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Form 990-PF

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

OMB No 1545-0052

2012

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2012 or tax year beginning

07/01, 2012, and ending

06/30, 2013

Name of foundation

THE TOWNSEND FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

C/O THE AYCO CO., L.P.  
321 BROADWAY

Room/suite

City or town, state, and ZIP code

SARATOGA SPRINGS, NY 12866

A Employer identification number

13-3748079

B Telephone number (see instructions)

(518) 640-5000

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) ► \$ 3,538,959.

(Part I, column (d) must be on cash basis.)

(J Accounting method  Cash  Accrual  Other (specify) \_\_\_\_\_)

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)
1 Contributions, gifts, grants, etc., received (attach schedule)					
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B . . . . .					
3 Interest on savings and temporary cash investments		92.	92.		
4 Dividends and interest from securities . . . . .		71,445.	71,072.		
5 a Gross rents . . . . .					
b Net rental income or (loss) _____					
6 a Net gain or (loss) from sale of assets not on line 10		119,854.			
b Gross sales price for all assets on line 6a 119,854.					
7 Capital gain net income (from Part IV, line 2) . . . . .			119,854.		
8 Net short-term capital gain . . . . .					
9 Income modifications . . . . .					
10 a Gross sales less returns and allowances . . . . .					
b Less Cost of goods sold . . . . .					
c Gross profit or (loss) (attach schedule) . . . . .					
11 Other income (attach schedule) ATCH. 3 . . . . .		-12,296.	-12,310.		
12 Total. Add lines 1 through 11 . . . . .		179,095.	178,708.		
13 Compensation of officers, directors, trustees, etc . . . . .		0			
14 Other employee salaries and wages . . . . .					
15 Pension plans, employee benefits . . . . .					
16 a Legal fees (attach schedule) . . . . .					
b Accounting fees (attach schedule) . . . . .					
c Other professional fees (attach schedule) . . . . .					
17 Interest . ATCH. 4 . . . . .		262.	334.		
18 Taxes (attach schedule) (see instructions) ATCH. 5 . . . . .		6,561.	1,564.		
19 Depreciation (attach schedule) and depletion . . . . .					
20 Occupancy . . . . .					
21 Travel, conferences, and meetings . . . . .					
22 Printing and publications . . . . .					
23 Other expenses (attach schedule) ATCH. 6 . . . . .		40,259.	39,703.		
24 Total operating and administrative expenses.					
Add lines 13 through 23 . . . . .		47,082.	41,601.		
25 Contributions, gifts, grants paid . . . . .		716,409.			716,409.
26 Total expenses and disbursements Add lines 24 and 25		763,491.	41,601.		716,409.
27 Subtract line 26 from line 12		-584,396.			
a Excess of revenue over expenses and disbursements . . . . .					
b Net investment income (if negative, enter -0-) . . . . .			137,107.		
c Adjusted net income (if negative, enter -0-) . . . . .					

JSA For Paperwork Reduction Act Notice, see instructions.

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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing . . . . .			
	2	Savings and temporary cash investments . . . . .	18,400.	92,622.	92,622.
	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 ►			
	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) ATCH 7 . . . . .	534,018.	414,688.	723,576.
	c	Investments - corporate bonds (attach schedule) . . . . .			
Liabilities	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ► (attach schedule)			
	12	Investments - mortgage loans . . . . .			
	13	Investments - other (attach schedule) . . . . . ATCH 8	2,191,336.	2,125,418.	2,722,761.
	14	Land, buildings, and equipment basis ►			
Net Assets or Fund Balances		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) . . . . .	2,743,754.	2,632,728.	3,538,959.
	17	Accounts payable and accrued expenses . . . . .			
	18	Grants payable . . . . .			
Liabilities	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ►) . . . . .			
	23	Total liabilities (add lines 17 through 22) . . . . .	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds . . . . .	2,743,754.	2,632,728.	
	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) . . . . .	2,743,754.	2,632,728.	
	31	Total liabilities and net assets/fund balances (see instructions) . . . . .	2,743,754.	2,632,728.	

**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	2,743,754.
2	Enter amount from Part I, line 27a . . . . .	2	-584,396.
3	Other increases not included in line 2 (itemize) ► ATCH 9 . . . . .	3	473,370.
4	Add lines 1, 2, and 3 . . . . .	4	2,632,728.
5	Decreases not included in line 2 (itemize) ► . . . . .	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	2,632,728.

