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

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

2011

For calendar year **2011** or tax year beginning , **2011**, and ending , **20**

Name of foundation KERSHNER SISTERS FOUNDATION		A Employer identification number 52-1238390
Number and street (or P O box number if mail is not delivered to street address) 9735 LOCK TENDER LANE	Room/suite	B Telephone number (see instructions) 3015822920
City or town, state, and ZIP code WILLIAMSPORT MD 21795-4066		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) \$ 480164	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	20043	20043		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(11907)			
	b Gross sales price for all assets on line 6a 95890				
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	8136	20043	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	2899	2174		725
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1775	1775		0
	c Other professional fees (attach schedule)	5516	5516		0
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	0	0		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	40	40		0
	22 Printing and publications				
	23 Other expenses (attach schedule)	1170	1170		0
	24 Total operating and administrative expenses. Add lines 13 through 23	11400	10675	0	725
	25 Contributions, gifts, grants paid	23850			23850
26 Total expenses and disbursements. Add lines 24 and 25	35250	10675	0	24575	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(27114)				
b Net investment income (if negative, enter -0-)		9368			
c Adjusted net income (if negative, enter -0-)			0		

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	142106	37687	37687
	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 (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	327751	397483	357959
	c Investments—corporate bonds (attach schedule)	92679	100251	84518
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	562536	535421	480164	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
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	583466	570833	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	(20930)	(35412)		
30 Total net assets or fund balances (see instructions)	562536	535421		
31 Total liabilities and net assets/fund balances (see instructions)	562536	535421		

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	562536
2	Enter amount from Part I, line 27a	2	(27114)
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	535422
5	Decreases not included in line 2 (itemize) ▶ <u>ROUNDING</u>	5	1
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	535421

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY-TRADED SECURITIES - CGD			2011
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 95890		107797	(11907)	
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))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), 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	(11907)
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	12637	497700	0.0254
2009	831	440268	0.0019
2008	37442	539451	0.0694
2007	62041	752222	0.0825
2006	46298	797204	0.0581
2	Total of line 1, column (d)		2 0.2373
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		3 0.04746
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5		4 495254
5	Multiply line 4 by line 3		5 23505
6	Enter 1% of net investment income (1% of Part I, line 27b)		6 94
7	Add lines 5 and 6		7 23599
8	Enter qualifying distributions from Part XII, line 4 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.		8 24575

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	94
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	94
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	94
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1900
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	1900
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	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1806
11	Enter the amount of line 10 to be: Credited to 2012 estimated tax 1806 Refunded	11	0

Part VII-A Statements Regarding Activities

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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ NONE	13	X	
14	The books are in care of ▶ KEVIN E ANDERS Telephone no. ▶ Located at ▶ LABEL ADDRESS ZIP+4 ▶			
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			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	16	Yes	No 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 ▶ <input type="checkbox"/>	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 2011?	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 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	X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	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 2011?	4b	X

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

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

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

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

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

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

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

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

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
HOWARD S KAYLOR HAGERSTOWN MD 21742	TRUSTEE 1/2 HOUR	966	0	0
ELEANOR V LAKIN BOONSBORO MD 21713	TRUSTEE 1/2 HOUR	966	0	0
STUART L MULLENDORE BOONSBORO MD 21713	TRUSTEE 1/2 HOUR	966	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 Yes No 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 N/A

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	
2	
3	
4	

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

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

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	412899
b	Average of monthly cash balances	1b	89897
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	502796
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	502796
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	4	7542
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	495254
6	Minimum investment return. Enter 5% of line 5	6	24763

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	24763
2a	Tax on investment income for 2011 from Part VI, line 5	2a	94
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	94
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	24669
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	24669
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	24669

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	24575
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	24575
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	94
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24481

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				24669
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			23838	
b Total for prior years: 20__ , 20__ , 20__		0		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ <u>24480</u>				
a Applied to 2010, but not more than line 2a			23838	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	642			
d Applied to 2011 distributable amount				0
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	642			642
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	0			
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				24027
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	0			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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).)

