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

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OMB No 1545-0052

2015**Open to Public Inspection****For calendar year 2015, or tax year beginning** Apr 1 , 2015, **and ending** Mar 31 , 2016

Name of foundation Castanea Foundation, Inc.		A Employer identification number 20-2727759
Number and street (or P.O. box number if mail is not delivered to street address) P.O. Box 64		B Telephone number (see instructions) (802) 225-1180
City or town, state or province, country, and ZIP or foreign postal code Montpelier VT 05601		C If exemption application is pending, check here. <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 10,299,233.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc. received (attach schedule)		1,140,000.			
2 Ck <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		3,306.	3,306.	3,306.	
4 Dividends and interest from securities		68,546.	68,546.	68,546.	
5a Gross rents		34,163.	34,163.	34,163.	
b Net rental income or (loss)	15,595.				
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)					
8 Net short-term capital gain					
9 Income modifications				126,754.	
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
See Line 11 Stmt		-8,962.	-9,496.	-9,496.	
12 Total. Add lines 1 through 11.		1,237,053.	96,519.	223,273.	
13 Compensation of officers, directors, trustees, etc.		126,215.	63,108.	63,108.	63,107.
14 Other employee salaries and wages		0.	0.	0.	0.
15 Pension plans, employee benefits		6,037.	3,019.	3,019.	3,018.
16a Legal fees (attach schedule)		22,941.	18,353.	18,353.	4,588.
b Accounting fees (attach sch)		18,834.	9,417.	9,417.	9,417.
c Other prof fees (attach sch)					
17 Interest					
18 Taxes (attach schedule) (see instrs) Payroll Taxes.		9,221.	4,611.	4,611.	4,610.
19 Depreciation (attach schedule) and depletion		89,462.	89,250.	89,250.	
20 Occupancy		7,705.	3,852.	3,852.	3,853.
21 Travel, conferences, and meetings		10,276.	5,138.	5,138.	5,138.
22 Printing and publications			0.	0.	0.
23 Other expenses (attach schedule)					
See Line 23 Stmt		42,888.	26,520.	26,520.	19,614.
24 Total operating and administrative expenses. Add lines 13 through 23		333,579.	223,268.	223,268.	113,345.
25 Contributions, gifts, grants paid		266,858.			71,722.
26 Total expenses and disbursements. Add lines 24 and 25		600,437.	223,268.	223,268.	185,067.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		636,616.			
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				5.	

922 4

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		254,403.	281,010.	281,010.
	2	Savings and temporary cash investments		4,913,906.	5,528,066.	5,528,066.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		9,374.	12,119.	12,119.
	10a	Investments — U.S. and state government obligations (attach schedule)				
	b	Investments — corporate stock (attach schedule)				
	c	Investments — corporate bonds (attach schedule)				
	LIABILITIES	11	Investments — land, buildings, and equipment, basis			
		Less: accumulated depreciation (attach schedule)				
12		Investments — mortgage loans				
13		Investments — other (attach schedule)				
14		Land, buildings, and equipment, basis	11,231.			
		Less: accumulated depreciation (attach schedule)	10,841.	815.	390.	390.
15		Other assets (describe)	4,289,228.	4,477,648.	4,477,648.	
16		Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I).	9,467,726.	10,299,233.	10,299,233.	
17		Accounts payable and accrued expenses	51,758.	48,013.		
18		Grants payable	9,864.	205,000.		
NET FUND ASSETS OR FUND BALANCES	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)	13,500.	17,000.		
	23	Total liabilities (add lines 17 through 22)	75,122.	270,013.		
		Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	9,392,604.	10,029,220.		
25	Temporarily restricted	0.	0.			
26	Permanently restricted	0.	0.			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.					
27	Capital stock, trust principal, or current funds					
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)	9,392,604.	10,029,220.			
31	Total liabilities and net assets/fund balances (see instructions)	9,467,726.	10,299,233.			

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	9,392,604.
2	Enter amount from Part I, line 27a	2	636,616.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	10,029,220.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	10,029,220.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(mo., day, yr.)(d) Date sold
(mo., day, yr.)

