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

2011

Department of the Treasury
Internal Revenue Service

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

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

Name of foundation KENISTON AND DANE EDUCATIONAL FUND		A Employer identification number 03-0341752
Number and street (or P O box number if mail is not delivered to street address) 533 MOSHER RD	Room/suite	B Telephone number (see instructions) 802-626-9001
City or town, state, and ZIP code SHEFFIELD VT 05866		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 type="checkbox"/> Section 501(c)(3) exempt private foundation <input checked="" 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) ▶ \$ 1,548,479	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)
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	0	0		
4 Dividends and interest from securities	34,508	34,508		
5 a Gross rents			0	
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	7,711			
b Gross sales price for all assets on line 6a	488,831			
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	4,312	4,312	0	
12 Total. Add lines 1 through 11	46,531	38,820	0	
13 Compensation of officers, directors, trustees, etc	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	1,400	0	0	0
c Other professional fees (attach schedule)	0	0	0	0
17 Interest				
18 Taxes (attach schedule) (see instructions)	190	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	12,681	0	0	0
24 Total operating and administrative expenses. Add lines 13 through 23	14,271	0	0	0
25 Contributions, gifts, grants paid	24,790			24,790
26 Total expenses and disbursements. Add lines 24 and 25	39,061	0	0	24,790
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	7,470			
b Net investment income (if negative, enter -0-)		38,820		
c Adjusted net income (if negative, enter -0-)			0	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	1,140	2,056	2,056
	2 Savings and temporary cash investments	836,950	903,769	905,147
	3 Accounts receivable	0	0	0
	Less allowance for doubtful accounts	0	0	0
	4 Pledges receivable	0	0	0
	Less allowance for doubtful accounts	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule)	0	0	0
	Less allowance for doubtful accounts	0	0	0
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,040	1,280	
	10 a Investments—U S and state government obligations (attach schedule)	266,935	226,728	235,228
	b Investments—corporate stock (attach schedule)	321,685	300,195	406,048
	c Investments—corporate bonds (attach schedule)	0	0	0
	11 Investments—land, buildings, and equipment basis	0	0	0
Less accumulated depreciation (attach schedule)	0	0	0	
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	0	0	0	
14 Land, buildings, and equipment basis	0	0	0	
Less accumulated depreciation (attach schedule)	0	0	0	
15 Other assets (describe)	0	0	0	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,427,750	1,434,028	1,548,479	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe)	0	0	
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted	1,427,750	1,434,028	
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0	0	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances (see instructions)	1,427,750	1,434,028		
31 Total liabilities and net assets/fund balances (see instructions)	1,427,750	1,434,028		

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	1,427,750
2 Enter amount from Part I, line 27a	2	7,470
3 Other increases not included in line 2 (itemize)	3	0
4 Add lines 1, 2, and 3	4	1,435,220
5 Decreases not included in line 2 (itemize) PREVIOUS YEAR TAXES	5	1,192
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,434,028

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					
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	0	0	0	0	
b	0	0	0	0	
c	0	0	0	0	
d	0	0	0	0	
e	0	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a	0	0	0	0	
b	0	0	0	0	
c	0	0	0	0	
d	0	0	0	0	
e	0	0	0	0	
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	0
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	{ If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 }			3	0

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	47,678	1,168,662	0.040797
2009	55,330	976,491	0.056662
2008	60,161	710,395	0.084687
2007	60,161	1,453,930	0.041378
2006	55,502	1,450,772	0.038257
2 Total of line 1, column (d)			2 0.261781
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 0.052356
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 0
5 Multiply line 4 by line 3			5 0
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 0
7 Add lines 5 and 6			7 0
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 0

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)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	776	
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0	
3 Add lines 1 and 2	3	776	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	776	
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,280	
b Exempt foreign organizations—tax withheld at source	6b	0	
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
d Backup withholding erroneously withheld	6d	0	
7 Total credits and payments Add lines 6a through 6d	7	1,280	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	0	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	504	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax 504 Refunded	11	0	

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 page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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) ▶ 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? <i>If "No," attach explanation</i>		
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 2011 or the taxable year beginning in 2011 (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).	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ SALLY WOOD SIMON Telephone no ▶ 802-626-9000 Located at ▶ 553 MOSHER RD SHEFFIELD VT ZIP+4 ▶ 05866			
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		4,312
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	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 2011?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	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 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	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 2011?	4b	X