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**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.)
<b>1a SEE PART IV SCHEDULE</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
2 Capital gain net income or (net capital loss)			2	119,854.	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }					
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	0	

**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	130,650.	2,834,842.	0.046087
2010	273,450.	2,796,753.	0.097774
2009	989,102.	2,898,911.	0.341198
2008	564,638.	3,310,165.	0.170577
2007	1,715,422.	5,745,134.	0.298587
<b>2</b> Total of line 1, column (d)			0.954223
<b>3</b> 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			0.190845
<b>4</b> Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			3,719,379.
<b>5</b> Multiply line 4 by line 3			709,825.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			1,371.
<b>7</b> Add lines 5 and 6			711,196.
<b>8</b> Enter qualifying distributions from Part XII, line 4			716,409.
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 ► <input type="checkbox"/> and enter "N/A" on line 1 . . .	(attach copy of letter if necessary - see instructions)	1	1,371.
Date of ruling or determination letter _____				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b . . .			
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)	2 3 4 5	1,371. 0 1,371.	
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .			
3	Add lines 1 and 2 . . .			
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . .			
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . .			
6	Credits/Payments	6a 6b 6c 6d	5,893.	
a	2012 estimated tax payments and 2011 overpayment credited to 2012 . . .			
b	Exempt foreign organizations - tax withheld at source . . .			
c	Tax paid with application for extension of time to file (Form 8868) . . .			
d	Backup withholding erroneously withheld . . .			
7	Total credits and payments Add lines 6a through 6d . . .	7 8 9	5,893.	
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached . . .			
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . ►			
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount <b>overpaid</b> ►	10 11	4,522. Refunded ►	
11	Enter the amount of line 10 to be <b>Credited to 2013 estimated tax</b> ►			

**Part VIII-A Statements Regarding Activities**

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

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

11		X
12		X
13	X	
Website address ► N/A		
14	THE AYCO COMPANY, LP-NTG	Telephone no ► (518) 640-5000
Located at ► 25 BRITISH AMERICAN BOULEVARD, LATHAM, NY ZIP+4 ► 12110		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ► <input type="checkbox"/> 15	
16	Yes	No X
See the instructions for exceptions and filing requirements for Form TD F 90-221. If "Yes," enter the name of the foreign country ►		

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . .	<input type="checkbox"/> Yes	X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . .	<input type="checkbox"/> Yes	X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . .	<input type="checkbox"/> Yes	X No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . .	<input type="checkbox"/> Yes	X No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . .	<input type="checkbox"/> Yes	X 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	N/A
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
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? . . . . .	<input type="checkbox"/> Yes	X 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	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . .	<input type="checkbox"/> Yes	X 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	N/A
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? . . . . .	<input type="checkbox"/>	5b	N/A
	Organizations relying on a current notice regarding disaster assistance check here . . . . . ► <input type="checkbox"/>			
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 . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> 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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<input type="checkbox"/>	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? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .	<input type="checkbox"/>	7b	N/A

**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
ATCH 10		0	0	0
-----				
-----				
-----				
-----				

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

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

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE	NONE	0

Total number of others receiving over \$50,000 for professional services . . . . . ►

## **Part IX-A      Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc		Expenses
1	THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT, BY CONTRIBUTIONS, ORGANIZATIONS EXEMPT UNDER IRC SECTION 501C3.	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	N/A	NONE
2		
All other program-related investments See instructions		
3	N/A	NONE
Total. Add lines 1 through 3 . . . . .		►

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**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	1,026,407.
b Average of monthly cash balances	1b	101,783.
c Fair market value of all other assets (see instructions)	1c	2,647,829.
d Total (add lines 1a, b, and c)	1d	3,776,019.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	3,776,019.
4 Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	56,640.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,719,379.
6 Minimum investment return. Enter 5% of line 5	6	185,969.

**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	185,969.
2a Tax on investment income for 2012 from Part VI, line 5	2a	1,371.
b Income tax for 2012 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	1,371.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	184,598.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	184,598.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	184,598.

**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	716,409.
b Program-related investments - total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	716,409.
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	1,371.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	715,038.

