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

2011

Department of the Treasury
Internal Revenue Service

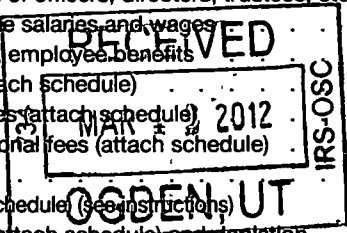
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2011 or tax year beginning January 1, 2011, and ending December 31, 2011

Name of foundation The Kimberly A. Nelson Foundation, Inc		A Employer identification number 27-1827303
Number and street (or P.O. box number if mail is not delivered to street address) P.O. Box 484	Room/suite	B Telephone number (see instructions) 732 868 1622
City or town, state, and ZIP code Martinsville, NJ 08836-0484		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 21663.01	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis.)</i>	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	6148.88			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	75.55	75.55	75.55	
	4 Dividends and interest from securities	0	0	0	
	5a Gross rents	0	0	0	
	b Net rental income or (loss)	0			
	6a Net gain or (loss) from sale of assets not on line 10	0			
	b Gross sales price for all assets on line 6a	0			
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications			0	
	10a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0		0		
11 Other income (attach schedule)	1342.00	0	0		
12 Total. Add lines 1 through 11	7566.43	75.55	75.55		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0	0	0	0
	14 Other employee salaries and wages	0	0	0	0
	15 Pension plans, employee benefits	0	0	0	0
	16a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	0	0	0	0
	c Other professional fees (attach schedule)	24.20	0	0	24.20
	17 Interest	0	0	0	0
	18 Taxes (attach schedule) (see instructions)	0.56	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	0
	20 Occupancy	0	0	0	0
	21 Travel, conferences, and meetings	0	0	0	0
	22 Printing and publications	0	0	0	0
	23 Other expenses (attach schedule)	77.83	0	0	77.83
	24 Total operating and administrative expenses. Add lines 13 through 23	102.59	0	0	102.03
	25 Contributions, gifts, grants paid	1640.00			1640.00
26 Total expenses and disbursements. Add lines 24 and 25	1742.59	0	0	1742.03	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	5823.84				
b Net investment income (if negative, enter -0-)		75.55			
c Adjusted net income (if negative, enter -0-)			75.55		

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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	4811.08	4873.59	4873.59
	2	Savings and temporary cash investments	11028.09	16789.42	16789.42
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	5	Grants receivable	0	0	0
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶	0	0	0
	8	Inventories for sale or use	0	0	0
	9	Prepaid expenses and deferred charges	0	0	0
	10a	Investments—U.S. and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	0	0	0
	c	Investments—corporate bonds (attach schedule)	0	0	0
	11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	0	0	0	
12	Investments—mortgage loans	0	0	0	
13	Investments—other (attach schedule)	0	0	0	
14	Land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶	0	0	0	
15	Other assets (describe ▶)	0	0	0	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item l)	15839.17	21663.01	21663.01	
Liabilities	17	Accounts payable and accrued expenses	0	0	
	18	Grants payable	0	0	
	19	Deferred revenue	0	0	
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶)	0	0	
	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"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <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	15839.17	21663.01	
30	Total net assets or fund balances (see instructions)	15839.17	21663.01		
31	Total liabilities and net assets/fund balances (see instructions)	15839.17	21663.01		

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)	15839.17
2	Enter amount from Part I, line 27a	5823.84
3	Other increases not included in line 2 (itemize) ▶	0
4	Add lines 1, 2, and 3	21663.01
5	Decreases not included in line 2 (itemize) ▶	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	21663.01

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	N/A			
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
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. (j) over col. (k), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	0
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))
2010	960.86	8440.09	.114
2009			
2008			
2007			
2006			
2	Total of line 1, column (d)		.114
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		.114
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5		19461.69
5	Multiply line 4 by line 3		2218.63
6	Enter 1% of net investment income (1% of Part I, line 27b)		.76
7	Add lines 5 and 6		2219.39
8	Enter qualifying distributions from Part XII, line 4		1742.03

