,641.88	1,124.31	1,533.60	1,517.57	1,108.28
PHILLIPS66	325.00	12/21/2006	12/19/2012	17,172.18	7,308.00	10,663.80	9,864.18	6,508.38
PHILLIPS66	125.00	12/21/2006	12/19/2012	6,604.69	2,810.77	4,101.46	3,793.92	2,503.22
PHILLIPS66	50.00	12/21/2006	12/19/2012	2,641.87	1,124.31	1,640.58	1,517.57	1,001.29
PHILLIPS66	75.00	12/13/2006	12/19/2012	3,962.81	1,686.48	2,443.35	2,276.35	1,519.46
TOTAL DONATED PROPERTY - LT				198,241.14	115,341.01	148,417.05	82,900.13	49,824.09

PURCHASED PROPERTY

DESCRIPTION	QUANTITY	HOLDING DATE	SALE DATE	PROCEEDS	BASIS		GAIN/(LOSS)	
					BOOK	TAX	BOOK	TAX
CARTERET NJ RE 2.00%, 11/21/12	40,000.00	12/9/2010	11/21/2012	40,000.00	39,972.40	40,000.00	27.60	0.00
CHICAGO ILL 4.86%, 01/01/14	35,000.00	3/8/2010	5/2/2012	37,109.10	38,200.75	36,421.57	(1,091.65)	687.53
CORALVILLE IOWA 4.75%, 06/01/13	35,000.00	2/22/2010	6/28/2012	36,089.44	38,001.25	35,856.98	(1,911.81)	232.46
DAUPHIN CNTY PA 4.85%, 03/01/13	40,000.00	2/16/2010	6/12/2012	40,978.80	43,293.60	40,789.78	(2,314.80)	189.02
KANE COOK & DU PA 5.50%, 01/01/13	15,000.00	5/18/2010	8/9/2012	15,251.25	16,321.80	15,134.57	(1,070.55)	116.68
KIMBERLY WIS 2.05%, 03/01/13	50,000.00	3/2/2010	7/2/2012	50,000.00	50,005.00	50,002.21	(5.00)	(2.21)
LAS VEGAS NEV 6.00%, 05/01/12	40,000.00	2/23/2010	5/1/2012	40,000.00	43,200.00	40,000.00	(3,200.00)	0.00
NEW JERSEY ECONOMIC 2.60%, 06/15/13	35,000.00	2/3/2010	7/6/2012	35,473.90	35,640.85	35,159.86	(166.95)	314.04
NEW JERSEY ECONOMIC 2.00%, 08/15/12	50,000.00	2/11/2010	6/15/2012	50,000.00	49,983.00	50,000.00	17.00	0.00
NORTH TEX TWY 2.306%, 09/01/13	40,000.00	4/11/2011	6/28/2012	40,484.00	40,128.00	40,063.98	366.00	430.02
OHIO ST FOR ISS 4.95%, 10/01/12	40,000.00	3/3/2010	10/1/2012	40,000.00	42,932.80	40,000.00	(2,932.80)	0.00
TORRINGTON CONN 2.65%, 12/01/12	25,000.00	11/18/2010	12/1/2012	25,000.00	25,014.50	25,000.00	(14.50)	0.00
DUKE ENERGY CORP	0.33	2/4/2010	7/6/2012	22.56	16.41	19.41	6.15	6.15
FUEL SYSTEMS SOLUTIONS	700.00	2/10/2010	5/17/2012	10,963.63	20,417.84	20,417.84	(9,454.21)	(9,454.21)
KT CORPORATION ADR	2,000.00	2/15/2011	3/16/2012	28,149.69	39,250.60	39,250.60	(11,100.91)	(11,100.91)
MICRON TECHNOLOGY INC	2,000.00	3/10/2011	6/12/2012	11,495.74	19,461.20	19,461.20	(7,965.46)	(7,965.46)
OI S ADR COM SHS	0.85	2/10/2010	4/18/2012	4.82	7.80	7.80	(2.98)	(2.98)
OI S ADR COM SHS	281.00	2/10/2010	6/6/2012	1,228.17	2,577.62	2,577.62	(1,351.45)	(1,351.45)
OI S ADR PFD SHS	963.00	2/10/2010	6/7/2012	10,773.23	23,714.58	23,714.58	(12,941.35)	(12,941.35)
P T TELEKOMUNIKASI INDONESIA (PERUSAHAAN PERS	1,500.00	2/18/2010	3/16/2012	44,191.80	55,582.85	55,582.85	(11,391.05)	(11,391.05)

