Form **990-PF**

Department of the Treasury
Internal Revenue Service

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.

OMB No 1545-0052

2012

Open to public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation: HERSEY FOUNDATION

A Employer identification number: 23-7001771

Number and street (or P O box number if mail is not delivered to street address): 408 ST. PETER STREET

Room/suite: #434

B Telephone number: (651)298-0218

City or town, state, and ZIP code: ST. PAUL, MN 55102-1119

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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: [X] 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) ▶$ 9,095,364.74

J Accounting method: ☐ Cash [X] Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

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))

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received			N/A	
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	48.15	48.15		STATEMENT 1
	4	Dividends and interest from securities	292,033.48	292,033.48		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	332,212.48			
	b	Gross sales price for all assets on line 6a 1,488,579.94				
	7	Capital gain net income (from Part IV, line 2)		332,212.48		
	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	624,294.11	624,294.11		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.00	0.00		0.00
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 3	21,096.00	0.00		21,096.00
	c	Other professional fees				
	17	Interest				
	18	Taxes STMT 4	19,093.05	0.00		6,607.17
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 5	1,263.31	0.00		1,263.31
	24	**Total operating and administrative expenses.** Add lines 13 through 23	41,452.36	0.00		28,966.48
	25	Contributions, gifts, grants paid	395,011.00			395,011.00
	26	**Total expenses and disbursements.** Add lines 24 and 25	436,463.36	0.00		423,977.48
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	187,830.75			
	b	**Net investment income** (if negative, enter -0-)		624,294.11		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

RECEIVED MAY 15 2013 OGDEN, UT 821 IRS-OSC

SCANNED MAY 21 2013

Part II Balance Sheets

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	53,608.65	50,569.09	50,569.09
	2 Savings and temporary cash investments	277,258.19	247,276.67	247,276.67
	3 Accounts receivable ▶ 138,430.85			
	Less: allowance for doubtful accounts ▶	175,046.77	138,430.85	138,430.85
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	11,222,860.70	11,483,930.25	8,659,088.13
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	11,728,774.31	11,920,206.86	9,095,364.74
Liabilities	17 Accounts payable and accrued expenses	1,684.08	5,285.88	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	200,000.00	200,000.00	STATEMENT 7
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	201,684.08	205,285.88	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.00	0.00	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.00	0.00	
	29 Retained earnings, accumulated income, endowment, or other funds	11,527,090.23	11,714,920.98	
	30 **Total net assets or fund balances**	11,527,090.23	11,714,920.98	
	31 **Total liabilities and net assets/fund balances**	11,728,774.31	11,920,206.86	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	11,527,090.23
2	Enter amount from Part I, line 27a	2	187,830.75
3	Other increases not included in line 2 (itemize) ▶	3	0.00
4	Add lines 1, 2, and 3	4	11,714,920.98
5	Decreases not included in line 2 (itemize) ▶	5	0.00
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	11,714,920.98

Part IV | Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SCHEDULE ATTACHED	P		
b	SCHEDULE ATTACHED	P		
c	CAPITAL GAINS DIVIDENDS			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,432,452.61		1,121,284.09	311,168.52
b	44,656.74		35,083.37	9,573.37
c	11,470.59			11,470.59
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				311,168.52
b				9,573.37
c				11,470.59
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	332,212.48
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 X 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	394,688.11	8,190,979.75	.048186
2010	366,294.08	7,549,465.67	.048519
2009	304,705.83	6,763,150.11	.045054
2008	463,335.20	8,832,117.39	.052460
2007	571,239.62	11,305,936.19	.050526

2 Total of line 1, column (d)	2	.244745
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	.048949
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	8,703,315.72
5 Multiply line 4 by line 3	5	426,018.60
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,242.94
7 Add lines 5 and 6	7	432,261.54
8 Enter qualifying distributions from Part XII, line 4	8	423,977.48

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	12,485.88
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.00
3 Add lines 1 and 2		3	12,485.88
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.00
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	12,485.88
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a 7,200.00		
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	7,200.00
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	5,285.88
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0.00 (2) On foundation managers. ▶ $ 0.00			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.00			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MN			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