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 type="checkbox"/> and enter 1% of Part I, line 27b	1	1	51
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0	00
3	Add lines 1 and 2	3	1	51
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0	00
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1	51
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	0	00
b	Exempt foreign organizations—tax withheld at source	6b	n/a	
c	Tax paid with application for extension of time to file (Form 8868)	6c	n/a	
d	Backup withholding erroneously withheld	6d	n/a	
7	Total credits and payments. Add lines 6a through 6d	7	0	00
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0	00
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1	51
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0	00
11	Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0	00

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ <u>0</u> (2) On foundation managers. ▶ \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	✓	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		✓
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ New Jersey		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(f)(3) or 4942(f)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	✓	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶ <u>www.kimsway.org</u>				
14	The books are in care of ▶ <u>Timothy Feustel</u>	Telephone no. ▶	<u>732 868 1622</u>	
Located at ▶ <u>2103 Primrose Lane, Martinsville, NJ</u>		ZIP+4 ▶	<u>08836-2220</u>	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/>	and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>		
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶				✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <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)?	1b	
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 2011?	1c	✓
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
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	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
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 2011 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2011?	4b	✓

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

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

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
Scott P. Nelson 1667 Donahue Road, Bound Brook, NJ 08805	President 2 hrs/week	0	0	0
Patrick Carroll 578 Emerald Trail, Martinsville, NJ 08836	Vice President 1 hr/week	0	0	0
Timothy C. Feustel 2103 Primrose Lane, Martinsville, NJ 08836	Treasurer 2 hrs/week	0	0	0
Sharon Lawton 2138 Gilbride Road, Martinsville, NJ 08836	Secretary 2 hrs/week	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 None

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		
.....		
.....		
.....		
.....		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services ▶		None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 Scholarship awarded to Danielle Macmath, 456 Steeple Chase Lane, Bridgewater, NJ 08807. Funds were paid directly to Fairleigh Dickinson University on her behalf.	\$750.00
2 Scholarship awarded to Katherine Wullert, 1106 Mayflower Court, Martinsville, NJ 08836. Funds were paid directly to Boston College on her behalf.	\$750.00
3 Grant provided to Bridgewater-Raritan High School Musical Fund in support of their spring musical production. Approximately 75 students benefited (30 cast, 35 orchestra, 10 stage crew)	\$140.00
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 None	
2	
3 All other program-related investments. See instructions	
Total. Add lines 1 through 3 ▶	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	0
b	Average of monthly cash balances	1b	19758.06
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	19758.06
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	19758.06
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	296.37
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	19461.69
6	Minimum investment return. Enter 5% of line 5	6	973.08

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	973.08
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1.51
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	0.00
c	Add lines 2a and 2b	2c	1.51
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	971.57
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	971.57
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	971.57

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	1742.03
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1742.03
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1742.03

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				971.57
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011:				
a From 2006		0		
b From 2007		0		
c From 2008		0		
d From 2009		0		
e From 2010		573.18		
f Total of lines 3a through e	573.18			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 1742.03				
a Applied to 2010, 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 2011 distributable amount				971.57
e Remaining amount distributed out of corpus	770.46			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	1343.64			
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 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	1343.64			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010		573.18		
e Excess from 2011		770.46		

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling N/A

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) 2011	(b) 2010	(c) 2009	(d) 2008	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

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

Scott P. Nelson

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.

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 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:

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Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Danielle Macmath, 456 Steeple Chase Lane, Bridgewater, NJ 08807. (Paid to Fairleigh Dickinson University)	None	N/A	Scholarship	\$750.00
Katherine Wullert, 1106 Mayflower Court, Martinsville, NJ 08836. (Paid to Boston College)	None	N/A	Scholarship	\$750.00
Bridgewater-Raritan HS Musical, 600 Garretson Rd., Bridgewater, NJ 08807	N/A	School	Program Support	\$140.00
Total				3a \$1640 00
b Approved for future payment				
Total				3b 0

Other Income (Part I, Line 11)

Ticket Sales for Benefit Concert held
 At Bridgewater-Raritan High School
 Reported on Part XVI-A, Line 9: \$1342.00

Schedule of Other Professional Fees (Part I, Line 16c)

PayPal fees for online website donations: \$24.20

Schedule of Other expenses (Part I, Line 23)

Checking Account Service fee: \$0.56
 New Jersey Charity Registration fee: \$30.00
 USPS Post Office Box fee: \$46.00
 Postage: \$1.27
Total \$77.83

Changes to Governing Instrument (Part VII-A, Line 3)

Foundation bylaws were amended to include roles and responsibilities of a *Faculty Trustee*. See amended bylaws Article III, Sections 1.1 – 1.2, attached.

