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Form **990-PF**

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

OMB No 1545-0052

2012

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

Open to Public Inspection

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

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) (301) 582-2920
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) \$ 534,807	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	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 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	24,167	24,167		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	55,121			
	b Gross sales price for all assets on line 6a 203,022				
	7 Capital gain net income (from Part IV, line 2)		55,121		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	79,288	79,288			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	2,883	2,162		721
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1,755	1,755		
	c Other professional fees (attach schedule)	5,082	5,082		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	63	63		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	1,170	1,170		
	24 Total operating and administrative expenses. Add lines 13 through 23	10,953	10,232		721
	25 Contributions, gifts, grants paid	24,027			24,027
26 Total expenses and disbursements. Add lines 24 and 25	34,980	10,232		24,748	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	44,308				
b Net investment income (if negative, enter -0-)		69,056			
c Adjusted net income (if negative, enter -0-)					

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SCANNED MAY 20 2013 Operating and Administrative Expenses

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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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	1,742	3,494	3,494
	2	Savings and temporary cash investments	35,945	94,731	94,731
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	462,931	436,447	387,341
	c	Investments—corporate bonds (attach schedule)	34,803	45,057	49,241
	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)	535,421	579,729	534,807	
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)			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
27	Capital stock, trust principal, or current funds	529,095	583,848		
28	Paid-in or capital surplus, or land, bldg, and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds	6,326	-4,119		
30	Total net assets or fund balances (see instructions)	535,421	579,729		
31	Total liabilities and net assets/fund balances (see instructions)	535,421	579,729		

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	535,421
2	Enter amount from Part I, line 27a	2	44,308
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	579,729
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	579,729

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				
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 203,022		147,901	55,121	
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))
(l) 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			55,121	
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 55,121
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))
2011	24,481	495,254	0.049431
2010	12,637	497,700	0.025391
2009	831	440,268	0.001887
2008	37,442	539,451	0.069408
2007	62,041	752,222	0.082477
2 Total of line 1, column (d)			2 0.228594
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 0.045719
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 499,874
5 Multiply line 4 by line 3			5 22,854
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 691
7 Add lines 5 and 6			7 23,545
8 Enter qualifying distributions from Part XII, line 4			8 24,748

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 instructions)	}	1	691
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b _____			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 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	691
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	691
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,806	
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	1,806
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	1,115
11 Enter the amount of line 10 to be Credited to 2013 estimated tax 1,115 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 Instructions for the 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 ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
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, col. (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MD		
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)			X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address None	X		
14	The books are in care of Kevin E Anders Telephone no. (301) 582-2920 Located at 9735 Lock Tender Lane Williamsport MD ZIP+4 21795			
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 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country		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	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <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	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 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 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

Part 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		▶

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		▶

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	439,530
b	Average of monthly cash balances	1b	67,956
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	507,486
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	507,486
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	7,612
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	499,874
6	Minimum investment return. Enter 5% of line 5	6	24,994

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	24,994
2a	Tax on investment income for 2012 from Part VI, line 5	2a	691
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	691
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	24,303
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	24,303
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	24,303

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	24,748
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	24,748
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	691
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24,057

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				24,303
2 Undistributed income, if any, as of the end of 2012.				
a Enter amount for 2011 only			24,027	
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: ▶ \$ 24,748				
a Applied to 2011, but not more than line 2a			24,027	
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				721
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.				23,582
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)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(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:

Stuart L Mullendore 952 Frederick Street Hagerstown, MD 21740 (301) 733-2000

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 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				
Children in Need Inc 1110 Professional Court Ste 300 Hagerstown, MD 21740	N/A	501(c)(3)	School supplies	500
Boys/Girls Club of Washington Cty 805 Pennsylvania Avenue Hagerstown, MD 21742	N/A	501(c)(3)	Noland village gym	4,500
Girls Inc of Wash Cty 626 Washington Avenue Hagerstown, MD 21740	N/A	501(c)(3)	Transportation needs	500
Washington County Teen Pregnancy Prevention Coalit 88 West Lee Street Hagerstown, MD 21740	N/A	501(c)(3)	Teen outreach	527
Hagerstown Pony League 570 Jefferson Street Hagerstown, MD 21742	N/A	501(c)(3)	Transportaiton needs	1,000
San Mar Children's Home 8504 Mapleville Road Boonsboro, MD 21713	N/A	501(c)(3)	Foster Care vehicle	5,000
Washington County Museum of Fine Arts PO Box 423 401 Museum Drive Hagerstown, MD 21740	N/A	501(c)(3)	Exhibition cases	2,000
The Interfaith Service Coalition Inc 116 West High Street Hancock, MD 21750	N/A	501(c)(3)	New freezers	2,500
Hagerstown Community College Foundation Inc 11400 Robinwood Drive Hagerstown, MD 21742	N/A	501(c)(3)	Capital needs	5,000
Memorial Recreation Center Inc 109 West North Avenue Hagerstown, MD 21740	N/A	501(c)(3)	Building restoration	2,500
Total				24,027
b Approved for future payment				
Total				3b

