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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

or Section 4947(a)(1) Trust Treated as Private Foundation

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning

, and ending

Name of foundation NSB Foundation, Inc. c/o Northfield Savings Bank		A Employer identification number 31-1713065
Number and street (or P.O. box number if mail is not delivered to street address) P.O. Box 7180	Room/suite	B Telephone number (800) 672-2274
City or town, state or province, country, and ZIP or foreign postal code Barre, VT 05641-7180		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☒ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,866,197.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	150,000.		N/A	
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	84,313.	84,313.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	234,313.	84,313.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	5,000.	0.		6,800.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees Stmt 1	1,150.	300.		850.
	c Other professional fees Stmt 2				600.
	17 Interest				
	18 Taxes Stmt 3	2,154.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 4	2,796.	100.		296.
	24 Total operating and administrative expenses. Add lines 13 through 23	11,100.	400.		8,546.
	25 Contributions, gifts, grants paid	150,000.			150,000.
26 Total expenses and disbursements. Add lines 24 and 25	161,100.	400.		158,546.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	73,213.				
b Net investment income (if negative, enter -0-)		83,913.			
c Adjusted net income (if negative, enter -0-)			N/A		

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11-24-15

LHA For Paperwork Reduction Act Notice, see instructions.

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10510314 793251 57820-227

2015.03001 NSB Foundation, Inc. c/o No 57820-61

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SCANNED APR 06 2016

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing		23,637.	12,537.	12,537.
	2	Savings and temporary cash investments		8,971.	3,481.	3,481.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock Stmt 5	1,860,773.	1,850,179.	1,850,179.	
	c	Investments - corporate bonds				
	Liabilities	11	Investments - land, buildings, and equipment basis ▶			
		Less: accumulated depreciation ▶				
12		Investments - mortgage loans				
13		Investments - other				
14		Land, buildings, and equipment; basis ▶				
		Less: accumulated depreciation ▶				
15		Other assets (describe ▶)				
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	1,893,381.	1,866,197.	1,866,197.	
17		Accounts payable and accrued expenses				
18		Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)	0.	0.			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	0.	0.		
28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.			
29	Retained earnings, accumulated income, endowment, or other funds	1,893,381.	1,866,197.			
30	Total net assets or fund balances	1,893,381.	1,866,197.			
31	Total liabilities and net assets/fund balances	1,893,381.	1,866,197.			

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	1,893,381.
2	Enter amount from Part I, line 27a	2	73,213.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,966,594.
5	Decreases not included in line 2 (itemize) ▶ Unrealized Loss on Investments	5	100,397.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,866,197.

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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			
b	NONE		
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. 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	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	}	3	

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))
2014	150,989.	1,804,726.	.083663
2013	153,337.	1,605,246.	.095522
2012	157,168.	1,386,316.	.113371
2011	170,003.	1,316,270.	.129155
2010	151,414.	1,188,890.	.127357

2 Total of line 1, column (d)	2	.549068
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	.109814
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	1,869,484.
5 Multiply line 4 by line 3	5	205,296.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	839.
7 Add lines 5 and 6	7	206,135.
8 Enter qualifying distributions from Part XII, line 4	8	158,546.

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.

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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 ☐ 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 ☐ 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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2015 estimated tax payments and 2014 overpayment credited to 2015

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2016 estimated tax ☐ Refunded ☐

6a	1,600.
6b	
6c	
6d	

1	1,678.
2	0.
3	1,678.
4	0.
5	1,678.
7	1,600.
8	
9	78.
10	
11	

Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?

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

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. ☐ \$ 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?

If "Yes," attach a detailed description of the activities

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? If "Yes," attach a conformed copy of the changes

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

N/A

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

• By language in the governing instrument, or

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ VT

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? If "No," attach explanation

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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8b	X	
9		X
10		X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>www.nsbfoundation.org</u>	X	
14 The books are in care of ► <u>Edward Sulva, Treasurer</u> Telephone no. ► <u>(800) 672-2274</u> Located at ► <u>P.O. Box 7180, Barre, VT</u> ZIP+4 ► <u>05641-7180</u>		
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		
16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		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? ☐ Yes ☒ No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ 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)? ☐ Yes ☒ 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.) ☐ Yes ☒ 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		X
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 2015?		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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ Yes ☒ No If "Yes," list the years ► b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No b If "Yes," did it have excess business holdings in 2015 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 2015) N/A		
4a 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 2015?		X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 6		6,800.	0.	0.