223531
12-05-12

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ DEAN E. BUSCH Telephone no. ▶ (651) 298-0218

Located at ▶ 408 ST. PETER STREET #434 ST.PAUL, MN ZIP+4 ▶ 55102-1119

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

			Yes	No
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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. Yes No

1a During the year did the foundation (either directly or indirectly):

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes X 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

			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)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes X No

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 X No

			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 X 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 [X] No			
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes [X] 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 X 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 [X] No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d).			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes X No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		X
If "Yes" to 6b, file Form 8870.			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes X No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A	7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
EDWARD H. HAMM, JR. 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	PRESIDENT & DIRECTOR 0.00	0.00	0.00	0.00
EDWARD H. HAMM 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	VICE PRES., TREA. & DIRECT 0.00	0.00	0.00	0.00
DEAN E. BUSCH 408 ST. PETER ST. #434 SAINT PAUL, MN 55102	SECRETARY & DIRECTOR 0.00	0.00	0.00	0.00

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

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

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

223551
12-05-12

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 ▶	0.00

223561
12-05-12

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	8,292,024.96
b	Average of monthly cash balances	1b	543,828.56
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	8,835,853.52
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.00		
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	8,835,853.52
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	132,537.80
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,703,315.72
6	**Minimum investment return.** Enter 5% of line 5	6	435,165.79

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	435,165.79
2a	Tax on investment income for 2012 from Part VI, line 5 2a 12,485.88		
b	Income tax for 2012. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	12,485.88
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	422,679.91
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	422,679.91
6	Deduction from distributable amount (see instructions)	6	0.00
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	422,679.91

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	423,977.48
b	Program-related investments - total from Part IX-B	1b	0.00
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	423,977.48
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.00
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	423,977.48

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				422,679.91
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			5,093.18	
b Total for prior years: ____ , ____ , ____		0.00		
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	0.00			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 423,977.48				
a Applied to 2011, but not more than line 2a			5,093.18	
b Applied to undistributed income of prior years (Election required - see instructions)		0.00		
c Treated as distributions out of corpus (Election required - see instructions)	0.00			
d Applied to 2012 distributable amount				418,884.30
e Remaining amount distributed out of corpus	0.00			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.00			0.00
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.00			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.00		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.00		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.00		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.00	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				3,795.61
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.00			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.00			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0.00			
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	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
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:

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
a Paid during the year				
HABITAT FOR HUMANITY OF MARTIN COUNTY 2555 SE BONITA STREET STUART, FL 34997	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	25,000.00
HAMM CLINIC 408 ST. PETER STREET, SUITE 429 ST PAUL, MN 55102	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	210,011.00
NATIONAL RIGHT TO WORK LEGAL DEFENSE FOUNDATION 8001 BRADDOCK ROAD SPRINGFIELD , VA 22160	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	25,000.00
NEW MOUNT ZION MISSIONARY BAPTIST CHURCH 8224 SE PETTWAY STREET HOBE SOUND, FL 33475	NONE	PUBLIC	GENERAL FUND-RELIGIOUS ACTIVITIES	25,000.00
OGLALA LAKOTA COLLEGE 537 PIYA WICONI ROAD KYLE , SD 57752-0537	NONE	PUBLIC	GENERAL FUND-EDUCATIONAL PURPOSES	25,000.00
Total SEE CONTINUATION SHEET(S)			▶ 3a	395,011.00
b Approved for future payment NONE				
Total			▶ 3b	0.00

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
PRISON FELLOWSHIP 44180 RIVERSIDE PARKWAY LANSDOWNE, VA 20176	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	35,000.00
PRO-CHOICE RESOURCES 250 3RD AVENUE N., #625 MINNEAPOLIS, MN 55401	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	25,000.00
YOUTH FORUM 3530 E. 28TH STREET, #451 MINNEAPOLIS, MN 55406-1766	NONE	PUBLIC	GENERAL FUND-COMMUNITY PROJECTS	25,000.00
Total from continuation sheets				85,000.00