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 of the person to whom applications should be addressed:
STUART L MULLENDORE, TRUSTEE 3017332000

HBP, INC 952 FREDERICK ST HAGERSTOWN MD 21740

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

SEE ATTACHED FUNDING REQUEST AND GUIDELINES

c Any submission deadlines:

MARCH 31 ANNUALLY

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors: CHARITABLE AND/OR RELIGIOUS NONPROFIT ORGANIZATIONS EXEMPT UNDER IRC

SECTION 501(c)(3)

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)				
<p>a <i>Paid during the year</i></p> <p>SEE ATTACHED SCHEDULE</p>				
Total				3a 23850
<p>b <i>Approved for future payment</i></p>				
Total				3b NONE

2011

REQUEST FOR FUNDING

DATE: _

ORGANIZATION NAME:

NAME OF PROJECT:

ADDRESS:

CITY: STATE: ZIP:

CONTACT PERSON: TITLE:

PHONE: EXT.: FAX: e-MAIL:

EMPLOYER IDENTIFICATION NUMBER:

APPLICANT'S CHARITABLE PURPOSE:

- | | |
|--|---|
| <input type="checkbox"/> Health and Human Services | <input type="checkbox"/> Emergency Service |
| <input type="checkbox"/> Civic and Community Activity | <input type="checkbox"/> Athletic and Recreational Activity |
| <input type="checkbox"/> Educational and Cultural Activity | <input type="checkbox"/> Other (Explain) |

Is the Applicant recognized as a charitable, non-profit organization under federal law?
 YES NO (If YES, include in EXHIBIT A, "EXEMPTION".)

Has the Applicant filed Form 990, Tax Return of Organization Exempt from Income Tax?
 YES NO (If YES, include in EXHIBIT A, "EXEMPTION".)

Has tax-exempt status ever been denied, revoked or otherwise modified by the IRS?
 YES NO (If YES, include in EXHIBIT A, "EXEMPTION" and state the reason for the IRS action and steps taken by the Applicant to reverse the action.)

Amount of funding requested \$
(Include in EXHIBIT B, "BUDGET", itemized budgets, quotations, or estimates that support the request.)

Does the Applicant receive funding from local, state or federal government sources?
 YES NO (If YES, include in EXHIBIT C, "FUNDING".)

Has the Applicant ever applied for funding from either the Kershner or Sinnisen Foundation?
 YES NO (If YES, include in EXHIBIT C, "FUNDING".)

Has the Applicant ever received funding from either the Kershner or Sinnisen Foundations?

YES NO (If YES, include in EXHIBIT C, "FUNDING")

Funds will be used for:

- One-Time Program Expense
 Equipment or Other Capital Project

Describe how the project will improve the quality of life in Washington County.

This section must be completed.

Where in Washington County will funds be deployed? If funds are to be deployed outside of Washington County, how will county citizens benefit? **This section must be completed.**

How will Washington County citizens be positively impacted by funding and how many will benefit? **This section must be completed.**

What is the purpose of your organization? **This section must be completed.**

Applicant declares and affirms, that the matters and facts set forth herein are true and correct and that any documents submitted as a part of this Request for Funding are true and genuine copies. Applicant attests that tax returns are true and correct copies of those duly filed with the Internal Revenue Service.

Within eighteen (18) months of receipt of funds, Applicant agrees to provide proof that any funds received from the Kershner Sisters Foundation and/or the Albert E. and Naomi B. Sinnisen Foundation were expended for the requested purpose.

Applicant attests that is does not discriminate by reason of race, creed, sex, age, color, natural origin, marital status, or physical or mental disability.

Applicant agrees to acknowledge the receipt of funding (\$5,000 or more) by placing a plaque, to be supplied by one or both foundations, in a public area on the Applicant's premises.

Authorized Signature _____

Printed Name and Title:

52-1238390



2011

GUIDELINES

These guidelines are intended to set forth procedures for application for and disposition of funding by the above foundations. To qualify for funding, requests must benefit general charitable purposes in Washington County, Maryland, to include, but not limited to the following:

- Health and Human Services
- Emergency Services
- Civic and Community Activities
- Athletic and Recreational Activities
- Educational and Cultural Activities

One-time program and capital expenses requests will be considered. Requests for operating funding are discouraged.

The Trustees will give first priority to those projects that most closely conform to these provisions of the Last Will and Testament of those who created each foundation.

Kershner Sisters Foundation

"charitable and/or Christian religious purposes and to health funds and agencies including, but not limited to agencies dealing with the disease of cancer."

Albert E. and Naomi B. Sinnisen Foundation

"charitable religious purposes in Washington County, Maryland, to general charitable purposes and health purposes in Washington County, Maryland, and/or the purchase and providing of medical equipment and lifesaving equipment for Washington County, Maryland, medical, health or emergency facilities."

Application Period

Annually, January 1 through March 31

Award Period

Anticipated being complete by August 31, but may extend throughout the remainder of the year.