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

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

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

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

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

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

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

	5b	N/A
	6b	X
	7b	X

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE	00	0	0	0
	.00	0	0	0
	00	0	0	0
	00	0	0	0

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

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

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
.....		0
.....		0
.....		0
.....		0
.....		0
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 SEE LIST ATTACHED FOR LIST OF GRANTS FOR EDUCATIONAL PURPOSES	24,790
2	
3	
4	

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

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

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

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	852,082
b	Average of monthly cash balances	1b	452,913
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,304,995
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	1,304,995
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	19,575
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,285,420
6	Minimum investment return. Enter 5% of line 5	6	64,271

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	64,271
2a	Tax on investment income for 2011 from Part VI, line 5	2a	776	
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	0	
c	Add lines 2a and 2b	2c	776	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	63,495	
4	Recoveries of amounts treated as qualifying distributions	4		
5	Add lines 3 and 4	5	63,495	
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	63,495	

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	24,790
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	24,790
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24,790

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				63,495
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			11,333	
b Total for prior years 20 07 , 20 08 , 20 09		46,738		
3 Excess distributions carryover, if any, to 2011				
a From 2006	0			
b From 2007	0			
c From 2008	0			
d From 2009	0			
e From 2010	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 24,790				
a Applied to 2010, but not more than line 2a			11,333	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	0			
d Applied to 2011 distributable amount				13,457
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		46,738		
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		46,738		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				50,038
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 2006 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2007	0			
b Excess from 2008	0			
c Excess from 2009	0			
d Excess from 2010	0			
e Excess from 2011	0			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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) 2011	(b) 2010	(c) 2009	
0	42,156	23,991	35,520	101,667
0	35,833	20,392	30,192	86,417
24,790	47,678	55,330	60,161	187,959
				0
24,790	47,678	55,330	60,161	187,959

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

1,434,028	1,427,750	1,413,272	1,453,930	5,728,980
				0
42,847	38,955	32,550	23,680	138,032
				0
				0
46,531	63,700	28,047	76,425	214,703

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))

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

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

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

a The name, address, and telephone number of the person to whom applications should be addressed

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

c Any submission deadlines:

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

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 <i>Paid during the year</i>				
VARIOUS GRANTS TO THE STUDENTS IN REGION ROUTE 122 SHEFIELD VT 05866	NONE	NONE	EDUCATION	22,490
MILLARS RUN SCHOOL ROUTE 122 SHEFFIELD VT 05866	NONE	NONE	EDUCATION	2,300
Total				▶ 3a 24,790
b <i>Approved for future payment</i>				
Total				▶ 3b 0