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	48.15	
4 Dividends and interest from securities			14	292,033.48	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	332,212.48	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.00		624,294.11	0.00

13 Total. Add line 12, columns (b), (d), and (e) 13 624,294.11

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

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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		

Sign Here

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

Signature of officer or trustee: [signature] Date: 5-7-13 Title: SECRETARY

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

223622
12-05-12

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

SOURCE	AMOUNT
UBS FINANCIAL SERVICES - CERTIFICATE OF DEPOSIT	11.20
UBS FINANCIAL SERVICES - MONEY MARKET ACCOUNT	36.95
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	48.15

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SCHEDULE AVAILABLE	303,504.07	11,470.59	292,033.48
TOTAL TO FM 990-PF, PART I, LN 4	303,504.07	11,470.59	292,033.48

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING & TAX FEES	21,096.00	0.00		21,096.00
TO FORM 990-PF, PG 1, LN 16B	21,096.00	0.00		21,096.00

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAXES	12,485.88	0.00		0.00
FOREIGN TAXES ON DIVIDENDS	6,607.17	0.00		6,607.17
TO FORM 990-PF, PG 1, LN 18	19,093.05	0.00		6,607.17

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FILING FEE	25.00	0.00		25.00
UBS FINANCIAL SERVICES - SERVICE FEES	1,163.31	0.00		1,163.31
UBS FINANCIAL SERVICES FEE	75.00	0.00		75.00
TO FORM 990-PF, PG 1, LN 23	1,263.31	0.00		1,263.31

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK-SCHEDULE ATTACHED	11,483,930.25	8,659,088.13
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,483,930.25	8,659,088.13

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

LENDER'S NAME AND TITLE

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

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

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	INCREASE FOUNDATION INCOME

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	ORIGINAL LOAN AMOUNT	BALANCE DUE
CASH	0.00	200,000.00	200,000.00

TOTAL TO FORM 990-PF, PART II, LINE 20, COLUMN B 200,000.00

HERSEY FOUNDATION
Schedule of Securities
December 31, 2012

Ave Cost per Share	CORPORATE STOCKS	Shares	Cost	Market Value December 31, 2012
37.10	ADT Corp	1,325	49,156 69	61,599.25
18.59	Alcatel-Lucent Spon ADR	117	2,175.06	162.63
75.43	American International Group Inc.	6,316	476,425.03	222,954.80
17.00	American Internation Group Warrants	168	2,856.00	2,318.40
37.16	AOL Inc.	589	21,887.47	17,440 29
24.10	Applied Materials Inc.	2,000	48,191.50	22,880.00
48 00	BMC Software Inc.	1,000	48,004 50	39,620.00
52.75	BP PLC Spon ADR	1,000	52,753.55	41,640.00
26.74	Bank of America Corp.	10,000	267,367.45	116,100.00
14.02	Blackrock Real Asset Equity Trust	3,084	43,251 62	31,641.84
22 86	Bristol Myers Squibb Co.	2,000	45,723 45	65,180.00
19.22	CenterPoint Energy	3,400	65,359.15	65,450.00
19 46	Chorus Ltd	8,147	158,538.67	99,393.40
69.76	Ciena Corp.	2,457	171,409 51	38,574.90
32 32	Cisco Systems Inc.	13,900	449,193.90	273,121 10
42 86	CitiGroup Inc.	4,320	185,145.79	170,899 20
25.46	Comcast Corporation	1,551	39,487.37	57,945 36
29.29	Cornerstone Strategic Value Fund Inc	1,370	40,124.39	8,220.00
39.05	Covidien PLC	1,000	39,050.13	57,740.00
15.34	DWS High Income Trust	21,594	331,346.97	220,258.80
10.07	DWS Multi Market Inc.	1,000	10,074.49	10,440.00
30.43	EMC Corp Mass	18,600	566,028.48	470,580.00
28.23	Enerplus Resources	200	5,645 79	2,592 00
13.28	Equus II Inc.	2,634	34,984.00	6,216.24
58.35	Fannie Mae	1,400	81,695 35	357.00
24 12	Fifth Third Bancorp	5,000	120,610.25	76,000.00
38.01	First Industrial Realty Trust	2,200	83,618 35	30,976.00
9 19	Frontier Communications	2,000	18,375.59	8,560.00
23.34	General Electric	59,400	1,386,162.96	1,246,806.00
25.82	General Growth Properties	1,247	32,199.60	24,752 95
37 46	Helois Total Return Fund	600	22,476.75	14,172.00
66.44	Howard Hughes Corp	120	7,972 75	8,762 40
42 44	India Fund Inc	1,000	42,444.55	20,910 00
23 24	Intel Corp.	7,800	181,269 33	160,836 00
33 26	Istar Financial Inc	20,000	665,162.49	163,000.00
47.18	Johnson & Johnson Company	1,176	55,485 32	82,437 60
18 81	LSI Logic Corp.	88	1,655.59	622.16
40 69	Medtronic Inc.	5,500	223,781.64	225,610.00
25.67	Merck & Co.	1,176	30,193.24	48,145.44
23 49	Microsoft Corp.	3,000	70,476.32	80,127.00
41.63	Moduslink Global Solutions Inc.	420	17,485.75	1,218.00
14 01	New York Community Bancorp	21,000	294,229.50	275,100.00
45.64	Nextera Energy Inc	4,800	219,091 10	332,112.00
22.80	NV Energy Inc.	1,000	22,803.80	18,140 00
42.25	Pentair Ltd	635	26,827.14	31,210.25
24.45	Pfizer Inc.	18,800	459,574 61	471,485.20
44.20	Pioneer Nat Res Co	1,000	44,195.25	106,590.00
35.95	Plum Creek Timber Co Inc	3,000	107,851.01	133,110.00

