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Return of Private Foundation

2016

Department of the Treasury
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation
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Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation: **HESED FOUNDATION INC.**

Number and street (or P O box number if mail is not delivered to street address): **P.O BOX 716**

Room/suite: _____

City or town, state or province, country, and ZIP or foreign postal code: **RYE BEACH, NH 03871**

A Employer identification number: **02-0513464**

B Telephone number: **603-548-7767**

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

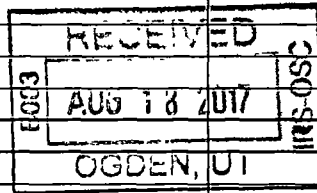
G Check all that apply:
 Initial return
 Final return
 Address change
 Initial return of a former public charity
 Amended return
 Name change

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): **\$ 924,536.**

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	3,190.	3,190.		STATEMENT 1
	4 Dividends and interest from securities	21,772.	21,772.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<18,839.>			
	b Gross sales price for all assets on line 6a	489,452.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	6,123.	24,962.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees	STMT 3	7,281.	7,281.	0.
	17 Interest				
	18 Taxes	STMT 4	107.	107.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 Total operating and administrative expenses. Add lines 13 through 23		7,388.	7,388.	0.
	25 Contributions, gifts, grants paid		72,500.		72,500.
26 Total expenses and disbursements. Add lines 24 and 25		79,888.	7,388.	72,500.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<73,765.>			
b Net investment income (if negative, enter -0-)			17,574.		
c Adjusted net income (if negative, enter -0-)			N/A		



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Part II Balance Sheets <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	54,325.	24,174.	24,174.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 5	741,613.	715,090.	794,451.
	c Investments - corporate bonds STMT 6	120,756.	105,446.	105,911.
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment; basis ▶ Less accumulated depreciation ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)	916,694.	844,710.	924,536.	
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			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	916,694.	844,710.	
30 Total net assets or fund balances	916,694.	844,710.		
31 Total liabilities and net assets/fund balances	916,694.	844,710.		

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	916,694.
2 Enter amount from Part I, line 27a	2	<73,765.>
3 Other increases not included in line 2 (itemize) ▶ BASIS ADJUSTMENT TO SECURITIES	3	1,781.
4 Add lines 1, 2, and 3	4	844,710.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	844,710.

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 UBS FINANCIAL SERVICES-SEE ATTACHED	P	VARIOUS	VARIOUS
b UBS FINANCIAL SERVICES-SEE ATTACHED	P	VARIOUS	VARIOUS
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 280,197.		294,078.	<13,881.>
b 209,255.		214,213.	<4,958.>
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (i) over col. (j), if any	
a			<13,881.>
b			<4,958.>
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	<18,839.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	57,302.	998,224.	.057404
2014	64,369.	1,025,425.	.062773
2013	51,000.	1,002,494.	.050873
2012	50,000.	915,900.	.054591
2011	50,400.	963,032.	.052335

2 Total of line 1, column (d)	2	.277976
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	.055595
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	925,710.
5 Multiply line 4 by line 3	5	51,465.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	176.
7 Add lines 5 and 6	7	51,641.
8 Enter qualifying distributions from Part XII, line 4	8	72,500.

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. 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	176.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	176.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	176.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	648.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	648.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	472.
11	Enter the amount of line 10 to be: Credited to 2017 estimated tax <input checked="" type="checkbox"/> 472. Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
d		
e		
2		X
3		X
4a		X
4b		N/A
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► WWW.HESEDFOUNDATION.ORG		X
14 The books are in care of ► ELIZA SHULMAN Telephone no. ► 603-548-7767 Located at ► P.O. BOX 716, RYE BEACH, NH ZIP+4 ► 03871		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	16	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) 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. ► _____, _____, _____, _____		2b
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 <input checked="" type="checkbox"/> No b If "Yes," did it have excess business holdings in 2016 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 2016.) N/A		3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?		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 4945(d)(4)(A)? (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)? **N/A** **5b**

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

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

If "Yes" to 6b, file Form 8870.

