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Department of the Treasury
Internal Revenue Service**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****Note:** The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2008**For calendar year 2008, or tax year beginning Aug 1, 2008, and ending Jul 31, 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 VARA Educational Foundation, Inc.				A Employer identification number 23-7336991	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite PO Box 82				B Telephone number (see the instructions) (802) 226-8188	
	City or town State ZIP code Cavendish VT 05142				C If exemption application is pending, check here ☐	
	H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation				D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐	
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 153,021.				J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)		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 the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc., received (att sch)	19,920.			
	2 Ck ☐ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	14.	14.	14.	
	4 Dividends and interest from securities	2,677.	2,677.	2,677.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-35,802.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
ADMINISTRATIVE EXPENSES	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	-13,191.	2,691.	2,691.	
	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 sch)	564.	564.	564.	
	c Other prof fees (attach sch)				
17 Interest					
18 Taxes (attach schedule)	303.				
19 Depreciation (attach sch) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) See Line 23 Stmt	944.	944.	470.		
24 Total operating and administrative expenses. Add lines 13 through 23	1,811.	1,508.	1,034.		
25 Contributions, gifts, grants paid	26,750.				
26 Total expenses and disbursements. Add lines 24 and 25	28,561.	1,508.	1,034.		
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-41,752.				
b Net investment income (if negative, enter -0-)		1,183.			
c Adjusted net income (if negative, enter -0-)			1,657.		

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
A S S E T S	1 Cash — non-interest-bearing	4,602.	6,444.	6,444.
	2 Savings and temporary cash investments			
	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 the 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			
	10a 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)	184,729.	141,135.	146,577.	
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 instructions. Also, see page 1, item I)	189,331.	147,579.	153,021.	
L I A B I L I T I E S	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)			
N E T A S S E T S O R F U N D B A L A N C E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☒			
	24 Unrestricted	189,331.	147,579.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☐			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	189,331.	147,579.	
	31 Total liabilities and net assets/fund balances (see the instructions)	189,331.	147,579.	

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	189,331.
2 Enter amount from Part I, line 27a	2	-41,752.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	147,579.
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	147,579.

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 (month, day, year)	(d) Date sold (month, day, year)
1a Capital gain dividends	P	various	various
b LMP Social Awareness fund	P	10/08/02	06/04/09
c LMP Aggressive Growth	P	10/08/02	06/04/09
d LMP Global inflation	P	10/08/02	06/04/09
e See Columns (a) thru (d)			

(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 1,945.		0.	1,945.
b 44,101.		67,723.	-23,622.
c 6,465.		5,000.	1,465.
d 5,625.		6,183.	-558.
e See Columns (e) thru (h)		109,373.	-15,032.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	1,945.
b			-23,622.
c			1,465.
d			-558.
e See Columns (i) thru (l)			-15,032.

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	-35,802.
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 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 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 (column (b) divided by column (c))
2007	28,403.	204,422.	0.138943
2006	22,550.	157,903.	0.142809
2005	19,615.	193,008.	0.101628
2004	17,951.	180,656.	0.099366
2003	19,155.	165,788.	0.115539

2 Total of line 1, column (d)	2	0.598285
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	0.119657
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	170,782.
5 Multiply line 4 by line 3	5	20,435.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12.
7 Add lines 5 and 6	7	20,447.
8 Enter qualifying distributions from Part XII, line 4	8	28,091.

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 the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1 Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)		1	12.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	12.
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	12.
6 Credits/Payments.			
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		12.
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 2009 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 the instructions for 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 ☐ \$ _____ (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? 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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions)		
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 2008 or the taxable year beginning in 2008 (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)(3)? If 'Yes', attach schedule (see 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? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Margie Straub</u> Telephone no. <u>(802) 226-8188</u> Located at <u>PO Box 82</u> <u>Cavendish</u> <u>VT</u> ZIP + 4 <u>05142</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ☐ and enter the amount of tax-exempt interest received or accrued during the year <u>15</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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? ☐ Organizations relying on a current notice regarding disaster assistance check here ☐	1 b	
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? ☐	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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? ☐ Yes ☒ No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</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 the 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>20__</u> , <u>20__</u> , <u>20__</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? ☐ Yes ☒ 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.) ☐	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 2008? ☐	4 b	X

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☒ Yes ☐ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

5b X

Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

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

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

6b X

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?

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (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 Aicher PO Box 509 Rutland VT 05702	President	0.00	0.	0.
Tao Smith PO Box 509 Killington VT 05751	Vice Pres	0.00	0.	0.
Lynn Sullivan PO Box 187 Jacksonville VT 05342	Treasurer	0.00	0.	0.
Lori Furrer 191 Frazier Rd. Wolcott VT 05680	Secretary	0.00	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				
0				
0				
0				
0				

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 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 Scholarships awarded to approximately 30 eligible recipients to pay tuition and related expenses to ski academies and ski clubs	28,091.
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1	
2	
All other program-related investments See instructions.	
3	
Total. Add lines 1 through 3	

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1a 167,860.
b Average of monthly cash balances	1b 5,523.
c Fair market value of all other assets (see instructions)	1c
d Total (add lines 1a, b, and c)	1d 173,383.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2 Acquisition indebtedness applicable to line 1 assets	2
3 Subtract line 2 from line 1d	3 173,383.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 2,601.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 170,782.
6 Minimum investment return. Enter 5% of line 5	6 8,539.