HERSEY FOUNDATION
Schedule of Securities
December 31, 2012

Ave Cost per Share	CORPORATE STOCKS	Shares	Cost	Market Value December 31, 2012
61.82	Procter & Gamble	1,000	61,823.65	67,890.00
8.27	Prudential High Yield Fund Class A	4,061 807	33,588 46	23,192.92
37.77	Redwood Trust Inc.	26,400	997,111.24	445,896.00
11.52	Rouse PPTYS Inc	46	529 69	778.32
14.64	Service Corp International	2,000	29,277.15	27,620.00
69.33	Source Capital Inc	1,000	69,331.25	52,220 00
8 63	Stewart Enterprises Inc.	6,000	51,759.00	45,840.00
65.45	Symantec	300	19,635.39	5,646.00
26.61	Sysco Corp	3,400	90,462 23	107,644.00
42.26	TE Connectivity Ltd	2,650	111,996.02	98,368.00
12 41	Telecom Corp. New Zealand	40,737	505,739.00	377,224.62
16 91	Thai Capital Fund Inc.	419	7,086.76	5,074.09
45.60	Thermo Fisher Scientific	1,000	45,600.82	63,780.00
251 63	Thornburg Mtge Inc.	1,200	301,951 77	-
68.42	3M Company	3,000	205,247.55	278,550.00
76 97	Time Warner Cable Inc.	1,627	125,237.85	158,128.13
54.67	Time Warner Inc.	6,483	354,441.42	310,081.89
28 36	Tyco International Ltd	2,650	75,163.95	77,512 50
801.77	WMI Hldgs Corp	100	80,177.38	84.00
34 02	Waste Management Inc	2,000	68,043 25	67,480.00
37 37	Wells Fargo & Co.	20,597	769,773 34	704,005.46
16.93	Westcore Blue Chip Fund	6,505.333	110,133.88	78,064.00
			11,483,930.25	8,659,088.13