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7		0.	0.	0.

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

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

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

Part 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	900,561.
b	Average of monthly cash balances	1b	39,246.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	939,807.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	939,807.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	14,097.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	925,710.
6	Minimum investment return. Enter 5% of line 5	6	46,286.

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	46,286.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	176.	
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b	2c	176.	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	46,110.	
4	Recoveries of amounts treated as qualifying distributions	4	0.	
5	Add lines 3 and 4	5	46,110.	
6	Deduction from distributable amount (see instructions)	6	0.	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	46,110.	

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	72,500.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	72,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	176.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	72,324.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				46,110.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	3,347.			
b From 2012	5,106.			
c From 2013	1,972.			
d From 2014	14,866.			
e From 2015	7,887.			
f Total of lines 3a through e	33,178.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 72,500.				
a Applied to 2015, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				46,110.
e Remaining amount distributed out of corpus	26,390.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	59,568.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	3,347.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	56,221.			
10 Analysis of line 9:				
a Excess from 2012	5,106.			
b Excess from 2013	1,972.			
c Excess from 2014	14,866.			
d Excess from 2015	7,887.			
e Excess from 2016	26,390.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling []
 b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

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

NONE

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

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

SEE STATEMENT 8

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

c Any submission deadlines:

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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEE ATTACHED SCHEDULE				72,500.
Total			▶ 3a	72,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

HESED FOUNDATION INC. EIN 02-0513464
 FORM 990-PF
 12/31/2016

PART II BALANCE SHEET, LINE 10b, Investments Corporate Stocks

Security Description	# of Shs.	Cost	FMV
ABBVIE INC.	200	10,760	\$ 12,524
ACCENTURE PLC IRELAND	183	19,624	21,435
APPLE INC	225	26,206	26,060
ADOBE SYSTEMS INC	187	16,124	19,252
BLACKROCK CORE BOND TRUST	1,611	22,451	20,959
BRITISH AMER TOBACCO PLC	90	11,510	10,140
CBRE CLARION GLOBAL REAL ESTAT	12	97	88
CELGENJE CORP	131	13,699	15,163
CHUBB LTD CHF	133	15,625	17,572
COCA COLA CO.	342	14,352	14,179
COHEN & STEERS PREFERRED SEC & INC FUND	1,519	20,652	20,409
COMCAST CORP	180	11,157	12,429
CRANE CO	423	19,664	30,507
CVS HEALTH CORP	200	11,911	15,782
DIAGO PLC NEW GB SPON ADR	99	11,524	10,290
FT-PREFERRED SECUR & INC ETF	1,000	19,590	18,990
GENERAL ELECTRIC CO.	500	14,352	15,800
HOME DEPOT INC.	114	14,346	15,285
HONEYWELL INTL INC.	127	13,580	14,713
INTEL CORP.	745	20,762	27,021
INVESCO LTD	485	14,359	14,715
ISHARES US PFD STOCK ETF INDEX FUND	400	15,749	14,884
ITEMIZE CORP	13,369	25,000	25,000
JOHNSON CONTROLS INT. PLLC	391	17,624	16,105
JOHNSON & JOHNSON COM	224	16,875	25,807
JPMORGAN CHASE & CO.	314	20,693	27,095
LOCKHEED MARTIN CORP	74	16,475	18,496
MARSH & MCLENNAN COS INC.	345	19,052	23,318
MASTERCARD INC.	150	13,874	15,488
MCDONALDS CORP	129	14,655	15,702
MEDTRONIC INC.	312	23,778	22,224
MICROSOFT CORP	546	20,529	33,928
NEXTERA ENERGY INC.	246	23,319	29,387
NOVARTUS AG SPON ADR	184	14,331	13,403
NUVEEN PFD SECURITIES INCOME FUND	1,000	8,957	9,310
PIMCO INCOME FUND CLASS P	712	8,920	8,584
PRAXAIR INC.	96	11,563	11,250
TEXAS INSTRUMENTS	194	13,459	14,156
TIX COS INC NEW	146	10,904	10,969
TRAVELERS COS INC	100	10,952	12,242
UNION PACIFIC CORP	250	23,968	25,920
UNITED TECHNOLOGIES CORP	207	17,442	22,691
VF CORP	240	13,501	12,804
VISA INC.	205	14,947	15,994
WESTERN ASSET INVT GRADE DEFINED OPP. INC.	803	16,178	16,381
	<u>29,143</u>	<u>715,090</u>	<u>\$ 794,451</u>

