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 , 2012, and ending , 20

Name of foundation: WILLIAM M. HALES FOUNDATION 23-97453

A Employer identification number: 36-3735095

Number and street (or P O box number if mail is not delivered to street address): 120 W. MADISON STREET, SUITE 700-E

Room/suite:

B Telephone number (see instructions): 312- 630-6000

City or town, state, and ZIP code: CHICAGO, IL 60602

C If exemption application is pending, check here ▶ ☐

D 1 Foreign organizations, check here ▶ ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 5,351,624.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

		(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 (attach schedule)				
2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	129,674.	129,674.		STMT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	131,358.			
b	Gross sales price for all assets on line 6a 1,944,222.				
7	Capital gain net income (from Part IV, line 2)		131,358.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	4,927.			STMT 2
12	**Total.** Add lines 1 through 11	265,959.	261,032.		
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages		NONE	NONE	
15	Pension plans, employee benefits		NONE	NONE	
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 3	2,000.	1,000.	NONE	1,000.
c	Other professional fees (attach schedule) STMT 4	27,901.	27,901.		
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 5	15,006.	943.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings		NONE	NONE	
22	Printing and publications	19.	19.	NONE	
23	Other expenses (attach schedule) STMT 6	37.			25.
24	**Total operating and administrative expenses.** Add lines 13 through 23	44,963.	29,863.	NONE	1,025.
25	Contributions, gifts, grants paid	285,700.			285,700.
26	**Total expenses and disbursements** Add lines 24 and 25	330,663.	29,863.	NONE	286,725.
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	-64,704.			
b	**Net investment income** (if negative, enter -0-)		231,169.		
c	**Adjusted net income** (if negative, enter -0-)				

Part II Balance Sheets

		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	214,335.	136,990.	136,990.
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶ NONE			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) STMT 7	3,693,125.	3,723,665.	4,318,324.
	c	Investments - corporate bonds (attach schedule) STMT 8	611,143.	611,143.	662,873.
	11	Investments - land, buildings, and equipment basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule) STMT 9	257,862.	239,092.	233,437.
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by *all* filers - see the instructions Also, see page 1, item I)	4,776,465.	4,710,890.	5,351,624.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ OUTSTANDING CHECK)			
	23	**Total liabilities** (add lines 17 through 22)		NONE	
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	4,776,465.	4,710,890.	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	4,776,465.	4,710,890.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	4,776,465.	4,710,890.	

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	4,776,465.
2	Enter amount from Part I, line 27a	2	-64,704.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,711,761.
5	Decreases not included in line 2 (itemize) ▶ TAX COST ETC ADJ.	5	871.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,710,890.

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	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,944,222.		1,812,864.	131,358.
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				131,358.
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 131,358.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 3

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	281,211.	5,247,019.	0.053594
2010	284,820.	5,066,283.	0.056219
2009	289,011.	4,623,252.	0.062512
2008	293,575.	5,682,571.	0.051662
2007	293,920.	6,679,493.	0.044003

2	**Total** of line 1, column (d)	2	0.267990
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.053598
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,212,651.
5	Multiply line 4 by line 3	5	279,388.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,312.
7	Add lines 5 and 6	7	281,700.
8	Enter qualifying distributions from Part XII, line 4	8	286,725.

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	2,312.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .			2	
3	Add lines 1 and 2			3	2,312.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .			4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	2,312.
6	Credits/Payments				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	4,990.		
b	Exempt foreign organizations - tax withheld at source	6b	NONE		
c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	4,990.
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	2,678.
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 2,678. **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 the 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 ▶ $ ______________ (2) On foundation managers ▶ $ ______________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . *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?	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) ▶ IL			
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

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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE NORTHERN TRUST COMPANY Telephone no ▶ (312)630-6000

Located at ▶ P.O. BOX 803878, CHICAGO, IL ZIP+4 ▶ 60680

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

			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 ☒ 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)?	1b		
	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 ☒ No			
	If "Yes," list the years ▶ ________ , ________ , ________ , ________			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b		X
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)*	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)? (see instructions) . . . . ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **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? . . . . ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . **6b** X

If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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 (see instructions)

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JOHN W HALES 120 W. MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	SECRETARY/TREASU 1		-0-	-0-
CATHERINE L. HALES 120 W. MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	DIRECTOR 1			
ERIK W HALES 120 W MADISON STREET, SUITE 700-E, CHICAGO, IL 60602	DIRECTOR 1			

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	5,292,031.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	5,292,031.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	5,292,031.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	79,380.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,212,651.
6	**Minimum investment return.** Enter 5% of line 5	6	260,633.

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	260,633.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	2,312.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,312.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	258,321.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	258,321.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	258,321.

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	286,725.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	286,725.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	2,312.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	284,413.

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

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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					258,321.
2	Undistributed income, if any, as of the end of 2012					
a	Enter amount for 2011 only				NONE	
b	Total for prior years 20 10 ,20_____,20_____			NONE		
3	Excess distributions carryover, if any, to 2012					
a	From 2007	NONE				
b	From 2008	11,904.				
c	From 2009	60,512.				
d	From 2010	33,316.				
e	From 2011	28,838.				
f	**Total** of lines 3a through e		134,570.			
4	Qualifying distributions for 2012 from Part XII, line 4. ▶ $ 286,725.					
a	Applied to 2011, but not more than line 2a				NONE	
b	Applied to undistributed income of prior years (Election required - see instructions)			NONE		
c	Treated as distributions out of corpus (Election required - see instructions)		NONE			
d	Applied to 2012 distributable amount					258,321.
e	Remaining amount distributed out of corpus		28,404.			
5	Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		NONE			NONE
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		162,974.			
b	Prior years' undistributed income Subtract line 4b from line 2b			NONE		
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			NONE		
d	Subtract line 6c from line 6b Taxable amount - see instructions			NONE		
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions				NONE	
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013					NONE
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		NONE			
8	Excess *distributions carryover from* 2007 *not* applied on line 5 or line 7 (see instructions)		NONE			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		162,974.			
10	Analysis of line 9					
a	Excess from 2008	11,904.				
b	Excess from 2009	60,512.				
c	Excess from 2010	33,316.				
d	Excess from 2011	28,838.				
e	Excess from 2012	28,404.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2a 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).)