Substantial Contributor (Part VII-A, Line 10)

Scott and Nancy Nelson
 1667 Donahue Road
 Bound Brook, NJ 08805

Additional Trustee (Part VIII, Line 1)

Name(a)	Title(b)	Compensation(c)	Benefits(d)	Expense Account(e)
John Wilson 2138 S. Branch Road Branchburg, NJ 08876	Faculty Trustee 1 hr/week	0	0	0

Supplementary Information (Part XV, Line 2)

The Foundation provides scholarships and support to students and musical programs at Bridgewater-Raritan Regional High School (BRHS). Scholarship recipients are selected by a committee composed of faculty and staff at BRHS. No unsolicited requests for funds are accepted.

**BYLAWS OF
THE KIMBERLY A. NELSON FOUNDATION, INC.**

ARTICLE I – NAME AND PURPOSE

Section 1 – Name: The name of the organization shall be The Kimberly A. Nelson Foundation. It shall be a nonprofit organization incorporated under the laws of the State of New Jersey

Section 2 – General Purpose: The general purpose of the fund is to receive and administer funds for charitable and other exempt purposes within the meaning of §501(C)(3) of the Internal Revenue Code of 1986 (as amended) including for such purposes:

- a) The administration of funds for charitable purposes
- b) The making of distributions for such purposes consistent with the specific purposes of the Foundation

2.1 Specific Purposes:

The specific purposes of the Foundation include without limitation, the following:

- to provide scholarship awards to those students of Bridgewater-Raritan High School who meet applicable award criteria (Addenda A);
- to support local educational and performing arts initiatives which are consistent with the Mission Statement of the corporation.

ARTICLE II – MEMBERSHIP

Section 1 – Membership: Membership shall consist solely of the Board of Trustees.

ARTICLE III – BOARD OF TRUSTEES

Section 1 – Board role and size: The Board is responsible for overall policy and direction of the Foundation. The number of Trustees of the Foundation shall be fixed by the Board of Trustees, but in no event shall be less than three (3) members.

- 1.1** The Board may nominate and appoint additional Trustees at its discretion. Additional Trustees may, from time to time, include *Faculty Trustees*. Faculty Trustees will be defined as those Trustees who currently hold faculty positions at area high schools. Faculty Trustees will have all the rights and responsibilities as regular Board members except as follows;
- 1.2** Faculty Trustees will not be permitted to vote on grant applications where the Faculty Trustee or a program that the Faculty Trustee is associated with is a beneficiary of the grant.

Section 2 – Compensation: The Board receives no compensation other than reasonable expenses.

Section 3 – Terms: All Board members shall serve two-year terms, but are eligible for re-election for up to five consecutive terms.

Section 4 – Officers: The officers of the Foundation shall be a President, Secretary, and Treasurer, who shall be elected by the Board of Trustees. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Trustees. The Board of Trustees may leave unfilled for any period as it may determine any office except those of the President, Secretary, and Treasurer. Any two or more offices may be held by the same person, except those of President and Secretary, which may not be held by the same person.

4.1 Duties:

- **President:** The President shall preside at all meetings of the Board of Trustees, shall have general supervision of the affairs of the foundation, and shall perform other duties as are incident to the office.
- **Secretary:** The Secretary shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board member, and assuring that corporate records are maintained.
- **Treasurer:** The Treasurer shall have custody of all money of the Foundation and shall keep regular books of the account. The Treasurer shall disburse the funds of the Foundation in payment of the just demands against the Foundation or as may be ordered by the Board of Trustees. The Treasurer shall also assist in the preparation of the budget, help develop fundraising plans and make financial information available to Board members and the public.

4.2 Elections and Terms: The officers of the Foundation shall be elected annually by the Board of Trustees at the first meeting of the Board of Trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

4.3 Removal: Any officer, agent, or trustee may be removed by a unanimous vote of the remaining members of the Board of Trustees whenever, in its judgement, the best interests of the foundation shall be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5 – Meetings and notice: The Board shall meet at least quarterly, at an agreed upon time and place. An official Board meeting requires that each board member have written notice at least two weeks in advance. Such notice may be delivered by e-mail.