HESED FOUNDATION INC. EIN 02-0513464
FORM 990-PF
12/31/2016

PART II BALANCE SHEET, LINE 10C, Investments Corporate Bonds

Security Description	Face Value	Cost	FMV
BK OF AMER CORP	\$ 15,000	\$ 15,074	\$ 15,128
CONAGRA FOODS INC.	15,000	14,629	15,069
GENERAL MOTORS FINL CO INC.	15,000	15,154	14,423
MORGAN STANLEY NOTES	15,000	14,997	15,158
THERMO FISHER SCIENTIFIC	15,000	15,072	15,114
TIME WARNER CABLE INC.	15,000	15,138	15,508
WYNDHAM WORLDWIDE CORP	15,000	15,382	15,511
	<u>\$ 105,000</u>	<u>\$ 105,446</u>	<u>\$ 105,911</u>



Checks (continued)

Check number	Date cleared	Description	Amount (\$)
001515	Jan 4, 16	SMITH COLLEGE	400 00
001516	Jan 19, 16	UNIV OF NEW ENGLAND	150 00
001517	Jan 20, 16	PAYEE UNRECORDED	250 00
001518	Jan 7, 16	THE DARTMOUTH INSTITUTE	150 00
001519	Jan 7, 16	CAMBRIDGE LIBRARY FUND	100 00
001520	Jan 11, 16	BOSTON UNIV SCH OF PUBLIC H	500 00

Check number	Date cleared	Description	Amount (\$)
001521	Jan 8, 16	FUGEES FAMILY	200 00
001522	Jan 6, 16	ANIMAL RESCUE LEAGUE	250 00
001523	Jan 12, 16	Payee Unrecorded	250 00
001524	Mar 25, 16	PLANNED PARENTHOOD NORTHERN	10,000 00
001525	May 20, 16	STATE OF NH	75 00
001534	Jun 3, 16	MIDDLEBURY COLLEGE	1,000 00
Total			\$60,619.25
Total Checks			\$60,619.25

Realized gains and losses

Estimated 2016 gains and losses for transactions with trade dates through 12/30/16 have been incorporated into this statement. Please note that gain or loss recognized on the sale or redemption of certain Structured Products, like Contingent Debt Securities, may be ordinary, and not capital, gain or loss. Please check with your tax advisor. To calculate gains and losses, we liquidate the oldest security lot first. This is known as the first-in, first-out or FIFO accounting method. We use this method unless you specified which tax lot to close when you placed your order. This is known as a versus purchases or VSP order.

See Important information about your statement on the last page of this statement for more information. We may not adjust gains and losses for all capital changes. Cost basis for coupon tax-exempt municipal securities include securities subject to AMT, has been adjusted for mandatory amortization of bond premium. Estimates in the Unclassified section can not be classified as short term or long term because information is missing, or the product is one in which the gain/loss calculation is not provided.