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

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

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

0

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)

3 Five highest-paid independent contractors for professional services. 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 **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**

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	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	1,873,997.
b	Average of monthly cash balances	1b	23,956.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,897,953.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,897,953.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	28,469.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,869,484.
6	Minimum investment return. Enter 5% of line 5	6	93,474.

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	93,474.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	1,678.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,678.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	91,796.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	91,796.
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	91,796.

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	158,546.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	158,546.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	158,546.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				91,796.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010	92,594.			
b From 2011	104,727.			
c From 2012	88,518.			
d From 2013	74,083.			
e From 2014	62,315.			
f Total of lines 3a through e	422,237.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$	158,546.			
a Applied to 2014, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2015 distributable amount				91,796.
e Remaining amount distributed out of corpus	66,750.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	488,987.			
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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	92,594.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	396,393.			
10 Analysis of line 9:				
a Excess from 2011	104,727.			
b Excess from 2012	88,518.			
c Excess from 2013	74,083.			
d Excess from 2014	62,315.			
e Excess from 2015	66,750.			

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 2015, enter the date of the ruling ▶
- b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year				Prior 3 years	(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012		
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed						
b 85% of line 2a						
c Qualifying distributions from Part XII, line 4 for each year listed						
d Amounts included in line 2c not used directly for active conduct of exempt activities						
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c						
3 Complete 3a, b, or c for the alternative test relied upon:						
a "Assets" alternative test - enter:						
(1) Value of all assets						
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)						
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed						
c "Support" alternative test - enter:						
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)						
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)						
(3) Largest amount of support from an exempt organization						
(4) Gross investment income						

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

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

None

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

None

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

- a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:
- b The form in which applications should be submitted and information and materials they should include:
- c Any submission deadlines:
- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient 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				
ReSource 266 Pine Street Burlington, VT 05401	N/A	PC	General Operating Support	75,000.
Capstone Community Action 20 Gable Place Barre, VT 05641	N/A	PC	General Operating Support	37,500.
Champlain Valley Office of Economic Opportunity P.O. Box 1603 Burlington, VT 05402	N/A	PC	General Operating Support	37,500.
Total			3a	150,000.
b Approved for future payment				
None				
Total			3b	0.

Enter gross amounts unless otherwise indicated.

(See worksheet in line 13 instructions to verify calculations.)

523621 11-24-15

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash (2) Other assets b Other transactions: (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge				May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No			
	 Signature of officer or trustee		13/11/16 Date			 Treasurer Title		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	Check ☐ if self-employed	PTIN	
	Nicholas E. Porto				03/14/16		P01310283	
	Firm's name ▶ BAKER NEWMAN & NOYES, LLC					Firm's EIN ▶ 01-0494526		
	Firm's address ▶ BOX 507 PORTLAND, ME 04112					Phone no. (207) 879-2100		

Form **990-PF** (2015)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Name of the organization

NSB Foundation, Inc.
c/o Northfield Savings Bank

Employer identification number

31-1713065

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

- ☐ 501(c)() (enter number) organization
- ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- ☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
- ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
- ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization NSB Foundation, Inc. c/o Northfield Savings Bank	Employer identification number 31-1713065
---	--

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Northfield Savings Bank 1021 Paine Turnpike North Berlin, VT 05602	\$ 150,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Name of organization

Employer identification number

NSB Foundation, Inc.
c/o Northfield Savings Bank

31-1713065

Part II Noncash Property (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization NSB Foundation, Inc. c/o Northfield Savings Bank	Employer identification number 31-1713065
---	---

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

Form 990-PF	Accounting Fees			Statement 1
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	1,150.	300.		850.
To Form 990-PF, Pg 1, ln 16b	1,150.	300.		850.

Form 990-PF	Other Professional Fees			Statement 2
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Director Fees	0.	0.		600.
To Form 990-PF, Pg 1, ln 16c	0.	0.		600.

