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

2012

Department of the Treasury
Internal Revenue Service

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

For calendar year 2012, or tax year beginning , 2012, and ending ,

Festoon Foundation Inc
P.O. Box 544
Colts Neck, NJ 07722

A Employer identification number
13-6266382

B Telephone number (see the instructions)
732-513-0519

C If exemption application is pending, check here

D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test, check here and attach computation

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

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

G Check all that apply:

<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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 1,175,792.

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

Part II Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc. received (att sch)				
2	Chk <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3	Interest on savings and temporary cash investments	16.	16.	16.	
4	Dividends and interest from securities	33,497.	33,497.	33,497.	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain/(loss) from sale of assets not on line 10	-12,842.			
b	Gross sales price for all assets on line 6a	1,731.			
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/(loss) (att sch)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	20,671.	33,513.	33,513.	
13	Compensation of officers, directors, trustees, etc.	0.			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach sch) See St. 1	6,400.	6,400.	6,400.	
c	Other prof fees (attach sch)				
17	Interest				
18	Taxes (attach schedule)(see instrs) See Stmt. 2	650.	650.	650.	
19	Depreciation (attach sch) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	537.	537.	537.	
22	Printing and publications				
23	Other expenses (attach schedule) See Statement 3	4,446.	4,446.	4,446.	
24	Total operating and administrative expenses. Add lines 13 through 23	12,033.	12,033.	12,033.	
25	Contributions, gifts, grants paid Stmt. 4	56,200.			56,200.
26	Total expenses and disbursements. Add lines 24 and 25	68,233.	12,033.	12,033.	56,200.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-47,562.			
b	Net investment income (if negative, enter -0-)		21,480.		
c	Adjusted net income (if negative, enter -0-)			21,480.	

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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	12,136.	11,549.	11,549.
	2	Savings and temporary cash investments	92,090.	57,580.	57,580.
	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 sch)			
		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)	605,994.	591,421.	1,106,663.
	c	Investments – corporate bonds (attach schedule)			
	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)	710,220.	660,550.	1,175,792.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & 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 and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	383,777.	383,777.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	326,443.	276,773.		
30	Total net assets or fund balances (see instructions)	710,220.	660,550.		
31	Total liabilities and net assets/fund balances (see instructions)	710,220.	660,550.		

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	710,220.
2	Enter amount from Part I, line 27a	2	-47,562.
3	Other increases not included in line 2 (itemize) <u>See Statement 5</u>	3	1.
4	Add lines 1, 2, and 3	4	662,659.
5	Decreases not included in line 2 (itemize) <u>See Statement 6</u>	5	2,109.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	660,550.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a 500 Suntech Power Hldgs Ltd	P	Various	2/03/12
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 1,731.		14,573.	-12,842.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-12,842.
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	-12,842.
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.

(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 (column (b) divided by column (c))
2011	53,600.	1,053,436.	0.050881
2010	47,832.	951,558.	0.050267
2009	56,848.	864,525.	0.065756
2008	61,831.	1,127,166.	0.054855
2007	70,419.	1,354,397.	0.051993

2 Total of line 1, column (d)	2	0.273752
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	0.054750
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,129,492.
5 Multiply line 4 by line 3	5	61,840.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	215.
7 Add lines 5 and 6	7	62,055.
8 Enter qualifying distributions from Part XII, line 4	8	56,200.

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)

1 a 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 instrs)			
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	430.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-).		2	0.
3 Add lines 1 and 2		3	430.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-).		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-.		5	430.
6 Credits/Payments:			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012.	6 a		
b Exempt foreign organizations -- tax withheld at source.	6 b		
c Tax paid with application for extension of time to file (Form 8868).	6 c		
d Backup withholding erroneously withheld.	6 d		
7 Total credits and payments. Add lines 6a through 6d		7	0.
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	430.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax. Refunded		11	

Part VII A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation > \$ 0. (2) On foundation managers > \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers > \$ 0.		
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>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes.</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		X
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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions). <u>NY</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation.</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV.</i>	X	
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		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)
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of Festoon Foundation, Inc. Telephone no. 732-513-0519
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
16 At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?