NO CONTRIBUTIONS RECEIVED DURING THIS TAX YEAR.

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

N/A

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

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

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

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

c Any submission deadlines.

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED SCHEDULE	NONE	PUBLIC	GENERAL	285,700.
Total . . . . ▶ 3a				285,700.
b *Approved for future payment*				
Total . . . . ▶ 3b				

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 (See instructions.)
	(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					
4 Dividends and interest from securities			14	129,674.	
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	131,358.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b DEFERRED INCOME			14	-95.	
c TAX REFUND PRIOR			14	5,022.	
d					
e					
12 Subtotal Add columns (b), (d), and (e)				265,959.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 265,959.

(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). (See instructions.)
	NOT APPLICABLE

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

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

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

▶ John W. Hales | 4/17/13 ▶ Trustee

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
NATALIA TCHERE	Natalia Tch	04/12/2013		P01306295

Firm's name ▶ THE NORTHERN TRUST COMPANY

Firm's EIN ▶ 36-1561860

Firm's address ▶ P.O. BOX 803878
CHICAGO, IL 60680

Phone no

WILLIAM M. HALES FOUNDATION
Contributions
2012

Educational Activities:

Beloit College Beloit, Wisconsin 53511 Check #1065 - #1066	$18,000.00
Oglala Lakota College 537 Puja Wiconi Kyle, South Dakota 55752 Check #1072	5,000.00
Total Educational Activties:	$23,000.00

Hospital & Related Activities:

Compass to Care P. O. Box 13146 Chicago, Illinois 60613 Check #1107	$ 500.00
Hadley School for the Blind P. O. Box 299 Winnetka, Illinois 60093 Check #1084	500.00
Josselyn Center 405 Central Street Northfield, Illinois 60093 Check #1069	2,000.00
LINKS 1775 Maple Street Northfield, Illinois 60093 Check #1070	12,000.00
North Shore University Health System Foundation 1033 University Place - Suite 450 Evanston, Illinois 60201 Check #1105	1,500.00
Total Hospital & Related Actvities:	$16,500.00

Religious Activities:

Winnetka Congregational Church 725 Pine Street Winnetka, Illinois 60093 Check #1075	$ 4,500.00
Total Religious Activities:	$ 4,500.00

Other Charitable Activities:

Adler Planetarium 1300 S. Lake Shore Drive Chicago, Illinois 60602 Check #1093	$ 1,000.00
Christian Relief Services Americans Helping Americans in Appalachia 1550 Huntington Avenue Suite 200 Alexandria, Virginia 22303 Check #1095	3,000.00
Anerican Red Cross Mid-America Chapter 75 Remittance Drive Suite 1907 Chicago, Illinois 60675 Check #1078	500.00
Art Institute of Chicago Michigan Avenue at Adams Street Chicago, Illinois 60603 Check #1079	1,500.00
Chicago Horticultural Society 1000 Lake Cook Road Glencoe, Illinois 60022 Check #1080	1,000.00
Chicago Symphony Orchestra 220 S. Michigan Avenue Chicago, Illinois 60604 Check #1094	2,500.00
Clearwater Camp Fund c/o Harris Bank 1125 W. Mequon Road Mequon, Wisconsin 53092 Check #1081	50,000.00
Colonial Williamsburg Foundation P. O. Box 1776 Williamsburg, Virginia 23187 Check #1082	500.00
Community Animal Rescue Effort P. O. Box 1964 Evanston, Illinois 60204 Check #1096	1,000.00

Other Charitable Activities: (Continued)

Community Renewal Society 332 S. Michigan Avenue Chicago, Illinois 60604 Check #1083	$ 1,000.00
Family Service of Winnetka-Northfield 992½ Linden Avenue Winnetka, Illinois 60093 Check #1097	1,000.00
Field Museum 1400 Lake Shore Drive Chicago, Illinois 60605 Check #1098	700.00
Fifth Epochal Fellowship 9190 West 90th Place Westminster, Colorado 80021 Check #1076 - #1092	85,000.00
Girl Scouts of Chicago 222 S. Riverside Plaza Chicago, Illinois 60604 Check #1099	1,500.00
Good News Partners 7729 N. Hermitage Avenue Chicago, Illinois 60604 Check #1068	1,000.00
Lincoln Park Zoo P. O. Box 14903 Cannon Drive at Fullerton Parkway Chicago, Illinois 60614 Check #1100	1,000.00
Living Lands & Waters 17615 Route 84 North East Moline, Illinois 61244 Check #1107	1,000.00
Mercy Home for Boys & Girls 1140 W. Jackson Boulevard Chicago, Illinois 60607 Check #1102	1,000.00
Mitchell Museum of the American Indian 2600 Central Park Evanston, Illinois 60201 Check #1103	1,000.00

Other Charitable Activities: (Continued)

Newberry Library 60 West Walton Street Chicago, Illinois 60610 Check #1085	$ 500.00
Norman Vincent Peale Fellowship 66 E. Main Street Pawling, New York 12564 Check #1071	2,000.00
North Shore Senior Center 161 Northfield Road Northfield, Illinois 60093 Check #1086	1,000.00
North Shore United Way P. O. Box 1424 Skokie, Illinois 60076 Check #1104	1,000.00
Salvation Army 5040 N. Pulaski Road Chicago, Illinois 60611 Check #1106	1,000.00
Union League Boys & Girls Clubs 65 West Jackson Boulevard Chicago, Illinois 60604 Check #1073 - #1087	5,000.00
Urantia Foundation 533 Diversey Parkway Chicago, Illinois 60614 Check #1074 - #1091	75,000.00
WTTW-Channel 11 5400 W. St. Louis Avenue Chicago, Illinois 60602 Check #1088	1,000.00
Total Other Charitable Actvities:	$ 241,700.00

Educational Activities	$ 23,000.00
Hospital & Related Activities	16,500.00
Religious Activities	4,500.00
Other Charitable Activities	241,700.00
CONTRIBUTIONS: GRAND TOTAL	285,700.00

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS & INTEREST	129,674.	129,674.
TOTAL	129,674.	129,674.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
DEFERRED INCOME	-95.
TAX REFUND PRIOR YEAR	5,022.
TOTALS	4,927.

