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

2008

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

For calendar year 2008, or tax year beginning 07/01, 2008, and ending 06/30, 2009

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: **THE KELSEY TRUST**

Number and street (or P O box number if mail is not delivered to street address): **140 MCNEIL COVE ROAD**

Room/suite: **C/O STEPHEN P. JOHNSON**

City or town, state, and ZIP code: **CHARLOTTE, VT 05445**

A Employer identification number: 04-6609917

B Telephone number (see page 10 of the instructions): (802) 425-4499

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16): \$ 3,498,069. **J Accounting method**: Cash Accrual Other (specify) _____

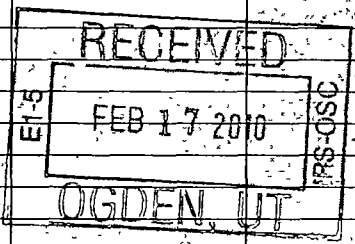
C If exemption application is pending, check here

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

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

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

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 page 11 of the 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	3,269.	3,269.		STMT 1
4	Dividends and interest from securities	108,217.	108,217.		STMT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-444,522.			
b	Gross sales price for all assets on line 6a	1,086,300.			
7	Capital gain net income (from Part IV, line 2)				
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) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	-333,036.	111,486.		
13	Compensation of officers, directors, trustees, etc.				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 3	2,490.	NONE	NONE	NONE
c	Other professional fees (attach schedule) STMT 4	15,241.	5,241.		10,000.
17	Interest STMT 5	114.	114.		
18	Taxes (attach schedule) (see page 14 of the instructions)*	7,632.			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) STMT 7	12,215.	12,145.		
24	Total operating and administrative expenses. Add lines 13 through 23	37,692.	17,500.	NONE	10,000.
25	Contributions, gifts, grants paid	224,500.			224,500.
26	Total expenses and disbursements. Add lines 24 and 25	262,192.	17,500.	NONE	234,500.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-595,228.			
b	Net investment income (if negative, enter -0-)		93,986.		
c	Adjusted net income (if negative, enter -0-)			-0-	



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			
2 Savings and temporary cash investments	141,441.	311,410.	311,410.
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 page 15 of the instructions)			
7 Other notes and loans receivable (attach schedule)			
Less allowance for doubtful accounts			
8 Inventories for sale or use			
9 Prepaid expenses and deferred charges			
10 a Investments - U S and state government obligations (attach schedule)			
b Investments - corporate stock (attach schedule)			
c Investments - corporate bonds (attach schedule)			
11 Investments - land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)			
12 Investments - mortgage loans			
13 Investments - other (attach schedule) STMT 8	4,985,036.	4,219,839.	3,186,659.
14 Land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)			
15 Other assets (describe)			
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	5,126,477.	4,531,249.	3,498,069.
Liabilities			
17 Accounts payable and accrued expenses			
18 Grants payable			
19 Deferred revenue			
20 Loans from officers, directors, trustees, and other disqualified persons			
21 Mortgages and other notes payable (attach schedule)			
22 Other liabilities (describe)			
23 Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances			
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
24 Unrestricted			
25 Temporarily restricted			
26 Permanently restricted			
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
27 Capital stock, trust principal, or current funds			
28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	5,126,477.	4,531,249.	
30 Total net assets or fund balances (see page 17 of the instructions)	5,126,477.	4,531,249.	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	5,126,477.	4,531,249.	

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	5,126,477.
2 Enter amount from Part I, line 27a	2	-595,228.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	4,531,249.
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	4,531,249.

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 SEE PART IV SCHEDULE			
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			(l) 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	-444,522.
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 pages 13 and 17 of the 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 page 18 of 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))
2007	230,000.	4,906,618.	0.046875
2006	219,540.	4,915,740.	0.044661
2005	210,760.	4,492,905.	0.046910
2004	190,050.	4,237,549.	0.044849
2003	204,344.	3,878,657.	0.052684