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.

1 a 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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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)?
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?
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?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If 'Yes,' did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period?
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?

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

5 a 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).

6 a 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.

7 a 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
Justine Nathan P.O. Box 544 Colts Neck, NJ 07722	President 0	0.	0.	0.
Peter Nathan P.O. Box 544 Colts Neck, NJ 07722	Director 0	0.	0.	0.
Wendy Shrigley P.O. Box 544 Colts Neck, NJ 07722	Director 0	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 0

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		

-----		0

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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

BAA

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	1 a	1,055,925.
b Average of monthly cash balances	1 b	90,767.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	1,146,692.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,146,692.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	17,200.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,129,492.
6 Minimum investment return. Enter 5% of line 5	6	56,475.

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

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	1 a	56,200.
b Program-related investments – total from Part IX-B	1 b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	56,200.
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	
6 Adjusted qualifying distributions. Subtract line 5 from line 4.	6	56,200.

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)

N/A

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only				
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: \$				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5.				
b Prior years' undistributed income. Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b. Taxable amount - see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013.				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling..... ▶					
b Check box to indicate whether the foundation is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a	21,480.	17,656.	16,775.	15,244.	71,155.
c Qualifying distributions from Part XII, line 4 for each year listed	18,258.	15,008.	14,259.	12,957.	60,482.
d Amounts included in line 2c not used directly for active conduct of exempt activities	56,200.	53,600.	48,000.	57,000.	214,800.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					0.
3 Complete 3a, b, or c for the alternative test relied upon:	56,200.	53,600.	48,000.	57,000.	214,800.
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	37,650.	35,114.	31,718.	28,817.	133,299.
c 'Support' alternative test — enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

See Statement 7

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

See Statement for Line 2a

c Any submission deadlines:

See Statement for Line 2a

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

See Statement for Line 2a

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)				
<i>a Paid during the year</i>				
Total				3 a
<i>b Approved for future payment</i>				
Total				3 b

Client FESTOON

Festoon Foundation Inc

13-6266382

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Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
.....	\$ 6,400.	\$ 6,400.	\$ 6,400.	
Total	<u>\$ 6,400.</u>	<u>\$ 6,400.</u>	<u>\$ 6,400.</u>	<u>\$ 0.</u>

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign Taxes.....	\$ 400.	\$ 400.	\$ 400.	
State Taxes ..	250.	250.	250.	
Total	<u>\$ 650.</u>	<u>\$ 650.</u>	<u>\$ 650.</u>	<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Advertising	\$ 68.	\$ 68.	\$ 68.	
Bank Service Charges.....	5.	5.	5.	
Investment fees.....	4,338.	4,338.	4,338.	
Office supplies.....	7.	7.	7.	
Postage & Delivery ..	28.	28.	28.	
Total	<u>\$ 4,446.</u>	<u>\$ 4,446.</u>	<u>\$ 4,446.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity:	Charitable	
Donee's Name:	Greenpeace Fund	
Donee's Address:	702 H St NW Suite 300	
	Washington, DC 20001	
Relationship of Donee:	Unrelated	
Organizational Status of Donee:	Nonprofit	
Amount Given:		\$ 5,000.

Class of Activity:	Charitable
Donee's Name:	Pet Helpers and Adoption Center
Donee's Address:	1430 Folly Road
	Charleston, SC 29412

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Statement 4 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: \$ 4,000.

Class of Activity: Charitable
 Donee's Name: S.C. Coastal Conservation Leag
 Donee's Address: PO Box 1765
 Charleston, SC 29402

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 10,000.

Class of Activity: Charitable
 Donee's Name: Guide Dog for the Blind
 Donee's Address: PO Box 3950
 San Rafael, CA 94912

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 2,000.