HERSEY FOUNDATION
Schedule D - Capital Gains and Losses
As of: December 31, 2012

Quantity	Asset	Date Acquired	Date Sold	Proceeds	Tax Basis	Gain/Loss
	Short-Term Capital Gains and Losses					
1,000	MERCK & CO 10 31 11/MRK	Oct 31 11	Sep 24 12	44,656.74	35,083.37	9,573.37
	Total Short-term			44,656.74	35,083.37	9,573 37
	Long-Term Capital Gains and Losses					
400	3M COMPANY 9 15 06/MMM_SLD#1	Sep 15 06	Jul 27 12	36,586.74	29,925 70	6,661.04
1,000	ARIBA INC 10 3 07/ARBA	Oct 3 07	Oct 5 12	45,000.00	11,001.25	33,998 75
33	ARIBA INC 2 14 01/ARBA	Feb 14 01	Oct 5 12	1,485 00	4.422 77	-2,937.77
1,000	ARIBA INC. 6 2 08/ARBA	Jun 2 08	Oct 5 12	45,000.00	14,905.25	30,094.75
1,000	BRISTOL MYERS 11 13 09/BMY	Nov 13 09	Jul 30 12	35,556.94	23,653.25	11,903.69
1,000	BRISTOL MYERS 11 16 09/BMY	Nov 16 09	Jul 27 12	35,875.48	24,263.25	11,612.23
800	CMS ENERGY 5 1 00/CMS	May 1 00	Jul 17 12	19,351.35	15,903.60	3,447 75
200	CMS ENERGY 5 17 02/CMS	May 17 02	Jul 17 12	4,837.84	2,711.14	2,126.70
200	CMS ENERGY 5 9 02/CMS	May 9 02	Jul 17 12	4,837.84	3,734.40	1,103.44
400	CMS ENERGY 6 13 02/CMS	Jun 13 02	Jul 17 12	9,675 67	4,990.05	4,685.62
200	CMS ENERGY 6 17 02/CMS	Jun 17 02	Jul 17 12	4,837.84	2,521.85	2,315.99
200	CMS ENERGY 6 18 02/CMS	Jun 18 02	Jul 17 12	4,837.84	2,551.84	2,286 00
200	CMS ENERGY 6 28 02/CMS	Jun 28 02	Jul 17 12	4,837.84	2,012.09	2,825.75
200	CMS ENERGY 7 1 02/CMS	Jul 1 02	Jul 17 12	4,837.84	2,113.29	2,724.55
200	CMS ENERGY 7 11 02/CMS	Jul 11 02	Jul 17 12	4,837.84	1,909.02	2,928 82
200	COCA COLA 2 11 10/KO	Feb 11 10	Mar 22 12	14,128.49	10,887.05	3,241.44
1,000	CONAGRA FOOD 10 12 09/CAG	Oct 12 09	Jan 25 12	26,927.22	21,813.25	5,113.97
2,000	CONAGRA FOOD 10 13 09/CAG	Oct 13 09	Sep 24 12	53,995.62	43,143.64	10,851.98
1,000	CONAGRA FOOD 11 25 05/CAG	Nov 25 05	Jan 23 12	26,537.49	22,125.25	4,412.24
200	COVIDIEN 1 15 02/COV	Jan 15 02	Jul 27 12	11,037.06	12,536.33	-1,499.27