STATEMENT 2

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION	2,000.	1,000.		1,000.
TOTALS	2,000.	1,000.	NONE	1,000.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT ADVISORY	27,901.	27,901.
TOTALS	27,901.	27,901.

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
TAX PRIOR YEAR		9,073.	
ESTIMATED TAX		4,990.	
FOREIGN TAX		943.	943.
	TOTALS	15,006.	943.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
IL AG	15.	15.
SECRETARY OF STATE	10.	10.
OTHER PROFESSIONAL SERVICES	12.	
TOTALS	37.	25.

WILLIAM M. HALES FOUNDATION 23-97453 36-3735095

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION		ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE		3,723,665.	4,318,324.
	TOTALS	3,723,665.	4,318,324.

WILLIAM M. HALES FOUNDATION 23-97453 36-3735095

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION		ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE		611,143.	662,873.
	TOTALS	611,143.	662,873.

WILLIAM M. HALES FOUNDATION 23-97453 36-3735095

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED SCHEDULE	C	239,092.	233,437.
TOTALS		239,092.	233,437.

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T.
▶ Information about Schedule D (Form 1041) and its separate instructions is at *www.irs.gov/form1041*.

OMB No 1545-0092

2012

Name of estate or trust	Employer identification number
WILLIAM M. HALES FOUNDATION 23-97453	36-3735095

Note: *Form 5227 filers need to complete **only** Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	**(f) Gain or (loss) for the entire year** Subtract (e) from (d)
1a						

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	5,468.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	5,468.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	**(f) Gain or (loss) for the entire year** Subtract (e) from (d)
6a	LONG-TERM CAPITAL GAIN DIVIDENDS					23,820.

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	102,063.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	7.
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	125,890.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. **Schedule D (Form 1041) 2012**

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Part III Summary of Parts I and II

Caution: *Read the instructions **before** completing this part.*

			(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			5,468.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			125,890.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			7.
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			131,358.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet,** as necessary*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of:
a The loss on line 15, column (3) **or** b $3,000 . . . 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000, **or** if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if.*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col (2) is more than zero.

17 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . 17

18 Enter the **smaller** of line 14a or 15 in column (2) but not less than zero . . . 18

19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . 19

20 Add lines 18 and 19 . . . 20

21 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶ 21

22 Subtract line 21 from line 20. If zero or less, enter -0- . . . 22

23 Subtract line 22 from line 17 If zero or less, enter -0- . . . 23

24 Enter the **smaller** of the amount on line 17 or $2,400 . . . 24

25 Is the amount on line 23 equal to or more than the amount on line 24?
☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box
☐ **No.** Enter the amount from line 23 . . . 25

26 Subtract line 25 from line 24 . . . 26

27 Are the amounts on lines 22 and 26 the same?
☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the smaller of line 17 or line 22 . . . 27

28 Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . 28

29 Subtract line 28 from line 27 . . . 29

30 Multiply line 29 by 15% (.15) . . . 30

31 Figure the tax on the amount on line 23 Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . 31

32 Add lines 30 and 31 . . . 32

33 Figure the tax on the amount on line 17. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . 33

34 **Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) . . . 34

SCHEDULE D-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.
▶ Information about Schedule D (Form 1041) and its separate instructions is at *www irs gov/form1041*

OMB No 1545-0092

2012

Name of estate or trust	**Employer identification number**
WILLIAM M. HALES FOUNDATION 23-97453	36-3735095

Part I **Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a 112. AMAZON.COM INCORPORAT STOCK	11/08/2011	01/26/2012	21,428.00	23,475.00	-2,047.00
133. AMAZON.COM INCORPORAT STOCK	02/28/2011	02/06/2012	24,504.00	23,007.00	1,497.00
26. AMAZON.COM INCORPORATE STOCK	02/28/2011	02/07/2012	4,766.00	4,498.00	268.00
42. AMERICAN WTR WKS CO IN	01/31/2012	11/27/2012	1,574.00	1,413.00	161.00
258. AMGEN INC	01/25/2012	11/16/2012	21,706.00	17,611.00	4,095.00
29. AMGEN INC	01/23/2012	11/27/2012	2,529.00	1,979.00	550.00
240. AUTOMATIC DATA PROCES	01/18/2012	09/18/2012	14,016.00	13,422.00	594.00
158. AUTOMATIC DATA PROCES	01/17/2012	09/19/2012	9,260.00	8,690.00	570.00
102. AUTOMATIC DATA PROCES	01/13/2012	09/20/2012	5,974.00	5,588.00	386.00
69. CVS CORP	04/27/2012	11/27/2012	3,126.00	3,106.00	20.00
560. E I DU PONT DE NEMOUR	02/28/2011	02/06/2012	28,927.00	30,646.00	-1,719.00
53. EXPRESS SCRIPTS HLDG C	06/20/2012	11/27/2012	2,769.00	2,855.00	-86.00 *
81. HOME DEPOT INC	02/06/2012	11/27/2012	5,198.00	3,663.00	1,535.00
87. INTEL CORP COM	05/07/2012	11/27/2012	1,743.00	2,425.00	-682.00
16. INTERCONTINENTALEXCHAN	06/07/2012	11/27/2012	2,082.00	2,052.00	30.00
156. INTL BUSINESS MACHINE	02/28/2011	01/13/2012	27,844.00	25,229.00	2,615.00
367. MCKESSON HBOC INC	02/28/2011	01/23/2012	28,209.00	29,047.00	-838.00
253. MCKESSON HBOC INC	02/28/2011	01/24/2012	19,317.00	20,024.00	-707.00
100. MCKESSON HBOC INC	02/28/2011	01/25/2012	7,687.00	7,915.00	-228.00
33. NUCOR CORP	02/06/2012	11/27/2012	1,344.00	1,490.00	-146.00
121. PFIZER INC	11/16/2012	11/27/2012	2,939.00	2,876.00	63.00
48. ST JUDE MEDICAL INC	09/24/2012	11/27/2012	1,549.00	2,065.00	-516.00
51. STARBUCKS CORP	08/14/2012	11/27/2012	2,574.00	2,363.00	211.00
66. NOBLE CORPORATION (SWI COM USD0.10	10/17/2012	11/27/2012	2,266.00	2,510.00	-244.00