Form 990-PF	Taxes			Statement 3
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise Tax	2,154.	0.		0.
To Form 990-PF, Pg 1, ln 18	2,154.	0.		0.

Form 990-PF	Other Expenses			Statement 4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Miscellaneous Expense	396.	100.		296.
Accrual to Cash (Officer Comp)	2,400.	0.		0.
To Form 990-PF, Pg 1, ln 23	2,796.	100.		296.

Form 990-PF	Corporate Stock	Statement	5
-------------	-----------------	-----------	---

Description	Book Value	Fair Market Value
Mutual Funds-see Statement 7	1,850,179.	1,850,179.
Total to Form 990-PF, Part II, line 10b	1,850,179.	1,850,179.

Form 990-PF	Part VIII - List of Officers, Directors Trustees and Foundation Managers	Statement	6
-------------	---	-----------	---

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Yael Freidman c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director 0.50	550.	0.	0.
Tom Robbins c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director 0.50	550.	0.	0.
Marissa Parisi c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director 0.50	550.	0.	0.
Stephanie Hainley c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director 0.50	1,250.	0.	0.
Laura Carlsmith c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director (part year) 0.50	600.	0.	0.
Nancy Zorn c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director (part year) 0.50	400.	0.	0.

Sandra Rousse c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Director (part year)	0.50	600.	0.	0.
L. Stephen Hackett c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	President/Director	0.50	1,250.	0.	0.
Mary Alice McKenzie c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Vice President/Director	0.50	1,050.	0.	0.
Edward Sulva c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Treasurer	0.50	0.	0.	0.
Ellen Wagner c/o Northfield Savings Bank, P.O. Box 7180 Barre, VT 05641-7180	Secretary	0.50	0.	0.	0.
Totals included on 990-PF, Page 6, Part VIII			6,800.	0.	0.

NSB FOUNDATION

EIN: 31-1713065

Brokerage
Account Statement

Statement Period: 12/01/2015 - 12/31/2015

Client Service Information

Your Account Executive: NCB

CHAD BELL, with

INFINEX INVE

LOCATED AT

NORTHEFIELD

289 NORTH MAIN ST

BARRE VT 058

VT 05641-4171

Contact Information

Telephone Number: (802) 476-2444

Your Account Information

Investment Objective

Investment Objective: NONE SPECIFIED

Risk Exposure: NONE SPECIFIED

Please discuss your investment

Please discuss your investment objective with your Account Executive

Tax Lot Default Disposition Method

Default Method for Mutual Funds: FIRST IN-FIRST OUT

Default Method for Mutual Funds First in First Out

Default Method for all Other Securities: FIRST IN FIRST OUT

Delaware Election for All Council Seats

DO IT ALL WITH ONE ELECTION

All utilize premium off taxable dollars based on consistent new method

Actual Market discount method for all other-Do
Include market discount in income annually. No

Electronic Delivery

Electronic Delivery You have not selected any account communications for electronic delivery. To register and turn off paper communications, log in to your account or contact your Account Executive for more information.

Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield
Cash, Money Funds, and Bank Deposits - 1.00% of Portfolio						
FDIC Insured Bank Deposits						
LIQUID INSURED DEPOSITS	3,481.270	3,481.24	3,481.27	0.02	0.30	N/A
Total FDIC Insured Bank Deposits		\$3,481.24	\$3,481.27	\$0.02	\$0.30	
Total Cash, Money Funds, and Bank Deposits		\$3,481.24	\$3,481.27	\$0.02	\$0.30	

STATEMENT 7

Account Number NFL-601640

NSB FOUNDATION INC

PAR-Q, ROLL

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Page 3 of 13

Clearing through Payments LLC, a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon)



Portfolio Holdings (continued)