Short-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
ABBVIE INC COM	FIFO	200 000	Sep 18, 15	Aug 15, 16	13,505 95	12,253 98			1,251 97
ADIANT PLC	Adjustment	0 100	Oct 31, 16	Oct 31, 16	4 54	4 66		-0 12	
	FIFO	29 600	Oct 31, 16	Nov 09, 16	1,308 90	1,378 91		-70 01	
	FIFO	9 400	Oct 31, 16	Nov 09, 16	415 67	437 90		-22 23	
ADVANSIX INC	FIFO	0 080	Mar 08, 16	Oct 03, 16	1 19	1 14			0 05
	FIFO	5 000	Mar 08, 16	Oct 04, 16	75 44	71 14			4 30
ANHEUSER BUSCH INBEV SPON ADR	FIFO	50 000	Jun 01, 16	Sep 20, 16	6,311 46	6,333 50		-22 04	
BRISTOL MYERS SQUIBB CO	FIFO	223 000	Aug 15, 16	Oct 18, 16	11,170 95	13,511 40		-2,340 45	
CBRE CLARION GLOBAL REAL ESTAT	FIFO	7 000	Jun 30, 15	Jun 27, 16	53 99	55 61		-1 62	
	FIFO	8 000	Jul 31, 15	Jun 27, 16	61 70	64 62		-2 92	
	FIFO	8 000	Aug 31, 15	Jun 27, 16	61 70	62 11		-0 41	

continued next page



Realized gains and losses (continued)

Short-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
	FIFO	9 000	Sep 30, 15	Jun 27, 16	69 41	67 04			2 37
	FIFO	8 000	Oct 30, 15	Jun 27, 16	61 70	63 72		-2 02	
	FIFO	626 000	Nov 03, 15	Jun 27, 16	4,827 98	5,068 60		-240 62	
	FIFO	13 000	Nov 30, 15	Jun 27, 16	100 27	100 00			0 27
	FIFO	13 000	Dec 31, 15	Jun 27, 16	100 26	99 36			0 90
	FIFO	14 000	Jan 29, 16	Jun 27, 16	107 97	99 77			8 20
	FIFO	14 000	Feb 29, 16	Jun 27, 16	107 98	100 34			7 64
	FIFO	13 000	Mar 31, 16	Jun 27, 16	100 26	101 56		-1 30	
	FIFO	13 000	Apr 29, 16	Jun 27, 16	100 26	102 34		-2 08	
	FIFO	13 000	May 31, 16	Jun 27, 16	100 26	102 82		-2 56	
COCA COLA CO COM	FIFO	459 000	Dec 15, 15	Mar 08, 16	20,372 23	19,679 63			692 60
COHEN & STEERS LTD DURATION PFD & INCOME FD INC	FIFO	1,000 000	Jun 16, 16	Nov 10, 16	23,223 20	24,091 90		-868 70	
DOLLAR GEN CORP NEW	FIFO	147 000	Mar 03, 16	Aug 16, 16	13,260 58	10,930 23			2,330 35
DR PEPPER SNAPPLE GROUP INC	FIFO	119 000	Mar 03, 16	Apr 21, 16	10,299 21	10,887 31		-588 10	
	FIFO	41 000	Mar 08, 16	Apr 21, 16	3,548 47	3,746 58		-198 11	
ESSEX PROPERTY TRUST INC	FIFO	49 000	Mar 03, 16	Oct 04, 16	10,613 66	10,777 06		-163 40	
	FIFO	16 000	Mar 08, 16	Oct 04, 16	3,465 69	3,557 92		-92 23	
FREEMONT-MCMORAN COPPER 04 000% 111421 DTD111414 FC051415 CALL@MW+30BP	FIFO	15,000 000	May 07, 15	Jan 06, 16	8,741 25	14,951 40		-6,210 15	
JOHNSON CONTROLS INC **MERGER EFF 09/2016**	FIFO	210 000	Jul 06, 15	Feb 08, 16	7,410 76	10,527 19		-3,116 43	
MARSH & MCLENNAN COS INC	FIFO	139 000	Sep 18, 15	Jun 16, 16	9,031 33	7,410 98			1,620 35
MCDONALDS CORP	FIFO	15 000	Dec 15, 15	May 25, 16	1,849 17	1,764 00			85 17
METLIFE INC	FIFO	400 000	Sep 18, 15	Feb 05, 16	15,916 55	18,614 40		-2,697 85	
MYLAN N V EUR	FIFO	300 000	Nov 03, 15	Jun 16, 16	13,240 21	14,049 72		-809 51	
PEPSICO INC	FIFO	200 000	Dec 15, 15	Mar 08, 16	19 986 54	19,678 00			308 54
RAYTHEON CO NEW	FIFO	88 000	Mar 03, 16	Oct 04, 16	12,061 91	10,959 42			1,102 49