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b 5,468.00

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2012

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* INDICATES WASH SALE

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side
WILLIAM M. HALES FOUNDATION 23-97453

Employer identification number
36-3735095

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a	530. ABBOTT LABORATORIES	06/26/2008	11/16/2012	33,422.00	27,978.00	5,444.00
	428. ALTERA CORP COM	02/28/2011	05/07/2012	14,355.00	17,880.00	-3,525.00
	262. ALTERA CORP COM	02/28/2011	05/08/2012	8,689.00	10,945.00	-2,256.00
	64. AMERICAN EXPRESS CO	07/06/2011	11/27/2012	3,506.00	3,364.00	142.00
	18. APPLE COMPUTER INC	05/25/2006	11/27/2012	10,542.00	1,147.00	9,395.00
	330. AUTODESK, INC	05/23/2011	09/18/2012	11,019.00	13,787.00	-2,768.00
	350. AUTODESK, INC	05/23/2011	09/19/2012	11,788.00	14,623.00	-2,835.00
	27. BHP LTD SPONSORED ADR	02/28/2011	11/27/2012	1,912.00	2,551.00	-639.00
	96. BRISTOL MYERS SQUIBB C	11/08/2011	11/27/2012	3,134.00	3,028.00	106.00
	45. CHEVRONTEXACO CORP	02/28/2011	11/27/2012	4,661.00	4,639.00	22.00
	274. CITRIX SYS INC	04/11/2011	05/07/2012	22,823.00	20,060.00	2,763.00
	23. CITRIX SYS INC	02/28/2011	11/27/2012	1,398.00	1,599.00	-201.00
	105. COCA COLA CO	08/30/2011	11/27/2012	3,937.00	3,669.00	268.00
	485. CONOCOPHILLIPS	02/28/2011	10/12/2012	27,273.00	28,597.00	-1,324.00
	38. COSTCO WHSL CORP NEW	02/28/2011	11/27/2012	3,678.00	2,832.00	846.00
	91. DANAHER CORP	02/28/2011	11/27/2012	4,748.00	4,595.00	153.00
	53. WALT DISNEY CO	06/29/2005	11/27/2012	2,583.00	1,332.00	1,251.00
	63. DOMINION RES INC VA NE	11/23/2010	11/27/2012	3,194.00	2,682.00	512.00
	34. E I DU PONT DE NEMOURS	02/28/2011	11/27/2012	1,479.00	1,861.00	-382.00 *
	155. E M C CORP MASS COM	02/28/2011	11/27/2012	3,810.00	4,220.00	-410.00 *
	57. EATON CORP	04/01/2011	11/27/2012	2,917.00	3,194.00	-277.00
	803. EATON CORP	04/01/2011	12/03/2012	41,479.00	43,668.00	-2,189.00
	48. EXXON MOBIL CORP	07/18/2006	11/27/2012	4,210.00	3,091.00	1,119.00
	25. FRANKLIN RESOURCES INC	07/07/2011	11/27/2012	3,292.00	3,422.00	-130.00
	146. GENERAL ELECTRIC CO	04/05/1990	11/27/2012	3,054.00	787.00	2,267.00

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b . . . .

Schedule D-1 (Form 1041) 2012

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side
WILLIAM M. HALES FOUNDATION 23-97453

Employer identification number
36-3735095

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 7. GOOGLE INC CL A	02/28/2011	11/27/2012	4,704.00	4,288.00	416.00
41. GOOGLE INC CL A	02/28/2011	12/04/2012	28,264.00	25,113.00	3,151.00
48. W W GRAINGER INC	10/15/2010	04/26/2012	9,962.00	5,809.00	4,153.00
21. W W GRAINGER INC	10/15/2010	04/27/2012	4,421.00	2,542.00	1,879.00
8. W W GRAINGER INC	10/15/2010	11/27/2012	1,525.00	968.00	557.00
135. W W GRAINGER INC	10/15/2010	12/12/2012	26,088.00	16,338.00	9,750.00
311. H J HEINZ CO	02/28/2011	08/08/2012	17,176.00	15,604.00	1,572.00
174. H J HEINZ CO	02/28/2011	08/09/2012	9,590.00	8,730.00	860.00
165. H J HEINZ CO	02/28/2011	08/10/2012	9,067.00	8,279.00	788.00
134. H J HEINZ CO	02/28/2011	08/13/2012	7,379.00	6,723.00	656.00
26. H J HEINZ CO	02/28/2011	08/14/2012	1,438.00	1,305.00	133.00
18. INTL BUSINESS MACHINES	02/28/2011	11/27/2012	3,449.00	2,911.00	538.00
6475. MFC ISHARES TR MSCI FD	11/23/2010	03/23/2012	352,363.00	347,465.00	4,898.00
106. J P MORGAN CHASE & CO	01/22/2010	11/27/2012	4,331.00	4,256.00	75.00
375. JOHNSON & JOHNSON	09/12/2002	11/16/2012	25,833.00	20,303.00	5,530.00
62. JOHNSON CONTROLS INC	02/28/2011	11/27/2012	1,668.00	2,515.00	-847.00
37. MCDONALDS CORP	09/22/2011	11/27/2012	3,184.00	3,176.00	8.00
46. NATIONAL-OILWELL INC	12/31/2008	11/27/2012	3,226.00	1,149.00	2,077.00
21. NIKE INC CLASS B	02/28/2011	11/27/2012	2,041.00	1,866.00	175.00
19. NOBLE ENERGY INC COM	02/28/2011	11/27/2012	1,827.00	1,743.00	84.00
41. NORFOLK SOUTHN CORP CO	08/10/2011	11/27/2012	2,420.00	2,768.00	-348.00
487.45 MFB NORTHN FDS MULT GLOBAL REALESTATE FD	11/23/2010	03/30/2012	8,428.00	8,881.00	-453.00
29748.82 MFB NORTHN MULTI-EQTY FD FD	01/22/2010	03/23/2012	274,582.00	295,499.00	-20,917.00
22212.56 MFB NORTHN MULTIM FD	11/23/2010	03/23/2012	218,572.00	215,814.00	2,758.00
315.08 MFB NORTHN MULTIMGR	06/22/2006	03/30/2012	3,907.00	3,151.00	756.00

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . .

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WILLIAM M. HALES FOUNDATION 23-97453

Employer identification number
36-3735095

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 695. ADR NOVARTIS AG SPONS ISIN #US66987V1098	08/18/2010	01/23/2012	38,496.00	35,579.00	2,917.00
63. OMNICOM GRP INC COM	02/28/2011	11/27/2012	3,014.00	3,198.00	-184.00
139. ORACLE CORPORATION	02/28/2011	11/27/2012	4,352.00	4,552.00	-200.00
.5 PHILLIPS 66 COM	02/28/2011	05/01/2012	16.00	19.00	-3.00
242. PHILLIPS 66 COM	02/28/2011	05/07/2012	7,192.00	8,999.00	-1,807.00
2236.47 PIMCO COMMODITY RE STRATEGY FUND	12/09/2009	03/30/2012	14,962.00	16,032.00	-1,070.00
12. PRECISION CASTPARTS CO	10/24/2011	11/27/2012	2,142.00	2,064.00	78.00
424. PRINCIPAL FINANCIAL G	02/28/2011	06/05/2012	9,924.00	14,475.00	-4,551.00
126. PRINCIPAL FINANCIAL G	02/28/2011	06/05/2012	2,946.00	4,302.00	-1,356.00
577. PRINCIPAL FINANCIAL G	02/28/2011	06/06/2012	13,867.00	19,698.00	-5,831.00
383. PRINCIPAL FINANCIAL G	02/28/2011	06/07/2012	9,404.00	13,075.00	-3,671.00
56. PROCTER & GAMBLE CO	09/12/2002	11/27/2012	3,869.00	2,541.00	1,328.00
405. PROCTER & GAMBLE CO	09/12/2002	12/04/2012	28,134.00	18,377.00	9,757.00
78. QUALCOMM INC	07/15/2011	11/27/2012	4,863.00	4,280.00	583.00
187. SALESFORCE COM INC CO	10/15/2010	01/13/2012	19,416.00	20,162.00	-746.00
187. SALESFORCE COM INC CO	10/15/2010	01/17/2012	19,543.00	20,162.00	-619.00
33. SCHLUMBERGER LTD ISIN 6	04/11/2011	11/27/2012	2,305.00	2,995.00	-690.00
126. SIMON PPTY GROUP INC	02/28/2011	10/12/2012	19,250.00	13,860.00	5,390.00
19. SIMON PPTY GROUP INC N	02/28/2011	11/27/2012	2,871.00	2,090.00	781.00
307. SPECTRA ENERGY CORP C	02/28/2011	03/01/2012	9,664.00	8,180.00	1,484.00
252. SPECTRA ENERGY CORP C	02/28/2011	03/02/2012	7,912.00	6,715.00	1,197.00
161. SPECTRA ENERGY CORP C	02/28/2011	03/05/2012	5,021.00	4,290.00	731.00
220. SPECTRA ENERGY CORP C	02/28/2011	03/06/2012	6,817.00	5,862.00	955.00
77. SPECTRA ENERGY CORP CO	02/28/2011	11/27/2012	2,130.00	2,052.00	78.00
397. THE TRAVELERS COMPANI	02/28/2011	03/12/2012	22,904.00	23,818.00	-914.00
6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b					

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side	Employer identification number
WILLIAM M. HALES FOUNDATION 23-97453	36-3735095

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a	118. THE TRAVELERS COMPANI	02/28/2011	03/13/2012	6,796.00	7,079.00	-283.00
	107. US BANCORP DEL NEW	07/02/2009	11/27/2012	3,436.00	1,875.00	1,561.00
	28. UNITED TECHNOLOGIES CO	03/07/2002	11/27/2012	2,201.00	1,040.00	1,161.00
	110. UNITEDHEALTH GROUP IN	02/28/2011	04/26/2012	6,358.00	4,684.00	1,674.00
	45. UNITEDHEALTH GROUP INC	02/28/2011	04/27/2012	2,604.00	1,916.00	688.00
	263. UNITEDHEALTH GROUP IN	02/28/2011	06/20/2012	15,680.00	11,200.00	4,480.00
	75. UNITEDHEALTH GROUP INC	02/28/2011	06/21/2012	4,470.00	3,194.00	1,276.00
	48. UNITEDHEALTH GROUP INC	02/28/2011	11/27/2012	2,535.00	2,044.00	491.00
	30. V F CORP	04/28/2011	11/27/2012	4,689.00	3,225.00	1,464.00
	50. VERIZON COMMUNICATIONS	09/28/2011	11/27/2012	2,148.00	1,856.00	292.00
	510. WAL MART STORES INC	01/01/1970	08/01/2012	37,802.00	2,874.00	34,928.00
	133. WELLS FARGO & CO NEW	02/28/2011	11/27/2012	4,345.00	4,286.00	59.00
	162. WHOLE FOODS MKT INC	02/28/2011	04/26/2012	13,435.00	9,448.00	3,987.00
	118. WHOLE FOODS MKT INC	02/28/2011	04/27/2012	9,838.00	6,882.00	2,956.00
	28. WHOLE FOODS MKT INC	02/28/2011	11/27/2012	2,557.00	1,633.00	924.00
	192. WHOLE FOODS MKT INC	02/28/2011	12/12/2012	17,472.00	11,197.00	6,275.00
	172. WHOLE FOODS MKT INC	02/28/2011	12/13/2012	15,467.00	10,031.00	5,436.00
	128. WHOLE FOODS MKT INC	02/28/2011	12/14/2012	11,395.00	7,465.00	3,930.00
	44. COVIDIEN PLC USD0.20(P CONSLDTN)	10/15/2010	11/27/2012	2,532.00	1,798.00	734.00
6b	**Total.** Combine the amounts in column (f). Enter here and on Schedule D, line 6b					102,063.00