100	COVIDIEN 1 16 02/COV	Jan 16 02	Jul 27 12	5,518.53	6,078.38	-559.85
100	COVIDIEN 1 24 02/COV	Jan 24 02	Jul 27 12	5,518.53	5,595.78	-77 25
50	COVIDIEN 1 28 02/COV	Jan 28 02	Jul 27 12	2,759.26	2,846.23	-86.97
250	COVIDIEN 1 29 02/COV	Jan 29 02	Jul 27 12	13,796.35	11,907.68	1,888 67
50	COVIDIEN 1 31 02/COV	Jan 31 02	Sep 19 12	2,958.13	2,303.30	654 83
50	COVIDIEN 2 1 02/COV	Feb 1 02	Jul 27 12	2,759.26	2,319.18	440.08
100	COVIDIEN 2 4 02/COV	Feb 4 02	Sep 19 12	5,916.26	4,217 83	1,698 43
250	COVIDIEN 2 5 07/COV	Feb 5 07	Sep 19 12	14,790.67	10,592.51	4,198.16
100	COVIDIEN 3 14 01/COV	Mar 14 01	Jul 27 12	5,518 53	5,808.51	-289.98
50	COVIDIEN 3 19 01/COV	Mar 19 01	Jul 27 12	2,759.26	2,874.80	-115.54
50	COVIDIEN 4 5 01/COV	Apr 5 01	Jul 27 12	2,759.26	2,785 90	-26 64
250	COVIDIEN 6 12 07/COV	Jun 12 07	Sep 19 12	14,790.67	10,812.56	3,978.11
50	COVIDIEN 7 12 01/COV	Jul 12 01	Jul 27 12	2,759.26	3,304.06	-544.80
667	FIRSTENERGY 11 23 09/FE	Nov 23 09	Jul 20 12	33,454 71	22,633.25	10,821.46
50	HELIOS TOTAL RIGHTS 12 31 98/HTR.RT	Dec 31 98	Oct 10 12	29.40	0.00	29 40
250	HELIOS TOTAL RIGHTS 4 24 98/HTR RT	Apr 24 98	Oct 10 12	147.00	0.00	147 00
50	HELIOS TOTAL RIGHTS 5 18 99/HTR.RT	May 18 99	Oct 10 12	29.40	0.00	29.40
250	HELIOS TOTAL RIGHTS 8 22 97/HTR RT	Aug 22 97	Oct 10 12	147.00	0.00	147 00
850	HOME DEPOT 10 13 09/HD	Oct 13 09	Jan 5 12	36,140.77	23,409.53	12,731.24
850	HOME DEPOT 10 13 09/HD_SLD#2	Oct 13 09	Jan 6 12	36,342.59	23,409.53	12,933.06
150	HOME DEPOT 10 7 98/HD	Oct 7 98	Jan 5 12	6,398.03	3,804.50	2,593.53
1,000	HOME DEPOT 11 19 09/HD	Nov 19 09	Jan 5 12	42,498.30	27,193.25	15,305.05
1,000	JDS UNIPHASE 11 13 09/JDSU	Nov 13 09	Feb 2 12	11,980.54	7,769.50	4,211.04
25	JDS UNIPHASE 7 27 01/JDSU	Jul 27 01	Feb 2 12	299.51	1,684.50	-1,384.99
1,000	LILLY ELI & CO 3 16 06/LLY	Mar 16 06	Jul 17 12	43,809.33	57,393.25	-13,583.92