2 Total of line 1, column (d)	2	0.235979
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	0.047196
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	3,711,157.
5 Multiply line 4 by line 3	5	175,152.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	940.
7 Add lines 5 and 6	7	176,092.
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 on page 18.	8	234,500.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	940.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	940.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	940.
6	Credits/Payments		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	
b	Exempt foreign organizations-tax withheld at source	6b	NONE
c	Tax paid with application for extension of time to file (Form 8868)	6c	1,500.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	1,500.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	32.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	528.
11	Enter the amount of line 10 to be. Credited to 2009 estimated tax	11	528. Refunded

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
1b 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
1c Did the foundation file Form 1120-POL for this year?		X
2 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
4a 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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) MA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? <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)(3)? If "Yes," attach schedule (see page 20 of the instructions) 11 X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
Website address N/A
14 The books are in care of STEPHEN P. JOHNSON Telephone no 802 425-4499
Located at 140 MCNEIL COVE ROAD CHARLOTTE, VT ZIP + 4 05445
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A and enter the amount of tax-exempt interest received or accrued during the year 15

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.

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 X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No X 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 X 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 X 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 page 20 of the instructions)? 1b N/A
Organizations relying on a current notice regarding disaster assistance check here
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 2008? 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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? Yes No X 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 page 20 of the 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
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 X No
b If "Yes," did it have excess business holdings in 2008 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 2008) 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 2008? 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 page 22 of the 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 page 22 of the 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) *N/A*

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 you answered "Yes" to 6b, also 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

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 page 22 of the 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
SEE STATEMENT 9		NONE	NONE	NONE

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the 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 VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services **NONE**

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 <u>N/A</u> -----	
2 -----	
3 -----	
4 -----	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 <u>NONE</u> -----	
2 -----	
All other program-related investments. See page 24 of the instructions 3 <u>NONE</u> -----	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	3,482,632.
b	Average of monthly cash balances	1b	285,040.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	3,767,672.
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	NONE
3	Subtract line 2 from line 1d	3	3,767,672.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	56,515.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,711,157.
6	Minimum investment return. Enter 5% of line 5	6	185,558.

Part XI Distributable Amount (see page 25 of the 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	185,558.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	940.
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	940.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	184,618.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	184,618.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	184,618.

Part XII Qualifying Distributions (see page 25 of the 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	234,500.
b	Program-related investments - total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	234,500.
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 page 26 of the instructions)	5	940.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	233,560.

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				184,618.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			222,221.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003				
b From 2004	NONE			
c From 2005	NONE			
d From 2006	NONE			
e From 2007				
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 234,500.				
a Applied to 2007, but not more than line 2a			222,221.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2008 distributable amount				12,279.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
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 page 27 of the instructions				
e Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				172,339.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2004				
b Excess from 2005	NONE			
c Excess from 2006	NONE			
d Excess from 2007				
e Excess from 2008	NONE			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, 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)

Table with columns: Tax year (a) 2008, (b) 2007, (c) 2006, (d) 2005, (e) Total. Rows include: 2a Adjusted net income, b 85% of line 2a, c Qualifying distributions from Part XII, 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, 3 Complete 3a, b or c for the alternative test relied upon, a 'Assets' alternative test, b 'Endowment' alternative test, c 'Support' alternative test.

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 page 27 of the 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))

SALLY P. JOHNSON

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 page 28 of the 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

SEE STATEMENT 10

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

NO SPECIFIC FORM IS REQUIRED

c Any submission deadlines

APPLICATIONS ARE ACCEPTED AT ANY TIME

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

SEE STATEMENT 11

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> SEE STATEMENT 12				
Total				▶ 3a 224,500.
b <i>Approved for future payment</i>				
Total				▶ 3b