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Totals		Net Gain or Loss
									Gross Sales Price	Cost or Other Basis	
		Long Term CG Distributions	Amount								
		Short Term CG Distributions									
									488,831	0	7,711
1		60M ORIENTAL BK				7/21/2010	P	4/29/2011	60,000	60,000	0
2		25M FED HOME LOAN				3/29/2011	P	9/30/2011	25,000	25,000	0
3		25M FED HOME LOAN				6/27/2011	P	9/30/2011	25,000	24,981	19
4		25 VANGARD MID-CAP GROW				6/10/2011	P	9/28/2011	1,438	1,628	-190
5		649 BARNES NOBLE				1/7/2010	P	3/16/2011	6,298	12,221	-5,923
6		35M DISCOVER				3/24/2009	P	3/24/2011	35,000	35,000	0
7		25M MARLIN BANK				5/6/2008	P	5/16/2011	25,000	25,000	0
8		750 I SHARES				10/17/2007	P	5/12/2011	7,760	10,627	-2,867
9		144 I SHARES				12/22/2008	P	5/12/2011	1,494	1,310	184
10		100 NCR				11/30/2009	P	5/12/2011	1,940	944	996
11		72 MCKESSON CORP				12/22/2008	P	5/12/2011	61	27	34
12		29 MESSON CORP				11/30/2009	P	5/12/2011	2,460	1,819	641
13		320 I SHARES				11/30/2009	P	6/10/2011	22,299	17,273	5,026
14		35M MARNIER				6/30/2009	P	6/30/2011	35,000	35,000	0
15		50M FED HOME				6/29/2010	P	7/20/2011	50,000	50,000	0
16		15M FED HOME				6/29/2010	P	7/20/2011	15,000	15,000	0
17		25 FED HOME				8/3/2010	P	8/17/2011	25,000	24,963	37
18		25 FED HOME				8/3/2010	P	8/18/2011	25,000	24,994	6
19		156 AMERON				12/22/2008	P	9/9/2011	13,270	8,458	4,812
20		8 AMERON				11/30/2009	P	9/9/2011	681	456	225
21		10 DEUTSCHE				12/22/2008	P	9/28/2011	116	149	-33
22		15 MCKESSON				12/22/2008	P	9/28/2011	1,128	553	575
23		35 ISHARES				1/20/2009	P	9/28/2011	1,557	995	562
24		10 ISHARES				12/22/2008	P	9/28/2011	959	681	278
25		45 GE				6/22/2006	P	9/28/2011	703	1,495	-792
26		15 GLAXO SMITHLINE				11/30/2009	P	9/28/2011	630	623	7
27		15 EMERSON				12/22/2008	P	9/28/2011	656	512	144
28		20 COSCO				12/22/2008	P	9/28/2011	1,690	1,042	648
29		20 BOEING				12/22/2008	P	9/28/2011	1,257	817	440
30		15 COMMUNITY BANK SYSTE				8/11/2009	P	9/28/2011	343	290	53
31		60 ASTEC				11/30/2009	P	9/28/2011	1,827	1,479	348
32		50 SEGATE				11/30/2009	P	9/28/2011	563	761	-198
33		60 BANCO				12/31/2008	P	9/28/2011	938	871	67
34		10 COKE				12/22/2008	P	9/28/2011	690	446	244
35		25 DR REDDY'S				12/22/2008	P	9/28/2011	767	243	524
36		75 ZEROX				12/31/2008	P	9/28/2011	555	602	-47
37		25 PROGRESS ENERGY				12/22/2008	P	9/28/2011	1,294	971	323
38		30 VERIZON				12/31/2008	P	9/28/2011	1,109	953	156
39		150 NCR				11/30/2009	P	9/28/2011	2,663	1,416	1,247
40		105 TAIWAN SEMI				8/11/2009	P	9/28/2011	1,240	1,081	159
41		75 SL				12/22/2008	P	9/28/2011	1,297	714	583
42		20 SONY				11/30/2009	P	9/28/2011	388	534	-146
43		20 TIDEWATER				10/17/2001	P	9/28/2011	887	599	288
44		15 TIDEWATER				11/30/2009	P	9/28/2011	665	675	-10
45		25 PFIZER				11/30/2009	P	9/28/2011	440	458	-18
46		25 I SHARES				12/22/2008	P	9/28/2011	303	196	107
47		347 SONY				12/22/2008	P	11/30/2011	6,243	6,935	-692
48		12 SONEY				11/30/2009	P	11/30/2011	222	328	-106
49		50M PINICLE				6/18/2009	P	12/19/2011	50,000	50,000	0
50		30M REPUBLIC				1/5/2010	P	12/22/2011	30,000	30,000	0
51											0
52											0
53											0

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Totals		Net Gain or Loss
									Gross Sales	Cost, Other Basis and Expenses	
54											
55											
56											
57											
58											
59											
60											
61											
62											
63											
64											
65											
									Totals		
									Securities		0
									Other sales		488,831
									Gross Sales		0
									Cost, Other Basis and Expenses		481,120
									Expense of Sale and Cost of Improvements		7,711
									Valuation Method		
									Cost or Other Basis		
									Gross Sales Price		
									Date Sold		
									Acquisition Method		
									Date Acquired		
									Check "X" if Purchaser is a Business		
									Purchaser		
									CUSIP #		
									Description		

Line 16b (990-PF) - Accounting Fees

		1,400	0	0	0
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	KM BIATHROW CPA	1,400			
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income				
3	Income tax				
4	FOREIGN TAXES	190			
5					
6					
7					
8					
9					
10					
		190	0	0	0

Line 23 (990-PF) - Other Expenses

		12,681	0	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes	
1	Fund Raising					
2	INVESTMENT ADVICE	11,028				
3	MISC	1,190				
4	OTHER COSTS	463				
5						
6						
7						
8						
9						