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 . . . . .				184,598.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only . . . . .				
b Total for prior years 20 10 20 09 20 08				
3 Excess distributions carryover, if any, to 2012				
a From 2007 . . . . . 1,429,009.				
b From 2008 . . . . . 399,130.				
c From 2009 . . . . . 854,078.				
d From 2010 . . . . . 142,711.				
e From 2011 . . . . . 0.				
f Total of lines 3a through e . . . . .	2,824,928.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 716,409.				
a Applied to 2011, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2012 distributable amount . . . . .				184,598.
e Remaining amount distributed out of corpus . . . . .	531,811.			
5 Excess distributions carryover applied to 2012 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,356,739.			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount - see instructions . . . . .				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
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) . . . . .				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . . . .	1,429,009.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a . . . . .	1,927,730.			
10 Analysis of line 9				
a Excess from 2008 . . . . . 399,130.				
b Excess from 2009 . . . . . 854,078.				
c Excess from 2010 . . . . . 142,711.				
d Excess from 2011 . . . . . 0.				
e Excess from 2012 . . . . . 531,811.				

**Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**

1 a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)
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				
	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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)(ii)				
	(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))

JOHN L. TOWNSEND, III

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	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
<b>Name and address (home or business)</b>				
<b>a Paid during the year</b>				
ATCH 11				
<b>Total</b>			► 3a	716,409.
<b>b Approved for future payment</b>				
<b>Total</b>			► 3b	

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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				14	92.	
4 Dividends and interest from securities		525990	373.	14	71,072.	
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		525990	14.	01	-12,310.	
8 Gain or (loss) from sales of assets other than inventory				18	119,854.	
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)			387.		178,708.	
13 Total Add line 12, columns (b), (d), and (e)					13	179,095.
(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 )

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

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?	Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash . . . . .	1a(1)	X
	(2) Other assets . . . . .	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization . . . . .	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization . . . . .	1b(2)	X
	(3) Rental of facilities, equipment, or other assets . . . . .	1b(3)	X
	(4) Reimbursement arrangements . . . . .	1b(4)	X
	(5) Loans or loan guarantees . . . . .	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations . . . . .	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

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

Signature of officer or trustee

Date \_\_\_\_\_

Title

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

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CHRISTINE W. DIONNA</b>	Preparer's signature 	Date <b>5/1/2014</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00999533</b>
	Firm's name ► <b>THE AYCO COMPANY, LP</b>	Firm's EIN ► <b>33-1187432</b>			
	Firm's address ► <b>PO BOX 860 SARATOGA SPRINGS, NY</b>	12866-0860	Phone no	<b>518-886-4000</b>	

THE TOWNSEND FAMILY FOUNDATION

13-3748079

**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis			
		TOTAL SHORT-TERM COMMON TRUST FUND AND PARTNERSHIP, S CORPORATION, AND OTHER ESTATES OR TRUST GAIN OR LOSS					8,377.	
		TOTAL LONG-TERM COMMON TRUST FUND AND PARTNERSHIP, S CORPORATION, AND OTHER ESTATES OR TRUST GAIN OR LOSS					111,477.	
TOTAL GAIN (LOSS) .....							<u>119,854.</u>	

ATTACHMENT 1FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
BANK OF NEW YORK #71178	20.	20.
BANK OF NEW YORK #00737	1.	1.
GOLDMAN SACHS #93794	71.	71.
 TOTAL	 <u>92.</u>	 <u>92.</u>

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GOLDMAN SACHS #93794 - DIVIDENDS	26,471.	26,471.
GS CAP PTRS VI PARALLEL K-1 - DIVIDENDS	8,644.	8,644.
GS DYNAMIC EQUITY K-1 - DIVIDENDS	28,645.	28,645.
KINDER MORGAN K-1 - DIVIDENDS	159.	159.
KINDER MORGAN K-1 - INTEREST	303.	303.
GS CAP PTRS VI PARALLEL K-1 - INTEREST	7,217.	6,844.
ALLIANCE BERNSTEIN HOLDING, LP-INTEREST	2.	2.
ENTERPRISE PRODUCT PARTNERS, LP-INTEREST	2.	2.
ALLIANCE BERNSTEIN HOLDING, LP-DIVIDENDS	2.	2.
 TOTAL	 <u>71,445.</u>	 <u>71,072.</u>

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SECTION 988 GAIN/LOSS FROM K-1		-2,389.
SECTION 1256 GAIN/LOSS FROM K-1		121.
SECTION 1231 GAIN/LOSS FROM K-1		401.
ORDINARY INCOME/LOSS FROM K-1		-11,175.
OTHER INCOME/LOSS FROM K-1		746.
TOTALS	<u><u>-12,296.</u></u>	<u><u>-12,310.</u></u>