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					67,178.	
200,000.		16273.393 SHS BNY MELLON BOND FD PROPERTY TYPE: SECURITIES 204,719.				P	05/12/2008	11/25/2008
							-4,719.	
89,376.		7110.226 SHS THE BOSTON COMPANY INTL COR PROPERTY TYPE: SECURITIES 181,667.				P	12/14/2007	11/25/2008
							-92,291.	
119,209.		21325.377 SHS THE BOSTON COMPANY INTL SM PROPERTY TYPE: SECURITIES 262,302.				P	12/14/2007	11/25/2008
							-143,093.	
98,559.		4427.646 THE BOSTON COMPANY LARGE CAP CO PROPERTY TYPE: SECURITIES 164,000.				P	05/12/2008	11/25/2008
							-65,441.	
100,000.		8058.019 SHS BNY MELLON BOND FD CL M PROPERTY TYPE: SECURITIES 101,370.				P	05/12/2008	03/11/2009
							-1,370.	
90,453.		10325.68 SHS BNY MELLON INTERNATIONAL FD PROPERTY TYPE: SECURITIES 85,806.				P	11/25/2008	05/26/2009
							4,647.	
9,547.		1089.844 SHS BNY MELLON INTERNATIONAL FD PROPERTY TYPE: SECURITIES 9,242.				P	12/16/2008	05/26/2009
							305.	
311,978.		SEE ATTACHED STATEMENT PROPERTY TYPE: SECURITIES 521,716.				P	VARIOUS	VARIOUS
							-209,738.	

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
TOTAL GAIN (LOSS)							----- -444,522. =====	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST	3,269.	3,269.
TOTAL	3,269.	3,269.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS	108,217.	108,217.
TOTAL	108,217.	108,217.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEES	2,490.			
TOTALS	2,490.	NONE	NONE	NONE

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT FEES	5,241.	5,241.	
VCF - MANAGEMENT FEES	10,000.		10,000.
TOTALS	15,241.	5,241.	10,000.

FORM 990PF, PART I - INTEREST EXPENSE

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT INTEREST	114.	114.
TOTALS	114.	114.

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
PRIOR YEAR FEDERAL TAX	7,632.
TOTALS	----- 7,632. =====

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
STATE FILING FEE	70.	
PORTFOLIO DEDUCTIONS	12,145.	12,145.
TOTALS	12,215.	12,145.

FORM 990PF, PART II - OTHER INVESTMENTS
=====

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
MUTUAL FUNDS - SEE ATTACHED	4,143,541.	3,111,461.
FRESH TRACKS CAPITAL II LP	76,298.	75,198.
TOTALS	4,219,839.	3,186,659.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

TITLE AND AVERAGE HOURS PER
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

TRUSTEE - AS REQUIRED

SALLY P. JOHNSON
5 PINE HAVEN SHORE
SHELburnE, VT 05482

TRUSTEE - AS REQUIRED

PAULA D. JOHNSON
140 MCNEIL COVE ROAD
CHARLOTTE, VT 05445

TRUSTEE - AS REQUIRED

STEPHEN P. JOHNSON
140 MCNEIL COVE ROAD
CHARLOTTE, VT 05445

GRAND TOTALS

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS
=====

VERMONT COMMUNITY FOUNDATION
P.O. BOX 30
MIDDLEBURY, VT 05753
802 388-3355

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

=====

FUNDS EXPENDED MUST BENEFIT THE AREA INCLUDED IN THE LAKE CHAMPLAIN
VALLEY DRAINAGE BASIN IN NY & VT

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
PLANNED PARENTHOOD OF NORTHERN NEW ENGLAND BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	10,000.
SHELburne FARMS SHELburne, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
ADIRONDACK COMMUNITY TRUST LAKE PLACID, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	2,500
EDDY FOUNDATION ESSEX, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	3,000.
COMMITTEE ON TEMPORARY SHELTER BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
KING STREET YOUTH CENTER BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
CHITTENDEN EMERGENCY FOOD SHELTER BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	10,000.
SARAH HOLBROOK COMMUNITY CENTER BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SPECTRUM BURLINGTON, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	10,000.
JOHN GRAHAM SHELTER VERGENNES, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	10,000.
FAMILIES FIRST IN ESSEX COUNTY ELIZABETHTOWN, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	10,000.
SMITH HOUSE WILLSBORO, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
CORNELL UNIVERSITY CO-OP UNION ITHACA, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	4,000
PERMANENT FUND FOR THE WELLBEING OF VT CHILDREN MONTPELIER, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
ADIRONDACK NATURE CONSERVANCY KEENE VALLEY, NY	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.
THE NATURE CONSERVANCY MONTPELIER, VT	NO RELATIONSHIP EXEMPT	GENERAL SUPPORT	15,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ELIZABETHTOWN COMMUNITY HOSPITAL ELIZABETHTOWN, NY	GENERAL SUPPORT	10,000.
RECYCLE NORTH BURLINGTON, VT	GENERAL SUPPORT	10,000.
PLANNED PARENTHOOD OF NORTHERN ADIRONDACKS WATERTOWN, NY	GENERAL SUPPORT	15,000.
VERMONT COMMONS SCHOOL BURLINGTON, VT	GENERAL SUPPORT	10,000.
TOTAL CONTRIBUTIONS PAID		224,500.