NSB FOUNDATION

EIN: 31-1713065

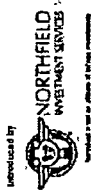
Description	Quantity	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Mutual Funds - 90.00% of Portfolio					
FIDELITY ADVISOR SMALL CAP FUND					
CLASS A	5,658.163	24,3400	137,719.69		
Security Identifier: FSCDX					
CUSIP: 315805697					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					
FIDELITY ADVISOR STRATEGIC INCOME				2,925.41	3.40%
CLASS A	7,600.643	11.3200	86,039.28		
Security Identifier: FSTAX					
CUSIP: 315920850					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					
FIDELITY ADVISOR GOVERNMENT INCOME				1,102.87	1.13%
FUND CLASS A	9,434.916	10.3200	97,368.33		
Security Identifier: FVIAX					
CUSIP: 31617K782					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					
MFS LIMITED MATURITY FUND CLASS A				1,158.59	1.10%
Security Identifier: MQLFX					
CUSIP: 55272P109	17,554.663	5.9600	104,625.79		
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					
MFS INTERNATIONAL GROWTH FUND CLASS A				1,042.10	0.99%
Security Identifier: MGRAX					
CUSIP: 55273E103	4,061.689	25.7800	104,710.34		
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					
MFS EMERGING MARKETS EQUITY FUND				36.88	0.13%
CLASS A	1,122.291	23.6800	26,575.85		
Security Identifier: MEMAX					
CUSIP: 55273E509					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option					
Reinvest					

STATEMENT 7





NSB Foundation
Infinex Investments, Inc.
538 Preston Avenue
Meriden, CT 06450
(203) 599-6000 (203) 599-6001



Brokerage

Account Statement

NSB FOUNDATION

EIN: 31-1713065

Statement Period: 12/01/2015 - 12/31/2015

Portfolio Holdings (continued)

Description	Quantity	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Mutual Funds (continued)					
MFS TOTAL RETURN FUND CLASS A	27,596.773	17.1700	473,836.59	9,934.83	2.09%
Security Identifier: MFSRX					
CUSIP: 552981300					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option:					
Reinvest					
MFS VALUE FUND CLASS A	4,862.279	32.7900	159,434.13	3,132.66	1.96%
Security Identifier: MEAX					
CUSIP: 552983801					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option:					
Reinvest					
MFS UTILITIES FUND CLASS A	2,260.838	16.8300	38,049.90	974.21	2.56%
Security Identifier: MMLJFX					
CUSIP: 552986309					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option:					
Reinvest					
MFS MASSACHUSETTS INVESTORS GROWTH STOCK FUND CLASS A	16,486.406	23.0200	379,517.07	3,484.56	0.91%
Security Identifier: MIGFX					
CUSIP: 575719109					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option:					
Reinvest					
PIMCO INCOME FUND CLASS A	5,883.392	11.7300	69,012.19	3,621.71	5.24%
Security Identifier: PONAX					
CUSIP: 72201F474					
Open End Fund					
Dividend Option: Reinvest, Capital Gains Option:					
Reinvest					
Total Mutual Funds			\$1,676,889.16	\$27,413.82	

STATEMENT 7

Page 5 of 13

PAP-02 ROLL

Account Number NFL-601640
NSB FOUNDATION INC

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Clustering through Invesco LLC, a wholly owned subsidiary
of The Bank of New York Mellon Corporation (BNY Mellon)
Penny, J.C. member FINRA NYSE SIPC

A0000600CSE101C

Portfolio Holdings (continued)

NSB FOUNDATION

EIN: 31-1713065

Description	Quantity	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Exchange-Traded Products 9.00% of Portfolio					
SPDR S&P 500 ETF TR UNIT	850.000	203.8700	173,289.50	3,574.98	2.06%
Security Identifier SPY					
CUSIP 78462F103					
Dividend Option Cash Capital Gains Option Cash					

Total Exchange-Traded Products

\$173,289.50

\$3,574.98

Total Portfolio Holdings

Market Value
\$1,853,659.93

Accrued Interest
\$0.00

Estimated Annual Income
\$30,989.10

Portfolio Holdings Disclosures

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.pershing.com/business_continuity.html for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

Foreign Currency Transactions

Pershing may execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your shares held on margin may be

STATEMENT 7

Page 6 of 13

Account Number NFL-601640

PAR 02-ROLL

NSB FOUNDATION INC

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DAI BAR RATED COMMUNICATIONS
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Clearing through Pershing LLC, a wholly owned subsidiary
of The Bank of New York Mellon Corporation (BNY Mellon)
Pershing LLC member FINRA, NYSE, SIF