ATTACHMENT 3

ATTACHMENT 4FORM 990PF, PART I - INTEREST EXPENSE

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INTEREST EXPENSE	262.	334.
TOTALS	<u><u>262.</u></u>	<u><u>334.</u></u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FOREIGN TAXES PAID	1,561.	1,564.
ESTIMATED FEDERAL TAX PAYMENTS	5,000.	0.
<b>TOTALS</b>	<b><u>6,561.</u></b>	<b><u>1,564.</u></b>

ATTACHMENT 5

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT MANAGEMENT FEES	<u>22,030.</u>	<u>22,030.</u>
FILING FEES	250.	0.
PORTFOLIO DEDUCTIONS FROM K-1	17,673.	17,673.
NONDEDUCTIBLE EXPENSE FROM K-1	62.	0.
BANK CHARGES	244.	0.
TOTALS	<u><u>40,259.</u></u>	<u><u>39,703.</u></u>

ATTACHMENT 6

FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING</u> <u>FMV</u>
GOLDMAN SACHS #93794	414,688.	723,576.
TOTALS	<u>414,688.</u>	<u>723,576.</u>

ATTACHMENT 7

FORM 990PF, PART II - OTHER INVESTMENTSATTACHMENT 8

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>ENDING FMV</u>
K-1 GS GMS ALPHA PLUS	1,506,793.	2,004,355.
K-1 GS CAPITAL PTR VI PARALLEL	514,738.	522,467.
K-1 KINDER MORGAN ENERGY PTRS	-111.	102,480.
K-1 GSCP VI PARALLEL AIV	62,296.	33,349.
ALLIANCE PARTNERS	1,250.	2,186.
ENTERPRISE PRODUCT PARTNERS	40,452.	57,924.
 TOTALS	 <u>2,125,418.</u>	 <u>2,722,761.</u>

ATTACHMENT 9FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
PRIOR PERIOD ADJUSTMENT -K-1 INVESTMENTS	23,616.
APPRECIATION OVER DONORS COST OF STOCK	449,754.
DONATED OUT OF THE FOUNDATION	
TOTAL	<u>473,370.</u>

## ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS EXPENSE ACCT TO EMPLOYEE AND OTHER BENEFIT PLANS ALLOWANCES	
			0	0
JOHN L. TOWNSEND, III C/O THE AYCO CO., L.P. 321 BROADWAY SARATOGA SPRINGS, NY 12866	TRUSTEE - AS NEEDED	0	0	0
MARREE S. TOWNSEND C/O THE AYCO CO., L.P. 321 BROADWAY SARATOGA SPRINGS, NY 12866	TRUSTEE - AS NEEDED	0	0	0
	GRAND TOTALS	0	0	0

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

## FOUNDATION STATUS OF RECIPIENT

SEE ATTACHED LIST

NONE

501(C)(3)

## RECIPIENT NAME AND ADDRESS

AMOUNT

716,409.

## TOTAL CONTRIBUTIONS PAID

PURPOSE OF GRANT OR CONTRIBUTION716,409.

FOR GENERAL CHARITABLE PURPOSES

**THE TOWNSEND FAMILY FOUNDATION  
CHARITABLE CONTRIBUTION LIST  
FYE: 6/30/13**

Date	CHECK #	Description	AMOUNT
12/21/12	995	The Possee Foundation, New York, NY	10,000 00
12/24/12	994	Grand Teton National Park Foundation, Moose, WY	15,000 00
01/24/13	996	University of North Carolina, Chapel Hill, NC	1,000 00
01/31/13	997	Family Centers, Greenwich, CT	1,000 00
02/04/13	998	Merritt Parkway Conservancy, Stamford, CT	500 00
02/07/13	999	Madeira School, McLean, VA	2,000 00
02/12/13	1000	Meals on Wheels, Greenwich, CT	1,000 00
04/11/13	1002	Cystic Fibrosis Foundation, Bethesda, MD	10,000 00
04/11/13	1003	Dartmouth College, Tuck School of Business, Hanover, NH	25,000 00
05/02/13	1004	Greenwich Historical Society, Greenwich, CT	10,000 00
05/03/13	1005	Family Centers, Greenwich, CT	250 00
05/03/13	1006	Family ReEntry, Norwalk, CT	500 00
05/22/13	1008	Museum of Modern Art, New York, NY	2,000 00
05/31/13	1007	Grand Teton Association, Moose, WY	1,000 00
05/31/13	1009	Episcopal Church of Jackson Hole, Jackson, WY	2,500 00
05/31/13	1012	Virginia Theological Seminary, Alexandria, VA	20,000 00
06/17/13	1011	Preservation Foundation, Palm Beach, FL	5,000 00
06/18/13	1014	Round Hill Scholarship Fund, Greenwich, CT	150 00
06/20/13	1015	The American Alpine Club, Golden, CO	500 00
06/21/13	1013	Episcopal High School, Alexandria, VA	50,000 00
06/25/13	1010	NY Botanical Garden, Bronx, NY	2,500 00
07/02/13	1018	Classical American Homes Preservation Trust, New York, NY	10,000 00
07/08/13	1016	The Frick Collection, New York, NY	1,000 00
07/08/13	1017	The Frick Collection, New York, NY	1,000 00