Capital Gains and Losses

2008

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust THE KELSEY TRUST	Employer identification number 04-6609917
--	--

Note: Form 5227 filers need to complete only Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	-301,962.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2007 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	-301,962.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	-209,738.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	67,178.
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2007 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	-142,560.

Part III Summary of Parts I and II		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part				
13	Net short-term gain or (loss)	13		-301,962.
14	Net long-term gain or (loss).			
a	Total for year	14a		-142,560.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		-444,522.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV If line 15, column (3), is a net loss complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of	
a	The loss on line 15, column (3) or b \$3,000	16 (3,000.)

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21	
22	Subtract line 21 from line 20 If zero or less, enter -0-	22	
23	Subtract line 22 from line 17 If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,200	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30 go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (.15)	30	
31	Figure the tax on the amount on line 23 Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17 Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T)	34	

ACCOUNT#: 10117072250 KELSEY TRUST-IMA

TAX ID: 04-6609917 ACC TYPE: 70 CAPACITY: 4 ACNT: 45 ADM: 428 MGR: 683

GAIN/LOSS SCHEDULE

DATE	SHARES/PAR	DESCRIPTION	DATE ACQUIRED	DATE SOLD/RCD	NET PROCEEDS	PURCHASE COST	GAIN (LOSS)
11/26/08	2888.39200	THE BOSTON COMPANY INTL CORE EQTY FD	11/25/97	11/25/08	36307.09	62071.54	-25764.45
11/26/08	431.30200	THE BOSTON COMPANY INTL CORE EQTY FD	12/29/97	11/25/08	5421.47	8117.11	-2695.64
11/26/08	1433.26800	THE BOSTON COMPANY INTL CORE EQTY FD	12/29/97	11/25/08	18016.18	26974.10	-8957.92
11/26/08	1983.00300	THE BOSTON COMPANY INTL CORE EQTY FD	9/24/01	11/25/08	24926.34	35000.00	-10073.66
11/26/08	3134.79600	THE BOSTON COMPANY INTL CORE EQTY FD	8/22/02	11/25/08	39404.39	60000.00	-20595.61
11/26/08	230.91800	THE BOSTON COMPANY INTL CORE EQTY FD	12/14/06	11/25/08	2902.64	9700.89	-6798.25
5/27/09	2760.25200	BNY MELLON BOND FD CL M	5/12/08	5/26/09	35000.00	34723.97	276.03
5/28/09	25641.02700	BNY MELLON LARGE CAP STK FD CL M	2/07/07	5/27/09	150000.00	285128.22	-135128.22

311,978.11 521,715.83 -209737.72

Asset detail

Cash and cash equivalents

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
446,410.38	BNY Mellon Money Market Fund CL M (Principal Holding)	\$ 1.0000	\$ 446,410.38	\$ 446,410.38	\$ 0.00	\$ 2,232.05	0.5%	12.6%
Total cash and cash equivalents			\$ 446,410.38	\$ 446,410.38	\$ 0.00	\$ 2,232.05		12.6%

Fixed income

Taxable

Other fixed income

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
68,297.843	BNY Mellon Bond Fund Class M Shares	\$ 12.6900	\$ 866,699.63	\$ 859,186.87	\$ 7,512.76	\$ 39,544.45	4.6%	24.4%
10,373.444	Dreyfus Premier Limited Term High Yield Fund Class I	5.8300	60,477.18	50,000.00	10,477.18	5,549.79	9.2	1.7

Total taxable other fixed income

Total taxable fixed income

Total fixed income

			\$ 927,176.81	\$ 909,186.87	\$ 17,989.94	\$ 45,094.24		26.1%
			\$ 927,176.81	\$ 909,186.87	\$ 17,989.94	\$ 45,094.24		26.1%
			\$ 927,176.81	\$ 909,186.87	\$ 17,989.94	\$ 45,094.24		26.1%