Part II, Line 10a (990-PF) - Investments - U.S. and State Government Obligations

		266,935	226,728	260,098	235,228				
	Description	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	Check "X" if Federal Obligation	Check "X" if State/ Local Obligation		
1	STATE BONDS	151,978	201,763	145,320	210,099		X		
2	US GOVERNMENT BONDS	114,957	24,965	114,778	25,129	X			
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									

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

		321,685	300,195	463,394	406,048
		Book Value	Book Value	FMV	FMV
		Beg of Year	End of Year	Beg of Year	End of Year
				463,394	406,048
1	VARIOUS CORPORATE STOCK IN PORTFO	321,685	300,195		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

KENISTON AND DANE EDUCATIONAL FUND

**Board of Trustees
2011**

Selectmen, Town of Sheffield, Trustees

Max Aldrich
Charles O. Gilman
Audrey Hearne
c/o Kathy Newland, Sheffield Town Clerk
Post Office Box 165
Sheffield, VT 05866

Selectmen, Town of Wheelock, Trustees

Stephen Amos
Charles Rice
Preston Smith
c/o Michelle Trottier, Wheelock Town Clerk
Post Office Box 1328
Lyndonville, VT 05851

Keniston and Dane Educational Fund
Attachment to IRS Form 990-PF 2010

List of Beneficiaries--2011

Beneficiary	Town	Distribution 01-18-11	Distribution 08-01-11	Total
Aiken, Daniel L	Sheffield	\$ 376 45	\$ 400 74	\$ 777 19
Aldrich, Monica M	Sheffield	376 45		376 45
Bearce, Jill L	Wheelock		400 74	400 74
Berry, Kate A	Sheffield	376 45	400 74	777 19
Bishop, Daniel E	Wheelock	376 45	400 74	777 19
Bishop, Jennifer M	Wheelock	376 45		376 45
Bredes, Dounia M	Wheelock	376 45		376 45
Christman, Ryan N	Wheelock	376 45		376 45
Davis, Chelsey	Wheelock	376 45		376 45
Demar, Kate L	Sheffield	376 45		376 45
Dionisio, Joseph A	Wheelock	376 45	400 74	777 19
Dunbar, Korrina A	Sheffield	376 45	400 74	777 19
Fellows, Megan E	Sheffield		400 74	400 74
Goodwin, Breanna C M	Wheelock		400 74	400 74
Goodwin, Dylan M	Wheelock	376 45		376 45
Hill, Ashley J	Sheffield	376 45	400 74	777 19
Hill, Jacob W	Sheffield		400 74	400 74
Kascenska, Ethan J	Wheelock	376 45	400 74	777 19
MacDougall, Shane D	Wheelock	376 45		376 45
Manning, Moses M	Wheelock		400 74	400 74
Martin, Melissa K	Wheelock	376 45	400 74	777 19
Martin, Michael A	Wheelock	376 45	400 74	777 19
Mathewson, Gabrielle M	Sheffield	376 45	400 74	777 19
McClure, Nicholas L	Sheffield		400 74	400 74
Newland, Michelle E	Sheffield	376.45	400 74	777.19
Northrop, Elizabeth S	Wheelock	376 45	400 74	777.19
Northrop, Randall S	Wheelock	376.45		376 45
Potter, Jonathan R	Wheelock	376 45		376 45
Potter, Nicholus R	Wheelock		400 74	400 74
Potter-Jacobus, Christina E	Wheelock	376 45		376 45
Randall, Dayna A	Wheelock		400 74	400 74
Richardson, Lanna J	Sheffield	376 45		376 45
Savoie, Nicole L	Wheelock	376 45	400 74	777 19
Simons, Anna V	Sheffield	376 45	400 74	777 19
Simons, Sally J	Sheffield		400 74	400 74
Sjolander, Teala J	Wheelock	376.45	400 74	777 19
Smith, Silas F	Wheelock	376 45		376 45
Trucott, Robert L	Sheffield	376 45	400 74	777 19
Woodard, Catherine A	Sheffield	376 45	400 74	777.19
Wright, Amanda L	Sheffield	376 45		376 45
Totals		\$ 11,669 95	\$ 10,419 24	\$ 22,089 19

Beneficiary	Distribution 05-16-11	Total
Matching Funds Miller's Run School	\$ 2,300 00	\$ 2,300 00
TOTAL DISTRIBUTED	\$ 11,669.95	\$ 12,719.24

\$ 24,389.19