Section 6 – Board elections: During the last quarter of each fiscal year of the corporation, the Board of Trustees shall elect Trustees to replace those whose terms will expire at the end of the fiscal year. This election shall take place during a regular meeting of the Trustees, called in accordance with the provisions of these bylaws.

Section 7 – Election procedures: New Trustees shall be elected by a majority of Trustees present at such a meeting. Trustees so elected shall serve a term beginning on the first day of the next fiscal year.

Section 8 – Voting: A majority of Board members constitutes a quorum. In absence of a quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date.

Section 9 – Vacancies: When a vacancy on the board exists mid-term, the secretary must receive nominations for new members from present board members two weeks in advance of a board meeting. These nominations shall be sent out to board members with the regular board meeting announcement, to be voted upon at the next board meeting. These vacancies will be filled only to the end of the particular board member's term.

Section 10 – Resignation, termination, and absences: Resignation from the Board must be in writing and received by the Secretary / Treasurer.

Section 11 – Special meetings: Special meetings of the board shall/may be called upon the request of any Board member. Notices of special meetings shall be sent out by the Secretary / Treasurer to each Board member

Section 12 – Committees: The Board may appoint standing and ad hoc committees as needed.

Section 13 – Manner of Acting: The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

Section 14 – Action Without a Meeting: Any action that may be taken by the Board of Trustees at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the trustees.

Section 15 – Presumption of Assent: A trustee of the Foundation who is present at a meeting of the Board of Trustees at which action on any Foundation matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Foundation immediately after the adjournment of the meeting. Such right to dissent shall not apply to director who voted in favor of such action.

ARTICLE IV – CONFLICTS OF INTEREST

Section 1 – Purpose: The purpose of the conflict of interest policy is to protect this tax-exempt Organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit and charitable organizations.

Section 2 – Definitions:

2.1 Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2 Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.
- (b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3 – Procedures:

3.1 Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2 Determining whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest:

- (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy:

- (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 – Records of the Proceedings: The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest is present, and the governing board's or committee's decision as to whether a conflict of interest in fact exists.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5 – Compensation:

- 5.1** A voting member of the governing board who receives compensation, directly or indirectly, from the Organization is precluded from voting on matters pertaining to that member's compensation.
- 5.2** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- 5.3** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5.4 The majority of our Board of Trustees will be non-salaried and will not be related to salaried *personnel or to parties providing services*. In addition, all compensation decisions will be made by the Board of Trustees.

5.5 Further, all compensation paid will be reasonable and will be based on the following factors:

- (a) the type and amount of compensation received by others in similar positions,
- (b) the compensation levels paid in our particular geographic community,
- (c) the amount of time the individual spends in their position,
- (d) the expertise and other pertinent background of the individual,
- (e) the size and complexity of our organization, and
- (f) the need of our organization for the services of the particular individual.

Section 6 – Annual Statements: Each trustee, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement that affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7 – Periodic Reviews: To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8 – Use of Outside Experts: When conducting the periodic reviews as provided for in Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE V – AMENDMENTS

Section 1 – Amendments: These bylaws may be amended when necessary by majority vote of the Board of Trustees. Proposed amendments must be submitted to the secretary to be sent out with regular board announcements

ARTICLE VI— GENERAL PROVISIONS

Section 1 — Checks: All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Trustees may from time to time designate.

Section 2 — Fiscal Year: The fiscal year of the corporation shall be January 1st through December 31st.

Section 3 — Loans: No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

Section 4 — Deposits: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Trustees shall direct.

Section 5 — Contracts: The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Addendum A - Kim Nelson Memorial Scholarship
Eligibility Criteria

This award is given annually to a senior BRHS student in recognition of: 1) academic achievement, 2) commitment to BRHS extracurricular choir and theater, and 3) participation in community service activities.

Eligibility

Academic: Candidates must maintain a grade point average of B or better through the fall semester of their Senior Year.

Choir/Theater Activities: The following Choir and Theater activities are required. Each candidate must be:

1. A participant in BRHS choir program for a minimum of two (2) years, one of which must be in an auditioned Choir and
2. A participant in BRHS Spring Musical for two (2) years.

Community Service: Candidates must have a proven record of community service either through a school club or a local non-profit organization.