HERSEY FOUNDATION
Schedule D - Capital Gains and Losses
As of: December 31, 2012

Quantity	Asset	Date Acquired	Date Sold	Proceeds	Tax Basis	Gain/Loss
1,000	LILLY ELI & CO11 16 09/LLY	Nov 16 09	Jul 17 12	43,809.44	35,891.25	7,918.19
1,000	LILLY ELI 1 8 10/LLY	Jan 8 10	Jul 27 12	44,196.75	35,340.62	8,856.13
1,000	LILLY ELI 1 8 10/LLY_SLD#1	Jan 8 10	Jul 20 12	43,786.76	35,340.63	8,446.13
1,000	LILLY ELI 2 8 10/LLY	Feb 8 10	Sep 4 12	44,676.14	34,664.55	10,011.59
1,000	LILLY, ELI 12 11 09/LLY	Dec 11 09	Aug 29 12	44,145.52	35,169.75	8,975.77
1,000	LILLY, ELI 12 11 09/LLY_SLD#1	Dec 11 09	Jul 30 12	43,594.76	35,169.75	8,425 01
1,000	LILLY, ELI 12 11 09/LLY_SLD#2	Dec 11 09	Aug 27 12	44,027.15	35,169.75	8,857.40
1,000	MALAYSIA FUND 2 1 07/MF	Feb 1 07	Aug 24 12	9,480.30	8,735.05	745.25
200	MALAYSIA FUND 4 17 97/MF	Apr 17 97	Aug 24 12	1,896.06	3,229.50	-1,333.44
200	MALAYSIA FUND 5 12 97/MF	May 12 97	Aug 24 12	1,896.06	2,979 50	-1,083.44
1,000	MALAYSIA FUND 5 20 97/MF	May 20 97	Aug 24 12	9,480.30	14,609.50	-5,129.20
200	MALAYSIA FUND 5 21 97/MF	May 21 97	Aug 24 12	1,896.06	2,954.50	-1,058.44
400	MERCK & CO 10 05 04/MRK	Oct 5 04	Oct 17 12	18,882.43	13,713.25	5,169.18
600	MERCK & CO 11 13 09/MRK_SLD#1	Nov 13 09	Oct 17 12	28,323.65	20,179.95	8,143 70
1,000	MERCK & CO 11 16 09/MRK	Nov 16 09	Oct 4 12	45,996.71	34,113 25	11,883.46
1,000	MERCK & CO 3 21 06/MRK	Mar 21 06	Jul 30 12	44,466.74	36,015.25	8,451 49
800	MICROSOFT 5 1 06/MSFT_SLD#1	May 1 06	Jul 20 12	24,011.10	19,697.30	4,313 80
120	NORTEL NTWKS 2 16 01/NT	Feb 16 01	Dec 28 12	0 67	23,832.50	-23,831.83
915	ORACLE CORP 11 16 06/ORCL	Nov 16 06	Aug 20 12	29,068.48	17,689.01	11,379 47
200	ORACLE CORP 3 12 01/ORCL	Mar 12 01	Aug 20 12	6,353.76	3,204 50	3,149 26
200	ORACLE CORP 3 16 01/ORCL	Mar 16 01	Aug 20 12	6,353.76	2,950.00	3,403.76
200	ORACLE CORP 3 5 01/ORCL	Mar 5 01	Aug 20 12	6,353.76	3,467 00	2,886.76
1	PENTAIR LTD 1 15 02/PNR_SLD#1	Jan 15 02	Oct 1 12	36.59	57.07	-20.48
0 77	ROUSE 1 28 10/RSE_SLD#1	Jan 28 10	Jan 26 12	9.20	8.78	0 42
200	SPECTRA ENERGY 8 22 03/SE	Aug 22 03	Mar 21 12	6,324.27	2,921.93	3,402.34
100	SPECTRA ENERGY 8 25 03/SE	Aug 25 03	Mar 21 12	3,162.13	1,443.22	1,718.91
100	SPECTRA ENERGY 8 4 03/SE	Aug 4 03	Mar 21 12	3,162.13	1,469.19	1,692 94
100	SPECTRA ENERGY 9 2 03/SE	Sep 2 03	Mar 21 12	3,162.13	1,454.94	1,707 19
600	SYSCO CORP 3 7 11/SYY_SLD#1	Mar 7 11	Oct 1 12	18,802.22	16,795.96	2,006.26
400	SYSCO CORP 4 1 11/SYY	Apr 1 11	Oct 1 12	12,534.82	11,249.40	1,285.42
600	SYSCO CORP 4 1 11/SYY_SLD#1	Apr 1 11	Sep 20 12	18,465.18	16,874.11	1,591 07
200	SYSCO CORP 8 16 04/SYY	Aug 16 04	Sep 20 12	6,155 06	6,255.25	-100 19
200	SYSCO CORP 9 17 04/SYY	Sep 27 04	Sep 20 12	6,155.06	6,065.25	89 81
1,000	THERMO FISHER 10 13 09/TMO_SLD#1	Oct 13 09	Nov 2 12	61,969 35	45,600.83	16,368.52
1,000	THERMO FISHER 3 22 07/TMO	Mar 22 07	Sep 14 12	60,154.39	46,715.25	13,439.14
20	WALTER INV 4 13 98/WAC	Apr 13 98	Dec 28 12	761.23	14,388.25	-13,627.02
	Total Long-term			1,432,452.61	1,121,284.09	311,168.52
	TOTAL CAPITAL GAINS			1,477,109.35	1,156,367.46	320,741 89