continued next page



Realized gains and losses (continued)

Short-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
ROCKWELL AUTOMATION INC NEW	FIFO	206 000	Jan 30, 15	Jan 20, 16	18,349 40	22,338 13		-3,988 73	
SCHLUMBERGER LTD NETHERLANDS ANTILLES	FIFO	278 000	Dec 15, 15	Oct 04, 16	21,807 23	19,696 36			2,110 87
STARBUCKS CORP	FIFO	189 000	Mar 08, 16	Oct 04, 16	10,132 79	10,970 75		-837 96	
WALT DISNEY CO (HOLDING CO) DISNEY COM	FIFO	100 000	Jun 01, 16	Oct 18, 16	9,119 30	9,784 36		-665 06	
	FIFO	100 000	Aug 24, 16	Oct 18, 16	9,119 30	9,582 00		-462 70	
Total					\$280,196 62	\$294,077 86		-\$23,407 31	\$9,526 07
Net short-term capital gains and losses								-\$13,881 24	

Long-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
BOEING COMPANY	FIFO	150 000	Dec 16, 11	Oct 04, 16	19,827 32	10,903 31			8,924 01
	FIFO	34 000	Sep 11, 14	Oct 04, 16	4,494 19	4,333 98			160 21
CBRE CLARION GLOBAL REAL ESTAT	FIFO	1,256 000	May 02, 14	Jun 27, 16	9,686 81	10,756 61		-1,069 80	
	FIFO	6 000	May 30, 14	Jun 27, 16	46 28	53 37		-7 09	
	FIFO	6 000	Jun 30, 14	Jun 27, 16	46 27	53 91		-7 64	
	FIFO	6 000	Jul 31, 14	Jun 27, 16	46 28	54 08		-7 80	
	FIFO	6 000	Aug 29, 14	Jun 27, 16	46 27	54 34		-8 07	
	FIFO	6 000	Sep 30, 14	Jun 27, 16	46 28	50 19		-3 91	
	FIFO	6 000	Oct 31, 14	Jun 27, 16	46 27	52 91		-6 64	
	FIFO	6 000	Nov 28, 14	Jun 27, 16	46 28	53 89		-7 61	
	FIFO	6 000	Dec 31, 14	Jun 27, 16	46 27	54 33		-8 06	
	FIFO	6 000	Jan 30, 15	Jun 27, 16	46 28	56 38		-10 10	
	FIFO	6 000	Feb 27, 15	Jun 27, 16	46 27	54 35		-8 08	
	FIFO	6 000	Mar 31, 15	Jun 27, 16	46 27	54 18		-7 91	
	FIFO	6 000	Apr 30, 15	Jun 27, 16	46 28	52 55		-6 27	
	FIFO	6 000	May 29, 15	Jun 27, 16	46 27	51 62		-5 35	