Eligibility

A non-profit or civic organization may qualify for funding if:

- It keeps a separate set of financial records and is recognized as non-profit or charitable under existing tax codes.
- It is located in Washington County, Maryland, or serves a Washington County population.
- It demonstrates that it is properly organized and self-managed.
- Its goals and objectives are directed toward improving the quality of life in Washington County.
- It does not practice discrimination by age, race, creed, sex, color, national origin or disability.
- Its purpose is consistent with the provisions of the Last Will and Testament of those who created each foundation.

Funding Request

Each request must be confined to funds that will be used within Washington County, Maryland. If the funds are to be used outside this area, an explanation of how county citizens will benefit, must be included.

Each request must be specific. Itemized budgets, quotations or estimates must be included in the submission. Please note that it is most desirable to include as much estimate detail as possible. By doing so, the Applicant could be considered for a partial award if funding is not available for a complete project.

No application will carry over from request period to request period. A new application must be submitted.

Where possible, more than one estimate or quotation should be provided for an equipment request exceeding \$2,500.

Application

The application must be submitted in three (3) full copies along with all attachments. The Trustees will not consider any submission that does not conform to this requirement.

The application must be organized as indicated in the Check List and separated by labeled index dividers.

The information contained in the application must be legibly printed or typed.

The Request for Funding must be signed by an officer of the organization or by the person in authority.

All copies of the application must be placed in an envelope that is clearly marked "Request of Funding Kershner Sisters and Sinnisen Foundation". The envelope must be received on or before March 31 at the following address: Howard S. Kaylor, Trustee, Ferris Baker Watts, Inc., 113 South Potomac Street, Hagerstown, MD 21740.

Other

The Trustees reserve the right to request the following:

- Preparation and submission of additional information
- Clarification or validation of any information contained in a request

Failure to include any of the required information pursuant to the CheckList, may result in the disqualification of the funding application.

CHECK LIST

✓	ORDER	DESCRIPTION	COMMENTS
	1	Request for Funding	Three pages Signed by an officer or person in authority.
	2	Completed Copy of This Check List	
	EXHIBIT A	<i>Labeled Index Divider</i> "EXEMPTION"	
	3	IRS Confirmation Letter and Form 990	If available, letter received from the IRS as a result of filing Form 1023, Application for Exemption This confirms tax exemption status under Section 501 of the Federal Income Tax A copy of Form 990 must be included
	EXHIBIT B	<i>Labeled Index Divider</i> "BUDGET"	
	4	Budgets, Estimates, and Any Other Documentation Related to the Request	
	EXHIBIT C	<i>Labeled Index Divider</i> "FUNDING"	
	5	Statements of Funds Applied For or Received For This Project	Schedule of funding applied for or received from all sources to include local, state, or federal government other sources If organization has previously been a recipient of grants (current or past projects) from the Kershner or Sinnisen Foundation, indicate how funds were used If any portion of Kershner or Sinnisen funds have not been spent include explanation
	EXHIBIT D	<i>Labeled Index Divider</i> "FINANCIAL"	
	6	Financial Information	Annual or most recent financial statements, current budget and any other statements prepared by internal or external sources
	EXHIBIT E	<i>Labeled Index Divider</i> "MANAGEMENT"	
	7	Management Information	List of officers and directors including meeting schedules

Questions and Additional Information

Stuart L. Mullendore
Office (717) 625-2100, X131
e-Mail: simul@sbi to
Home (301) 432-8678
e-Mail: smullend@intrepid.net

Electronic File

This document is available as an electronic file and can be sent as an e-mail attachment Contact Stuart Mullendore to acquire it in electronic format.

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. KERSHNER SISTERS FOUNDATION	Employer identification number (EIN) or <input checked="" type="checkbox"/> 52-1238390
	Number, street, and room or suite no. If a P.O. box, see instructions. 9735 LOCK TENDER LANE	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WILLIAMSPORT, MD 21795-4066	

Enter the Return code for the return that this application is for (file a separate application for each return) **04**

Application Is For	Return Code	Application Is For	Return Code
Form 990	07	Form 990-T (corporation)	07
Form 990-BL	08	Form 1041-A	08
Form 990-EZ	09	Form 4720	09
Form 990-PF	10	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	11	Form 6069	11
Form 990-T (trust other than above)	12	Form 8870	12

• The books are in the care of ► KEVIN E ANDERS

Telephone No. ► 301 582-2920 FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2012, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20 11 or
- tax year beginning _____, 20____, and ending _____, 20_____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	1900
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	1900
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.