* INDICATES WASH SALE

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
Australia - USD							
ADR BHP BILLITON LTD SPONSORED ADR CUSIP 088606108							
448 000	78 44	0 00	35,141 12	42,329 28	-7,188 16	0 00	-7,188 16
Total USD		0 00	35,141 12	42,329 28	-7,188 16	0 00	-7,188 16
Total Australia		0 00	35,141 12	42,329 28	-7,188 16	0 00	-7,188 16
United States - USD							
AMERICAN EXPRESS CO CUSIP 025816109							
1,036 000	57 48	0 00	59,549 28	46,811 63	12,737 65	0 00	12,737 65
AMERICAN WTR WKS CO INC NEW COM CUSIP 030420103							
603 000	37 13	0 00	22,389 39	20,135 95	2,253 44	0 00	2,253 44
AMGEN INC COM CUSIP 031162100							
543 000	86 32	0 00	46,871 76	36,670 80	10,200 96	0 00	10,200 96
APPLE INC COM STK CUSIP 037833100							
291 000	533 03	0 00	155,111 73	29,470 67	125,641 06	0 00	125,641 06
BRISTOL MYERS SQUIBB CO COM CUSIP 110122108							
1,564 000	32 59	0 00	50,970 76	46 379 87	4,590 89	0 00	4,590 89
CHEVRON CORP COM CUSIP 166764100							
660 000	108 14	0 00	71,372 40	68,043 70	3,328 70	0 00	3,328 70
CITRIX SYS INC COM CUSIP 177376100							
403 000	65 75	0 00	26,497 25	28,023 78	-1,526 53	0 00	-1,526 53

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Unrealized gain/loss Translation	Unrealized gain/loss Total
Equity Securities							
Common stock							
United States - USD							
COCA COLA CO COM CUSIP 191216100							
1,675 000	36 25	0 00	60,718 75	58,036 98	2,681 77	0 00	2 681 77
COSTCO WHOLESALE CORP NEW COM CUSIP 22160K105							
617 000	98 77	0 00	60,941 09	45,988 03	14,953 06	0 00	14,953 06
COVIDIEN PLC USD0 20(POST CONSLDTN) CUSIP G2554F113							
676 000	57 74	0 00	39,032 24	27,628 12	11,404 12	0 00	11,404 12
CVS CAREMARK CORP COM STK CUSIP 126650100							
1,240 000	48 35	0 00	59,954 00	55,522 02	4,431 98	0 00	4,431 98
DANAHER CORP COM CUSIP 235851102							
1,444 000	55 90	0 00	80,719 60	72,914 64	7,804 96	0 00	7,804 96
DOMINION RES INC VA NEW COM CUSIP 25746U109							
892 000	51 80	0 00	46,205 60	37,971 54	8,234 06	0 00	8,234 06
DU PONT E I DE NEMOURS & CO COM STK CUSIP 263534109							
938 000	44 97	0 00	42,181 86	48,018 34	-5,836 48	0 00	-5,836 48
EATON CORP PLC COM USD0 50 CUSIP G29183103							
803 000	54 20	0 00	43,522 60	41,478 97	2,043 63	0 00	2,043 63
EMC CORP COM CUSIP 268648102							
2,784 000	25 30	0 00	70,435 20	74,453 08	-4,017 88	0 00	-4,017 88

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	 Translation	 Total
Equity Securities							
Common stock							
United States - USD							
EMERSON ELECTRIC CO COM CUSIP 291011104							
834 000	52 96	0 00	44,168 64	43,238 17	930 47	0 00	930 47
EXPRESS SCRIPTS HLDG CO COM CUSIP 30219G108							
1,018 000	54 00	0 00	54,972 00	53,297 84	1,674 16	0 00	1,674 16
EXXON MOBIL CORP COM CUSIP 30231G102							
1,047 000	86 55	0 00	90,617 85	68,383 35	22,234 50	0 00	22,234 50
FRKLN RES INC COM CUSIP 354613101							
413 000	125 70	0 00	51,914 10	48,345 63	3,568 47	0 00	3,568 47
GENERAL ELECTRIC CO CUSIP 369604103							
2,976 000	20 99	565 44	62,466 24	26,856 15	35,610 09	0 00	35,610 09
GOOGLE INC CL A CL A CUSIP 38259P508							
83 000	709 37	0 00	58,877 71	51,205 72	7,671 99	0 00	7,671 99
HOME DEPOT INC COM CUSIP 437076102							
1,409 000	61 85	0 00	87,146 65	63,120 81	24,025 84	0 00	24,025 84
INTEL CORP COM CUSIP 458140100 INTC							
1,540 000	20 63	0 00	31,770 20	42,705 88	-10,935 68	0 00	-10,935 68
INTERCONTINENTALEXCHANGE INC COM CUSIP 45865V100							
276 000	123 81	0 00	34,171 56	34,928 34	-756 78	0 00	-756 78

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Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss		
					Market	Translation	Total