FROST MEMORIAL FUND, INC.
EIN: 14-1803911
FORM: 990-PF, PAGE 3, PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME
DECEMBER 31, 2012

LONG-TERM CAPITAL GAINS AND LOSSES (CONTINUED)

DESCRIPTION	QUANTITY	HOLDING DATE	SALE DATE	PROCEEDS	BASIS		GAIN / (LOSS)	
					BOOK	TAX	BOOK	TAX
PURCHASED PROPERTY								
TELLABS INC	2,500.00	11/4/2010	5/17/2012	9,155.54	17,291.00	17,291.00	(8,135.46)	(8,135.46)
TEXAS INSTRUMENTS INC	200.00	2/5/2010	3/9/2012	6,441.98	4,560.00	4,560.00	1,881.98	1,881.98
POWERSHARES ETF WATER RESOURCE PORTFOLIC	1,000.00	2/10/2010	10/26/2012	19,175.77	15,586.90	15,586.90	3,588.87	3,588.87
GOLDMAN SACHS GP 2 00%, 11/15/15	20,000.00	11/10/2010	5/15/2012	20,000.00	20,000.00	20,000.00	0.00	0.00
GOLDMAN SACHS GP 3 50%, 11/15/20	25,000.00	11/18/2010	11/15/2012	25,000.00	24,652.50	24,997.95	347.50	2.05
ROYAL BK SCOTLAND 3 25%, 10/12/18	10,000.00	10/6/2010	8/10/2012	9,961.80	10,000.00	10,000.00	(38.20)	(38.20)
SOUTHWEST AIRLINES CO 6 50%, 03/01/12	20,000.00	9/24/2008	3/1/2012	20,000.00	19,951.00	49.00	20,000.00	20,000.00
VERIZON COMMUNICATIONS 4 35%, 02/15/13	40,000.00	3/15/2010	12/11/2012	40,284.80	42,528.00	40,158.36	(2,243.20)	126.44
ENCANA CORP	1,000.00	5/6/2010	6/25/2012	18,919.68	30,470.00	30,470.00	(11,550.32)	(11,550.32)
EXELON CORP	300.00	6/15/2011	9/6/2012	10,876.26	12,359.97	12,359.97	(1,483.71)	(1,483.71)
INTEL CORP	200.00	8/23/2010	2/10/2012	5,288.39	3,763.50	3,763.50	1,524.89	1,524.89
INTEL CORP	200.00	8/23/2010	12/3/2012	3,943.91	3,763.50	3,763.50	180.41	180.41
VANGUARD SHORT TERM BOND	400.00	4/27/2010	5/10/2012	32,429.43	32,052.00	32,052.00	377.43	377.43
TUFF COBB RESH LLC 2 17%, 09/01/12	35,000.00			35,000.00	35,000.00	35,000.00	0.00	0.00
AMGEN INC	100.00	11/17/2010	8/6/2012	8,208.27	5,392.85	5,392.85	2,813.42	2,813.42
MDU RESOURCES GROUP, INC	2,000.00	5/18/2010	2/2/2012	42,555.78	38,211.00	38,211.00	4,344.78	4,344.78
NEXTERA ENERGY INC	500.00	3/26/2010	3/19/2012	30,072.40	23,944.05	23,944.05	6,128.35	6,128.35
EG SHARES ETF INDIA INFRASTRUCTURE INDEX FD	1,000.00	11/8/2010	2/9/2012	15,755.69	22,969.40	22,969.40	(7,213.71)	(7,213.71)
MORGAN STANLEY SENIOR FIXED RATE STEP UP 5 0	15,000.00	5/26/2011	10/9/2012	15,000.00	15,055.50	15,055.50	(55.50)	(52.38)
PITNEY BOWES INC 3 875%, 06/15/13	32,000.00	2/19/2010	1/9/2012	32,960.00	33,520.00	32,669.48	(560.00)	290.52
TOTAL PURCHASED PROPERTY				358,751.93	1,034,793.07	937,700.15	(76,041.14)	(39,448.36)
TOTAL ST				70,089.83	64,353.42	64,353.42	6,736.41	5,736.41
TOTAL LT				1,166,492.97	1,150,133.03	1,146,117.24	6,359.94	10,375.73
SUBTOTAL				1,226,682.80	1,214,486.45	1,210,470.66	12,096.35	16,112.14
ADJUSTMENT FOR LONG-TERM CAPITAL GAIN DISTRIBUTIONS				1,629.20			1,629.20	1,629.20
GRAND TOTAL				1,228,212.00	1,214,486.45	1,210,470.66	13,725.55	17,741.34
2012 FORM 990-PF				LINE 6B	LINE 6A	LINE 7B		