**Total Charitable Contributions Paid \$ 171,900.00**

*All contributions were made to the general purpose fund of public charitable organizations that were classified under Section 501(c)(3) of the Internal Revenue Code.*

THE TOWNSEND FAMILY FOUNDATION  
EIN: 13-3748079  
STOCK CONTRIBUTIONS PAID

<u>Recipient</u>	<u>Date</u>	<u>Shares</u>	<u>Stock</u>	<u>Cost Basis</u>	<u>FMV</u>	<u>Appreciation</u>
Episcopal High School, Alexandria, VA	06/25/13	100.00	Bristol Myers Squibb Co (BMY)	197.20	4,542.00	4,344.80
Episcopal High School, Alexandria, VA	06/25/13	800.00	Bristol Myers Squibb Co (BMY)	1,577.63	36,336.00	34,758.37
Episcopal High School, Alexandria, VA	06/25/13	358.00	Bristol Myers Squibb Co (BMY)	5,094.10	16,260.36	11,166.26
Episcopal High School, Alexandria, VA	06/25/13	140.00	Bristol Myers Squibb Co (BMY)	1,992.10	6,358.80	4,366.70
Episcopal High School, Alexandria, VA	06/25/13	1,200.00	Goldman Sachs Group(GS)	16,929.89	183,516.00	166,586.11
Episcopal High School, Alexandria, VA	06/25/13	1,000.00	JPMorgan Chase & Co(JPM)	38,920.00	56,055.00	17,135.00
Episcopal High School, Alexandria, VA	06/25/13	895.00	MERCK & CO., INC. (MRK)	18,295.09	50,442.20	32,147.11
Episcopal High School, Alexandria, VA	06/25/13	350.00	MERCK & CO., INC. (MRK)	8,230.42	19,726.00	11,495.58
Episcopal High School, Alexandria, VA	06/25/13	1,500.00	ROYAL BANK OF CANADA (RY)	3,518.47	97,102.50	93,584.03
Episcopal High School, Alexandria, VA	06/25/13	1,000	Kinder Morgan Energy Ptrs	-	74,170.00	74,170.00
		<b>94,754.90</b>		<b>544,508.86</b>	<b>449,753.96</b>	

The FMV is calculated using the average of the hi/low of the stock price on the date of contribution

**SCHEDULE D  
(Form 1041)**Department of the Treasury  
Internal Revenue Service**Capital Gains and Losses**

OMB No. 1545-0092

► 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](http://www.irs.gov/form1041).

**2012**

Name of estate or trust

THE TOWNSEND FAMILY FOUNDATION

Employer identification number

13-3748079

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	
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	8,377.
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		8,377.

**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					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	6b	
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	111,477.
9 Capital gain distributions . . . . .	9	
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		111,477.

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

Schedule D (Form 1041) 2012

JSA

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<b>Part III Summary of Parts I and II</b>		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss) . . . . .	13		8,377.
14	Net long-term gain or (loss):			
a	Total for year . . . . .	14a		111,477.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht) . . . . .	14b		
c	28% rate gain . . . . .	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ►	15		119,854.

**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.

<b>Part IV Capital Loss Limitation</b>	
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

**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?			
	<input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box	25		
	<input type="checkbox"/> No. Enter the amount from line 23. . . . .	26		
26	Subtract line 25 from line 24 . . . . .	26		
27	Are the amounts on lines 22 and 26 the same?	27		
	<input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31	28		
	<input type="checkbox"/> No. Enter the smaller of line 17 or line 22	29		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	29		
29	Subtract line 28 from line 27 . . . . .	30		
30	Multiply line 29 by 15% (15) . . . . .	31		
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) . . . . .	32		
32	Add lines 30 and 31 . . . . .	33		
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) . . . . .	34		
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 (Form 1041) 2012