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Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
CONTINENTAL RESOURCES 05 000% 091522 DTD091512 FC031513 CALL@MW+50BP	Adjustment	15,000 000	Nov 26, 14	Jan 06, 16	10,912 50	15,699 15		-4,786 65	
DOMINION RESOURCES INC VA (NEW)	FIFO	302 000	Mar 17, 14	Mar 08, 16	21,624 21	21,306 07			318 14
ILLINOIS TOOL WORKS INC	FIFO	260 000	Mar 17, 14	Jan 11, 16	21,341 67	21,322 57			19 10
INVESCO LTD	FIFO	611 000	Mar 17, 14	Jan 28, 16	17,582 73	21,315 96		-3,733 23	
NOVARTIS AG SPON ADR	FIFO	180 000	Jan 09, 12	Feb 08, 16	13,127 16	10 447 31			2,679 85
	FIFO	70 000	Sep 11, 14	Feb 08, 16	5,105 00	6,583 68		-1,478 68	
OCCIDENTAL PETROLEUM CRP	FIFO	110 000	Jul 13, 12	Jan 11, 16	6,616 97	9,241 70		-2,624 73	
	FIFO	106 000	Jun 18, 14	Jan 11, 16	6,376 36	10,523 70		-4,147 34	
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR	FIFO	433 000	Nov 18, 13	Sep 21, 16	21,828 57	16 509 29			5,319 28
TORONTO DOMINION BK NEW CANADA CAD	FIFO	449 000	Sep 11, 14	Feb 08, 16	16,653 10	23,507 74		-6,854 64	
VF CORP	FIFO	261 000	Mar 31, 14	May 20, 16	15,951 97	16,181 97		-230 00	
WELLS FARGO & CO NEW	FIFO	400 000	Sep 14, 12	Oct 04, 16	17,525 06	14,883 37			2,641 69
Total					\$209,255.19	\$214,212.51		-\$25,019.60	\$20,062.28
Net long-term capital gains or losses								-\$4,957.32	
Net capital gains/losses								-\$18,838.56	

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
UBS FINANCIAL SERVICES	2,878.	2,878.	
UBS FINANCIAL SERVICES-ACCRUED INTEREST PAID	312.	312.	
TOTAL TO PART I, LINE 3	3,190.	3,190.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
UBS FINANCIAL SERVICES	21,772.	0.	21,772.	21,772.	
TO PART I, LINE 4	21,772.	0.	21,772.	21,772.	

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
UBS FINANCIAL FEES	7,206.	7,206.		0.
STATE FEE	75.	75.		0.
TO FORM 990-PF, PG 1, LN 16C	7,281.	7,281.		0.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX PAID ON DIVIDENDS	107.	107.		0.
TO FORM 990-PF, PG 1, LN 18	107.	107.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	715,090.	794,451.
TOTAL TO FORM 990-PF, PART II, LINE 10B	715,090.	794,451.

FORM 990-PF	CORPORATE BONDS	STATEMENT	6
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	105,446.	105,911.
TOTAL TO FORM 990-PF, PART II, LINE 10C	105,446.	105,911.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ELIZA SHULMAN 6 HOLLIS PARK CAMBRIDGE, MA 02140	SECRETARY 0.00		0.	0.
JASON SHULMAN 50 WASHINGTON PARK AVE MILL VALLEY, CA 94941	TREASURER 0.00		0.	0.
ALEXANDER SHULMAN 75 PARK TERRACE EAST NEW YORK, NY 10034	TRUSTEE 0.00		0.	0.
JENNIFER SHULMAN 50 WASHINGTON PARK AVE MILL VALLEY, CA 94941	TRUSTEE 0.00		0.	0.
LUKE SHULMAN 2 PEARL STREET CHARLESTOWN, MA 02129	TRUSTEE 0.00		0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII			0.	0.

FORM 990-PF

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

STATEMENT 8

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

HESED FOUNDATION
P.O. BOX 716
RYE BEACH, NH 03871

TELEPHONE NUMBER

603-548-7767

EMAIL ADDRESS

GRANTS@HESEDFOUNDATION.ORG

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED

ANY SUBMISSION DEADLINES

OCTOBER 15
OCTOBER 15

RESTRICTIONS AND LIMITATIONS ON AWARDS

SEE ATTACHED