Part I, Line 16b (990-PF) - Accounting Fees

		1,755	1,755		
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Kevin E Anders	1,755	1,755		

Part I, Line 16c (990-PF) - Other Professional Fees

		5,082	5,082		
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	RBC Wealth Management	5,082	5,082		

Part I, Line 18 (990-PF) - Taxes

		63	63		
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Foreign withholdings	63	63		

Part II, Line 10b (990-PF) - Investments - Corporate Stock

	Description	Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	Pfizer Inc	750		13,245		18,809
2	Strategic Hotel Capital Inc	1,000	16,467	16,467		6,400
3	Capitalsource Inc	2,500	31,539	30,658		18,950
4	Ares Capital Corp - New	650	30,658	3,337		11,375
5	General Electric Co	900	38,302	12,741		18,891
6	Bank of America Corp	1,800	12,741	4,814		20,898
7	Wells Fargo & Co	163		8,805		5,571
8	Fulton Financial Corp PA	1,000		12,599		9,610
9	Cisco Systems Inc	500	8,805	15,487		9,825
10	Goldman Sachs Group Inc	100	12,599	6,978		12,756
11	Century Link Inc	400	15,487	12,103		15,648
12	Royal Dutch Shell PLC	100	6,978	12,524		7,089
13	ECA Marcellus TR 1 Com Unit	500		13,041		7,635
14	Manitowoc Co Inc	1,250		4,390		19,600
15	Microchip Technology Inc	400		12,957		13,036
16	Annaly Capital Management Inc	250	4,390	23,480		3,510
17	Hartford Global Alloc Asset FD - CL 1	1,124		6,125		12,729
18	Corp Office Props Trust - SBI	750	23,480	13,817		18,735
19	Citigroup Inc	125	6,125	5,999		4,945
20	Devon Energy Corp New	250		11,699		13,010
21	Diamond Offshore Drilling Inc	100		11,721		6,796
22	Dow Chemical Co	400		15,239		12,932
23	Execlon Corporation	300		7,254		8,922
24	Johnson Controls Inc	500		11,630		15,335
25	JP Morgan Chase & Co	200		9,891		8,794
26	Bank of Montreal	200		9,518		12,260
27	Siemens AG Sponsored ADR	100		40,639		10,947
28	Medical Properties Trust Inc	1,000		35,278		11,960
29	Franklin Income Fund - Classs A	15,164	40,639	24,809		33,968
30	Nuveen Credit Strategies Income Fund	1,700	24,809	27,832		16,405
31	Pfizer Inc	1,576	27,832		34,105	
32	General Electric Co	2,400	8,899		42,984	
33	Fulton Financial Corp - PA	3,725	17,597		36,542	
34	ECA Marcellus TR 1 Com Unit	250	6,822		6,395	
35	Manitowoc Co Inc	750	8,541		6,893	
36	Microchip Technology Inc	200	6,550		7,326	
37	Hartford Global Alloc Asset FD - CL 1	1,093	12,604		11,229	
38	Gladstone Commercial Corp	600	7,467		10,530	
39	Susquehanna Capital I Cap Secs	500	12,507		13,135	
40	Mason Dixon Capital Tr - Pfd Secs	1,000	27,879		26,520	

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		462,931	436,447	247,508	387,341
		Book Value	Book Value	FMV	FMV
		Beg. of Year	End of Year	Beg. of Year	End of Year
	Description	Num. Shares/ Face Value			
41	BAC Capital Tr 1 Pfd 7%	1,000	25,004	20,850	
42	Assured Guaranty Ltd	500	7,444	6,570	
43	AT&T Inc	250	7,095	7,560	
44	Abbott Laboratories	300	13,671	16,869	

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

	Description	Interest Rate	Maturity Date	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	Deutsche Bank Cap FDG TR VIII			34,803	45,057	34,149	49,241
2	Goldman Sachs Group Inc: Med - Term Notes			9,803	10,254	10,287	12,525
3	Hartford Floating Rate Fund - CL 1			25,000	25,000	23,862	24,834

2012

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 Services |
| <input type="checkbox"/> Civic and Community Activities | <input type="checkbox"/> Athletic and Recreational Activities |
| <input type="checkbox"/> Educational, Arts and Cultural Activities | <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 _____

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: Stuart L. Mullendore, Trustee; HBP, Inc.; 952 Frederick 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	Labeled Index Divider "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	Labeled Index Divider "BUDGET"	
4	Budgets, Estimates, and Any Other Documentation Related to the Request	
EXHIBIT C	Labeled Index Divider "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	Labeled Index Divider "FINANCIAL"	
6	Financial Information	Annual or most recent financial statements, current budget and any other statements prepared by internal or external sources
EXHIBIT E	Labeled Index Divider "MANAGEMENT"	
7	Management Information	List of officers and directors including meeting schedules

Questions and Additional Information

Stuart L. Mullendore
Office. (301)733-2000
e-Mail: MullendoreSL@hughes net
Cell (301)302-4794

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.