1 a			
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			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
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) (see instructions). If (loss), enter -0-
in Part I, line 8

3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	2,496,561.	4,405,066.	0.566748
2013	1,010,571.	3,551,778.	0.284525
2012	921,320.	1,827,585.	0.504119
2011	1,983,439.	812,891.	2.439982
2010	2,739,200.	217,210.	12.610837

2 Total of line 1, column (d) 16.4062113 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 3.2812424 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5. 5,083,472.5 Multiply line 4 by line 3 16,680,102.6 Enter 1% of net investment income (1% of Part I, line 27b) 0.7 Add lines 5 and 6. 16,680,102.8 Enter qualifying distributions from Part XII, line 4 570,442.If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the
Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter. _____ (attach copy of letter if necessary — see instrs)		1	0.
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			
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	0.
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	0.
6 Credits/Payments:			
a 2015 estimated tax pmts and 2014 overpayment credited to 2015	6 a	0.	
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c	0.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		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		0.
11 Enter the amount of line 10 to be Credited to 2016 estimated tax	11		
	Refunded		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?		X
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?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		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? If 'Yes,' attach a conformed copy of the changes		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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, col (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) See States Registered In		
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If 'Yes,' complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions).	12	X	
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>www.castaneafoundation.org</u>	13	X	
14	The books are in care of <u>Sandra Pearson, CPA</u> Telephone no <u>(802) 229-9108</u> Located at <u>100 State Street #512</u> <u>Montpelier</u> <u>VT</u> ZIP + 4 <u>05602</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
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?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country <u></u>			

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
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <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 checked="" type="checkbox"/> Yes <input 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	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?	1 c	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u>		
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.)	2 b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u> , <u>20</u> <u></u>		
3 a 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 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)	3 b	
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2015?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5 a** During the year did the foundation pay or incur any amount to:

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

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☒ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If 'Yes' to 6b, file Form 8870.

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Thomas Storrow 100 State Street #510 Montpelier VT 05601	Executive Director 40.00	126,215.	6,037.	0.
Megan Camp 100 State Street #510 Montpelier VT 05601	President 1.00	0.	0.	0.
Alec Webb 100 State Street #510 Montpelier VT 05601	Treasurer 1.00	0.	0.	0.
Robert E. Woolmington 100 State Street #510 Montpelier VT 05601	V.P. / Secr. 1.00	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 ☐ None

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes	
a Average monthly fair market value of securities	1 a 0.
b Average of monthly cash balances	1 b 5,160,885.
c Fair market value of all other assets (see instructions)	1 c 0.
d Total (add lines 1a, b, and c)	1 d 5,160,885.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e 0.
2 Acquisition indebtedness applicable to line 1 assets	2 0.
3 Subtract line 2 from line 1d	3 5,160,885.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 77,413.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 5,083,472.
6 Minimum investment return. Enter 5% of line 5	6 254,174.

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
2 a Tax on investment income for 2015 from Part VI, line 5	2 a
b Income tax for 2015. (This does not include the tax from Part VI.)	2 b
c Add lines 2a and 2b	2 c
3 Distributable amount before adjustments. Subtract line 2c from line 1	3
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5
6 Deduction from distributable amount (see instructions)	6
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a 185,067.
b Program-related investments — total from Part IX-B	1 b 385,375.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the	
a Suitability test (prior IRS approval required)	3 a
b Cash distribution test (attach the required schedule)	3 b
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 570,442.
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	6 570,442.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only				
b Total for prior years. 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2015				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e				
4 Qualifying distributions for 2015 from Part XII, line 4: ► \$ _____				
a Applied to 2014, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2015 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions				
e Undistributed income for 2014 Subtract line 4a from line 2a Taxable amount — see instructions				
f Undistributed income for 2015 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				
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)				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

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 2015, enter the date of the ruling. 04/20/05

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	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	5.	220,253.	56,376.	91,379.	368,013.
b 85% of line 2a	4.	187,215.	47,920.	77,672.	312,811.
c Qualifying distributions from Part XII, line 4 for each year listed	570,442.	2,496,561.	1,010,571.	921,320.	4,998,894.
d Amounts included in line 2c not used directly for active conduct of exempt activities	71,722.	213,544.	498,160.	224,687.	1,008,113.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	498,720.	2,283,017.	512,411.	696,633.	3,990,781.
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	169,449.	146,835.	118,393.	60,919.	495,596.
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.