Equities

Large cap funds

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
222,789.328	BNY Mellon Large Cap Stock Fund (MPLCX) Class M Shares	\$ 6.0000	\$ 1,336,735.97	\$ 2,323,117.00	\$ -986,381.03	\$ 24,061.25	1.8%	37.6%
Total large cap funds			\$ 1,336,735.97	\$ 2,323,117.00	\$ -986,381.03	\$ 24,061.25		37.6%



Mid cap		Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
Shares/par value	Description							
11,681.821	BNY Mellon Mid Cap Stock Fund (MPMCX) Class M Shares	\$ 7.7700	\$ 90,767.75	\$ 170,761.96	\$ -79,994.21	\$ 677.55	0.8%	2.6%
Total mid cap			\$ 90,767.75	\$ 170,761.96	\$ -79,994.21	\$ 677.55		2.6%
Small cap		Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
Shares/par value	Description							
3,870.442	Dreyfus/The Boston Company Small Cap(SSETX) Growth Fund	\$ 37.3600	\$ 144,599.71	\$ 121,122.66	\$ 23,477.05	\$ 0.00	0.0%	4.1%
5,615.243	Dreyfus/The Boston Company Small Cap(STSVX) Value Fund ..	15.3100	85,969.37	73,868.91	12,100.46	634.52	0.7	2.4
Total small cap			\$ 230,569.08	\$ 194,991.57	\$ 35,577.51	\$ 634.52		6.5%
International-developed		Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
Shares/par value	Description							
25,775.402	BNY Mellon International Fund (MPITX) Class M Shares	\$ 8.7600	\$ 225,792.52	\$ 214,193.60	\$ 11,598.92	\$ 10,542.14	4.7%	6.4%
5,889.281	Strategic Global Stock Fund (DGLRX)	10.6300	62,603.06	50,000.00	12,603.06	294.46	0.5	1.8
Total international-developed			\$ 288,395.58	\$ 264,193.60	\$ 24,201.98	\$ 10,836.60		8.1%
Emerging markets		Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
Shares/par value	Description							
22,127.011	BNY Mellon Emerging Markets Fund (MEMKX) Class M Shares	\$ 7.7600	\$ 171,705.61	\$ 218,216.42	\$ -46,510.81	\$ 9,249.09	5.4%	4.8%
Total emerging markets			\$ 171,705.61	\$ 218,216.42	\$ -46,510.81	\$ 9,249.09		4.8%
Total equities			\$ 2,118,173.99	\$ 3,171,280.55	\$ -1,053,105.55	\$ 45,459.01		59.5%



Other assets

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Yield	Pct of holdings
2,200	Ishares S&P Gsci Commodity-Indexed Trust	\$ 30.0500	\$ 66,110.00	\$ 63,073.78	\$ 3,036.22	\$ 0.00	0.0%	1.9%

Total other assets **\$ 66,110.00** **\$ 3,036.22** **\$ 0.00** **1.9%**

Total assets **\$ 3,557,871.18** **\$ 4,589,951.58** **\$ -1,032,080.40** **\$ 92,785.30** **100.0%**

Less 2/3 checks
 135,000.00
 34,228.71
44,549.58

Cash per books
 311,410.38
 mutual funds
 311,462.80
622,873.18

L.P. Interest
 44,549.58
 76,298.00
120,847.58

349,806.91

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

► File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization THE KELSEY TRUST	Employer identification number 04-6609917
	Number, street, and room or suite no. If a P O box, see instructions C/O STEPHEN P. JOHNSON	140 MCNEIL COVE ROAD
	City, town or post office, state, and ZIP code. For a foreign address, see instructions CHARLOTTE, VT 05445	

Check type of return to be filed (file a separate application for each return)

- | | | |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ► STEPHEN P. JOHNSON

Telephone No ► 802 425-4499 FAX No ► _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for

► calendar year _____ or
► tax year beginning 07/01, 2008, and ending 06/30, 2009

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$ <u>1,500</u>
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$ <u>—</u>
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$ <u>1,500</u>

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

DANAHER ATTIG & PLANTE PLC
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