Equity Securities

Common stock

United States - USD

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
INTERNATIONAL BUSINESS MACHS CORP COM CUSIP 459200101							
303 000	191 55	0 00	58,039 65	49,002 68	9,036 97	0 00	9,036 97
JOHNSON CTL INC COM CUSIP 478366107							
983 000	30 70	0 00	30,178 10	39,875 40	-9,697 30	0 00	-9,697 30
JPMORGAN CHASE & CO COM CUSIP 46625H100							
1,837 000	43 97	0 00	80,772 89	73,970 29	6,802 60	0 00	6,802 60
MC DONALDS CORP COM CUSIP 580135101							
685 000	88 21	0 00	60,423 85	59,522 60	901 25	0 00	901 25
NATIONAL OILWELL VARCO COM STK CUSIP 637071101							
639 000	68 35	0 00	43,675 65	15,967 91	27,707 74	0 00	27,707 74
NIKE INC CL B CUSIP 654106103							
618 000	51 60	0 00	31,888 80	27,450 14	4,438 66	0 00	4,438 66
NOBLE CORPORATION (SWITZERLAND) COM USD0 10 CUSIP H5833N103							
1,220 000	34 82	0 00	42,480 40	44,736 63	-2,256 23	0 00	-2,256 23
NOBLE ENERGY INC COM CUSIP 655044105							
306 000	101 74	0 00	31,132 44	28 075 11	3,057 33	0 00	3,057 33
NORFOLK SOUTHN CORP COM CUSIP 655844108							
664 000	61 84	0 00	41,061 76	44,823 11	-3,761 35	0 00	-3,761 35

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Translation	Total
Equity Securities							
Common stock							
United States - USD							
NUCOR CORP COM CUSIP 670346105							
592 000	43 18	217 56	25,562 56	26,723 12	-1,160 56	0 00	-1,160 56
OMNICOM GROUP INC COM CUSIP 681919106							
887 000	49 96	0 00	44,314 52	45,020 57	-706 05	0 00	-706 05
ORACLE CORP COM CUSIP 68389X105 ORCL							
2,006 000	33 32	0 00	66,839 92	65,686 47	1,153 45	0 00	1,153 45
PFIZER INC COM CUSIP 717081103							
3,412 000	25 08	0 00	85,572 96	82,716 51	2,856 45	0 00	2,856 45
PRECISION CASTPARTS CORP COM CUSIP 740189105							
225 000	189 42	0 00	42,619 50	37,332 37	5,287 13	0 00	5,287 13
PROCTER & GAMBLE COM NPV CUSIP 742718109							
439 000	67 89	0 00	29,803 71	19,919 62	9,884 09	0 00	9,884 09
QUALCOMM INC COM CUSIP 747525103 QCOM							
1,297 000	62 02	0 00	80,439 94	69,512 76	10,927 18	0 00	10,927 18
SCHLUMBERGER LTD COM COM CUSIP 806857108							
575 000	69 29	158 12	39,841 75	35,787 15	4,054 60	0 00	4,054 60
SPECTRA ENERGY CORP COM STK CUSIP 847560109							
1,283 000	27 38	0 00	35,128 54	34,185 40	943 14	0 00	943 14

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	 Translation	 Total
Equity Securities							
Common stock							
United States - USD							
ST JUDE MED INC COM CUSIP 790849103							
876 000	36 14	201 48	31 658 64	37,556 97	-5,898 33	0 00	-5,898 33
STARBUCKS CORP COM CUSIP 855244109							
926 000	53 62	0 00	49,652 12	42,014 92	7,637 20	0 00	7,637 20
UNITED TECHNOLOGIES CORP COM CUSIP 913017109							
397 000	82 01	0 00	32,557 97	14,741 25	17,816 72	0 00	17,816 72
UNITEDHEALTH GROUP INC COM CUSIP 91324P102							
902 000	54 24	0 00	48,924 48	40,973 15	7,951 33	0 00	7,951 33
US BANCORP CUSIP 902973304 USB							
1,608 000	31 94	313 56	51,359 52	28,171 51	23,188 01	0 00	23,188 01
V F CORP COM CUSIP 918204108							
457 000	150 97	0 00	68,993 29	48,203 08	20,790 21	0 00	20,790 21
VERIZON COMMUNICATIONS COM CUSIP 92343V104 VZ							
690 000	43 27	0 00	29,856 30	25,586 52	4,269 78	0 00	4,269 78
WALT DISNEY CO CUSIP 254687106							
852 000	49 79	0 00	42,421 08	21 414 41	21,006 67	0 00	21,006 67
WELLS FARGO & CO NEW COM STK CUSIP 949746101							
2,291 000	34 18	0 00	78,306 38	73,521 08	4,785 30	0 00	4,785 30
Total USD		1,456 16	2,756,085 18	2,302,120 74	453,964 44	0 00	453,964 44

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Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Unrealized gain/loss Translation	Unrealized gain/loss Total
Equity Securities							
Common stock							
Total United States		1,456 16	2,756,085 18	2,302,120 74	453,964 44	0 00	453,964 44
Total Common Stock							
53,183.000		**1,456.16**	**2,791,226.30**	**2,344,450.02**	**446,776.28**	**0.00**	**446,776.28**
Equity funds							
Emerging Markets Region - USD							
MFC ISHARES TR MSCI EMERGING MKTS INDEX FD CUSIP 464287234							
6,700 000	44 35	95 34	297,145 00	235,269 50	61,875 50	0 00	61,875 50
Total USD		95 34	297,145 00	235,269 50	61,875 50	0 00	61,875 50
Total Emerging Markets Region		95 34	297,145 00	235,269 50	61,875 50	0 00	61,875 50
International Region - USD							
MFO NEUBERGER BERMAN EQUITY FDS INTL INSTITUTIONAL FD CUSIP 641224811							
78,142 080	9 70	0 00	757,978 17	715,000 00	42,978 17	0 00	42,978 17
Total USD		0 00	757,978 17	715,000 00	42,978 17	0 00	42,978 17
Total International Region		0 00	757,978 17	715,000 00	42,978 17	0 00	42,978 17
United States - USD							
MFB NORTHN MULTI-MANAGER MID CAP FD CUSIP 665162574							
16,169 500	11 89	0 00	192 255 35	161,695 00	30,560 35	0 00	30,560 35
MFO DFA US SMALL CAP PORTFOLIO CUSIP 233203843 DFA_C							
10,002 600	22 67	0 00	226,758 94	230 400 52	-3,641 58	0 00	-3,641 58
Total USD		0 00	419,014 29	392,095 52	26,918 77	0 00	26,918 77
Total United States		0 00	419,014 29	392,095 52	26,918 77	0.00	26,918 77