Not Applicable

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

N/A

c Any submission deadlines:

N/A

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

N/A

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				
Vermont Council on Rural Development 43 State Street Montpelier VT 05602	N/A	PC	Support general operations.	1,000.
Community Involved in Sustainable Agriculture One Sugarloaf Street South Deerfield MA 01373	N/A	PC	Support general operations.	1,000.
Composting Association of Vermont P.O. Box 112 Troy VT 05868	N/A	PC	Support sustainable agriculture.	5,000.
Agricultural Stewardship Association 28 Main Street Greenwich NY 12834	N/A	PC	Support general operations.	35,000.
Agricultural Stewardship Association 28 Main Street Greenwich NY 12834	N/A	PC	Support land conservation.	19,858.
Fidelity Charitable Gift Fund 200 Seaport Boulevard Boston MA 02210	N/A	PC	To support the mission of the Foundation.	200,000.
Vermont Herb Growers Cooperative 278 Mead Road Hyde Park VT 05655	N/A	NC	Support research and development.	5,000.
Total			3 a	266,858.
b Approved for future payment				
Total			3 b	

Enter gross amounts unless otherwise indicated.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No 1545-0047

2015

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

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

Name of the organization

Castanea Foundation, Inc.

Employer identification number

20-2727759

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

☐ 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).

BAA 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

Castanea Foundation, Inc.

Employer identification number

20-2727759

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	The Green Acres Fund c/o Langrock, Sperry & Wool LLC P.O. Box 351 Middlebury VT 05753	\$ 1,140,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

**Form 990-PF
Part VII-B, Line 5C**

Expenditure Responsibility

2015

Name(s) Shown on Return

Castanea Foundation, Inc.

Employer ID Number

20-2727759

Grantee Information:

Grantee Name Vermont Herb Growers Cooperative

Check Box, if Grantee is a Business ☐

Grantee Address 278 Mead Road

Grantee City Hyde Park

Grantee State VT

Grantee Zip 05655

Foreign City

Foreign Country

Grant Amount 5,000.

Amount Expended 0.

Date of Grant 03/04/16

Purpose of Grant:

Research and development activities for the marketing of agricultural or handcrafted products. Grantee will support (i) organic farms with the mission of growing and marketing high-quality, organic, medicinal herbs and which practice environmentally sound management practices and (ii) research, development, educational and technical assistance programs related to the cultivation, harvesting and processing of herbs.

Any Diversion By Grantee?

No

Dates of Reports by Grantee?

None within the tax year.

Verification Date Not Applicable

Results of Verification:

Not Applicable - grant awarded March 2016.

Additional Information

Form 990-PF Page 7 Parts IX-A and IX-B

Part IX-A Line 1:

The Foundation works toward fulfilling its primary mission through a variety of land conservation mechanisms including purchase of critical, important or threatened land, funding the bargain purchase of development rights on farms by land trust or other conservation organizations and by making outright grants to other non-profit organizations with similar missions.

Part IX-A Line 2:

The Foundation is involved in a variety of conservation-related agricultural viability projects, including technical assistance to a number of small agricultural concerns, aimed at furthering the Foundation's mission to preserve ecologically significant or environmentally sensitive lands.

Additional Information

Part VII-A Line 12

As an accrual basis taxpayer, the Organization has recognized a
grant payable of \$200,000 to the Fidelity Charitable Gift Fund as
approved by the Board in March 2016. The Organization plans to create
a donor-advised fund at the Fidelity Charitable Gift Fund with the
Foundation having advisory privileges and with the purpose of
supporting the mission of the Foundation.

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
K-1 Income / (Loss) from PIs	-9,760.	-9,760.	-9,760.
Excise Tax Refund	534.	0.	0.
Other Income	264.	264.	264.
Total	-8,962.	-9,496.	-9,496.

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Contractual Services	3,363.	1,433.	1,433.	1,930.
Insurance	16,004.	8,002.	8,002.	8,002.
Miscellaneous	5,242.	2,621.	2,621.	2,621.
Surveys, Appraisals & Mapping	1,995.	248.	248.	1,747.
Supplies	509.	255.	255.	254.
Postage	307.	154.	154.	153.
Telephone & Internet	3,321.	1,660.	1,660.	1,661.
Repairs & Maintenance	12,147.	12,147.	12,147.	0.
Change in payables & accruals:	0.	0.	0.	1,373.
Change in prepaid expenses:	0.	0.	0.	1,873.
Total	42,888.	26,520.	26,520.	19,614.