Class of Activity: Charitable
 Donee's Name: Hope Rural School
 Donee's Address: 15929 SW 150th Street
 Indiantown, FL 34956

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Sea Island Habitat for Humanit
 Donee's Address: 3487 McGill Ct
 Johns Island, SC 29455

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Suncoast Seabird Sanctuary Inc
 Donee's Address: 18328 Gulf Blvd
 Indian Shores, FL 33787

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Doctors Without Borders
 Donee's Address: 333 Seventh Avenue 2nd Floor
 New York, NY 10001

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 6,000.

Class of Activity: Charitable
 Donee's Name: Low Country Open Land Trust
 Donee's Address: 485 East Bay Street
 Charleston, SC 29403

Relationship of Donee: Unrelated

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Statement 4 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Organizational Status of Donee: Nonprofit
 Amount Given: \$ 8,000.

Class of Activity: Charitable
 Donee's Name: Low Country Food Bank
 Donee's Address: 1635 Cosgrove Avenue
 Charleston, SC 09404

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,500.

Class of Activity: Charitable
 Donee's Name: Charleston Animal Society
 Donee's Address: 2455 Remount Road
 North Charleston, SC 29406

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 10,000.

Class of Activity: Charitable
 Donee's Name: Charleston Area Therapeutic Riding
 Donee's Address: PO Box 146
 Johns Island, SC 29457

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Planned Parenthood in Charleston
 Donee's Address: 200 Rutledge Avenue
 Charleston, SC 29403

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Charleston Library Society
 Donee's Address: 164 King Street
 Charleston, SC 29401

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 100.

Class of Activity: Charitable
 Donee's Name: Idaho Black Bear Rehab, Inc.
 Donee's Address: 6097 Arney Lane
 Garden City, ID 83714

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 500.

Class of Activity: Charitable
 Donee's Name: Our Lady of Mercy Outreach Center
 Donee's Address: 1684 Brownswood Road
 Johns Island, SC 29457

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit

Client FESTOON

Festoon Foundation Inc

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Statement 4 (continued)
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Amount Given: \$ 1,000.

Class of Activity: Charitable
 Donee's Name: Rare Species Conservation Foundation
 Donee's Address: PO Box 1371
 Loxahatchee, FL 33470

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 500.

Class of Activity: Charitable
 Donee's Name: American Chestnut Foundation
 Donee's Address: 160 Zillicoa Street, Suite D
 Ashville, NC 08801

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Charleston County Library
 Donee's Address: 68 Calhoun Street
 Charleston, SC 29401

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 100.

Class of Activity: Charitable
 Donee's Name: Learn Horse Rescue
 Donee's Address: PO Box 619
 Ravenel, SC 29470

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 1,000.

Class of Activity: Charitable
 Donee's Name: Peaceful Valley Donkey Rescue
 Donee's Address: 418 Holmes Pond Road
 Johnston, SC 29832

Relationship of Donee: Unrelated
 Organizational Status of Donee: Nonprofit
 Amount Given: 500.

Total \$ 56,200.

Statement 5
Form 990-PF, Part III, Line 3
Other Increases

Rounding Adjustment Total \$ 1.
Total \$ 1.

Client FESTOON

Festoon Foundation Inc

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Statement 6
Form 990-PF, Part III, Line 5
Other Decreases

Federal tax payment.....	\$	<u>2,109.</u>
	Total	\$	<u><u>2,109.</u></u>

Statement 7
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program:
 Name: Justine J Nathan
 Care Of:
 Street Address: PO Box 544
 City, State, Zip Code: Colts Neck, NJ 07722
 Telephone: 732-866-4493
 E-Mail Address:
 Form and Content: None
 Submission Deadlines: None
 Restrictions on Awards: None

State of New Jersey

County of Monmouth

We swear under oath the following documents attached hereto:

990-PF

All of which comprise the 2012 year reported for periodic report for the FESTOON FOUNDATION have been examined by us and the best of our knowledge and belief the contents thereof are true and complete.

Justine Nathan

Justine J. Nathan

Sworn to before me this 9th day of April 2013

Janet L Willgerodt

JANET L WILLGERODT
ID # 2027313
NOTARY PUBLIC
STATE OF NEW JERSEY
My Commission Expires May 3, 2017