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	 Translation	 Total
Equity Securities							
Total Equity Funds							
111,014.180		**95.34**	**1,474,137.46**	**1,342,365.02**	**131,772.44**	**0.00**	**131,772.44**
Other equity							
United States - USD							
SIMON PROPERTY GROUP INC COM CUSIP 828806109							
335 000	158 09	0 00	52 960 15	36 850 06	16,110 09	0 00	16,110 09
Total USD		0 00	52,960 15	36,850 06	16,110 09	0 00	16,110 09
Total United States		0 00	52,960 15	36,850 06	16,110 09	0 00	16,110 09
Total Other Equity							
335.000		**0.00**	**52,960.15**	**36,850.06**	**16,110.09**	**0.00**	**16,110.09**
Total Equity Securities							
164,532.180		**1,551.50**	**4,318,323.91**	**3,723,665.10**	**594,658.81**	**0.00**	**594,658.81**
Fixed Income Securities							
Corporate/government							
United States - USD							
CAMPBELL SOUP CO 3 05% DUE 07-15-2017 CUSIP 134429AV1							
100,000 000	108 111	1,406 38	108,111 00	100,760 00	7,351 00	0 00	7,351 00
Issue Date 06 Jul 10 Rate 3 05% Yield to Maturity 1 31% Maturity Date 15 Jul 17							
MFB NORTHN HI YIELD FXD INC FD CUSIP 665162699							
30,696 850	7 55	0 00	231,761 21	205,791 00	25,970 21	0 00	25,970 21
Issue Date 25 Aug 08							

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Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Unrealized gain/loss Translation	Total
Fixed Income Securities							
Corporate/government							
United States - USD							
MORGAN STANLEY GLOBAL NT 5 3 DUE 03-01-2013 BEO CUSIP 617446HR3							
100,000 000	100 5465	1,766 66	100,546 50	99,669 00	877 50	0 00	877 50
Rate 5 30% Yield to Matunty 5 165% Matunty Date 01 Mar 13							
PHILIP MORRIS INTL 4 5% DUE 03-26-2020 CUSIP 718172AH2							
100,000 000	116 4131	1,187 50	116,413 10	102,445 00	13,968 10	0 00	13,968 10
Issue Date 26 Mar 10 Rate 4 50% Yield to Matunty 2 163% Matunty Date 26 Mar 20							
TOYOTA MTR CR CORP MEDIUM TERM NTS 3 2 DUE 06-17-2015 CUSIP 89233P4B9							
100,000 000	106 0408	124 44	106,040 80	102,478 00	3,562 80	0 00	3,562 80
Issue Date 17 Jun 10 Rate 3 20% Yield to Matunty 0 661% Matunty Date 17 Jun 15							
Total USD		4,484 98	662,872 61	611,143 00	51,729 61	0 00	51,729 61
Total United States		4,484 98	662,872 61	611,143 00	51,729 61	0 00	51,729 61
Total Corporate/Government **430,696.850**		**4,484.98**	**662,872.61**	**611,143.00**	**51,729.61**	**0.00**	**51,729.61**
Total Fixed Income Securities **430,696.850**		**4,484.98**	**662,872.61**	**611,143.00**	**51,729.61**	**0.00**	**51,729.61**
Real Estate							
Real estate funds							
Global Region - USD							
MFB NORTHN FDS MULTI-MANAGER GLOBAL REALESTATE FD CUSIP 665162475							
6,088 010	18 31	0 00	111,471 46	109,212 35	2,259 11	0 00	2,259 11

◆ Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	 Translation	 Total
Real Estate							
Real estate funds							
Global Region - USD							
Total USD		0 00	111,471 46	109,212 35	2,259 11	0 00	2,259 11
Total Global Region		0 00	111,471 46	109,212 35	2,259 11	0 00	2,259 11
Total Real Estate Funds **6,088.010**		**0.00**	**111,471.46**	**109,212.35**	**2,259.11**	**0.00**	**2,259.11**
Total Real Estate **6,088.010**		**0.00**	**111,471.46**	**109,212.35**	**2,259.11**	**0.00**	**2,259.11**
Commodities							
Commodities							
United States - USD							
MFO PIMCO FDS PAC INVT MGMT SER COMMODITY REALRETURN STRATEGY FD INSTL CUSIP 722005667							
18,368 320	6 64	0 00	121,965 64	129,879 46	-7,913 82	0 00	-7,913 82
Total USD		0 00	121,965 64	129,879 46	-7,913 82	0 00	-7,913 82
Total United States		0 00	121,965 64	129,879 46	-7,913 82	0 00	-7,913 82
Total Commodities **18,368.320**		**0.00**	**121,965.64**	**129,879.46**	**-7,913.82**	**0.00**	**-7,913.82**
Total Commodities **18,368.320**		**0.00**	**121,965.64**	**129,879.46**	**-7,913.82**	**0.00**	**-7,913.82**

Cash and Short Term Investments

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Asset Detail - Base Currency

Description / Asset ID Investment Mgr ID Shares/PAR value	Exchange rate/ local market price	Accrued income/expense	Market Value	Cost	Unrealized gain/loss Market	Unrealized gain/loss Translation	Unrealized gain/loss Total
Cash and Short Term Investments							
Short term							
USD - United States dollar							
	1 00	1 35	136,989 79	136,989 79	0 00	0 00	0 00
Total short term - all currencies		1 35	136,989 79	136,989 79	0 00	0 00	0 00
Total short term - all countries		1 35	136,989 79	136,989 79	0 00	0 00	0 00
Total Short Term **136,989.790**		**1.35**	**136,989.79**	**136,989.79**	**0.00**	**0.00**	**0.00**
Total Cash and Short Term Investments **136,989.790**		**1.35**	**136,989.79**	**136,989.79**	**0.00**	**0.00**	**0.00**
Total **756,675.150**		**6,037.83**	**5,351,623.41**	**4,710,889.70**	**640,733.71**	**0.00**	**640,733.71**

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