Form 990-PF, Page 4, Part VII-A, Line 8a

States Registered In

VT - Vermont

NY - New York

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Dunse, Knapp & McAndrew, PC	Corporate & Project Legal Counsel	22,941.	18,353.	18,353.	4,588.
Total		22,941.	18,353.	18,353.	4,588.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Wallace W. Tapia, PC	Tax, Attest and Advisory Services	10,180.	5,090.	5,090.	5,090.
Pearson & Renaud, PC	Accounting and Bookkeeping Services	8,654.	4,327.	4,327.	4,327.

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

Continued

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
<hr/>					
Total		<u>18,834.</u>	<u>9,417.</u>	<u>9,417.</u>	<u>9,417.</u>

Form 990-PF, Line 19
Allocated Depreciation

Description	Date Acquire	Cost or Basis	Prior Yr. Depr	Mthd	Life	Current Depr	Net Invest Income	Adjusted Net Income
Office Equipment	Various	3849	3102	SL	5.00	379	190	190
Office Equipment	Various	7382	7314	SL	7.00	46	23	23
Program Real Estate	Various	186198	45450	SL	30.00	6206	6206	6206
Program Land Improvements	Various	173400	91102	SL	10.00	17340	17340	17340
Program Rental Equipment	Various	260984	133345	SL	5.00	65491	65491	65491
Total						<u>89250</u>	<u>89250</u>	

Form 990-PF, Page 2, Part II, Line 14
L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Office equipment	11,231.	10,841.	390.
Total	<u>11,231.</u>	<u>10,841.</u>	<u>390.</u>

Form 990-PF, Page 2, Part II, Line 15
Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	Fair Market Value
PRI: Note Receivable - VCLF; 2.5%; Due 4/16	20,000.	20,000.	20,000.
PRI: Agricultural Land at Cost	136,279.	136,279.	136,279.
PRI: Agricultural Bldgs/Improv. (net of A/D)	223,046.	199,500.	199,500.
PRI: Agricultural Equipment (net of A/D)	189,515.	78,649.	78,649.
PRI: 5% Mortgage Receivable; secured by farmland.	244,999.	244,514.	244,514.
PRI: 6% Note Receivable - High Mowing Seed Co.	127,063.	87,204.	87,204.
PRI: Investment in LLC - The Cellars at Jasper Hill	572,816.	522,809.	522,809.
PRI: Investment in Flexible Capital Fund - VSJF	108,356.	113,213.	113,213.
PRI: Investment in Low-Profit LLC - Evergreen Cons. Ptrs	385,002.	377,415.	377,415.
PRI: 3% Note Receivable - Ayers Brook Goat Dairy	200,000.	200,000.	200,000.
PRI: Note Receivable - Shelburne Farms	1,500,000.	1,500,000.	1,500,000.
PRI: 6% Subordinated Convertible Note - GMOC	100,000.	100,000.	100,000.

Form 990-PF, Page 2, Part II, Line 15

Continued

Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year	
		Book Value	Fair Market Value
PRI: 4% Subordinated Convertible Note - Farmers to You	100,000.	100,000.	100,000.
PRI: 8% Note Receivable - Full Sun LLC	105,325.	105,325.	105,325.
PRI: 3% Mortgage Receivable - Unrelated Individuals	250,000.	250,000.	250,000.
PRI: .49% Note Receivable - Full Sun LLC	0.	25,000.	25,000.
PRI: 5% Preferred Stock - Full Sun LLC	0.	110,375.	110,375.
PRI: 3.5% Note Receivable - Unrelated Individuals	0.	232,340.	232,340.
Accrued Interest Receivable	26,827.	68,945.	68,945.
Federal Excise Taxes Receivable	0.	6,080.	6,080.
Total	<u>4,289,228.</u>	<u>4,477,648.</u>	<u>4,477,648.</u>

Form 990-PF, Page 2, Part II, Line 22

Other Liab Stmt

Line 22 - Other Liabilities:	Beginning Year Book Value	Ending Year Book Value
Deposits received	7,000.	17,000.
Accrued federal excise taxes	6,500.	0.
Total	<u>13,500.</u>	<u>17,000.</u>