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 8,539.
2a Tax on investment income for 2008 from Part VI, line 5	2a 12.
b Income tax for 2008 (This does not include the tax from Part VI)	2b
c Add lines 2a and 2b	2c 12.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3 8,527.
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5 8,527.
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 8,527.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a 28,091.
b Program-related investments — total from Part IX-B	1b
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	3a
b Cash distribution test (attach the required schedule)	3b
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 28,091.
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 12.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 28,079.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				8,527.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			9,932.	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003	0.			
b From 2004	0.			
c From 2005	0.			
d From 2006	0.			
e From 2007	28,692.			
f Total of lines 3a through e	28,692.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ 28,091.				
a Applied to 2007, 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 2008 distributable amount				
e Remaining amount distributed out of corpus	28,091.			
5 Excess distributions carryover applied to 2008 (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	56,783.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount — see instructions			9,932.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				8,527.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	56,783.			
10 Analysis of line 9:				
a Excess from 2004	0.			
b Excess from 2005	0.			
c Excess from 2006	0.			
d Excess from 2007	28,692.			
e Excess from 2008	28,091.			

BAA

Form 990-PF (2008)

N/A

- 4942(1)(5)

- (4) Gross investment income**

[illegible]

1 Information Regarding Foundation Managers:

- 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.

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

Cavendish

(802) 226-8188

- see application on VARA website www.vara.org

- October 15

- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
none

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				
Ryan Siegle 213 Brown Hill West Starksboro VT 05487	none	N/A	Tuition and Travel Scholarship	2,000.
Caitlin Siegle 213 Brown Hill West Starksboro VT 05487	none	N/A	Tuition Scholarship	500.
Caitlin Bliss 22 Sonia Drive Rutland VT 05701	none	N/A	Tuition and Travel Scholarship	500.
Dustin Martin PO Box 914 Stowe VT 05672	none	N/A	Tuition Scholarship	500.
Sarah Kartluke PO box 786 Stowe VT 05672	none	N/A	Tuition Scholarship	500.
Christine Choma 14 Grandview Lane Sharon CT 06069	none	N/A	Tuition Scholarship	750.
Devin Delaney PO Box 1238 N. Conway NH 03860	none	N/A	Tuition Scholarship	350.
Danny Moore 204 Brothers Rd. Hartland VT 05048	none	N/A	Tuition & Travel Scholarship	1,100.
Tyler Flinn 214 Adams Rd. Rutland VT 05701	none	N/A	Tuition Scholarship	750.
See Line 3a statement				19,800.
Total			3a	26,750.
b Approved for future payment				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue:					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies .					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					14.
4	Dividends and interest from securities					2,677.
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					-35,801.
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue.					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)					-33,110.
13	Total. Add line 12, columns (b), (d), and (e)					-33,110.

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

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ and 990-PF**
► **See separate instructions.**

OMB No 1545-0047

2008

Name of the organization

VARA Educational Foundation, Inc.

Employer identification number

23-7336991

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 organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules —

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to 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 of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

VARA Educational Foundation, Inc.

23-7336991

Part I Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Vermont Alpine Racing Association PO Box 82 Cavendish VT 05142	\$ 15,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

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
Office expenses	474.	474.		
Investment fees	470.	470.	470.	
Total	944.	944.	470.	

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(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 (month, day, year)	(d) Date sold (month, day, year)
LMP core Bond Fund	P	10/08/02	06/04/09
LMP Small Cap Value Fund	P	10/07/02	06/04/09
LMP Capital and income	P	10/07/02	06/04/09
LMP Mid Cap Core Fund	P	10/07/02	06/04/09
LMP Large Cap Growth Fund	P	10/07/02	06/04/09
LMP International All Cap	P	10/08/02	06/04/09
LMP Small Cap Growth	P	10/07/02	06/04/09
LMP Investors Value Fund	P	10/07/02	06/04/09

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

(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)
6,400.		7,065.	-665.
9,804.		13,540.	-3,736.
35,145.		40,792.	-5,647.
11,606.		13,601.	-1,995.
7,917.		6,000.	1,917.
8,318.		13,851.	-5,533.
6,433.		5,715.	718.
8,718.		8,809.	-91.
Total		109,373.	-15,032.

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			-665.
			-3,736.
			-5,647.

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income
Columns (i) thru (l)

Continued

Complete only for assets showing gain in column (h) and owned
by the foundation on 12/31/69(l) Gains (column (h)
gain minus column (k),
but not less than -0-)
or losses (from
column (h))

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			-1,995.
			1,917.
			-5,533.
			718.
			-91.
Total			-15,032.

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
<i>a Paid during the year</i>				
Michael Mitchell Box 341 Bear Creek PA 18602	none	N/A	Tuition Scholarship	Person or ☒ Business ☐ 750.
Miles Derrick 176 Schoolhouse Lane N. Fayston VT 05660	none	N/A	Tuition Scholarship	Person or ☒ Business ☐ 500.
Charlotte Dworshak 57 Clymer St. Burlington VT 05401	none	N/A	Tuition Scholarship	Person or ☒ Business ☐ 500.
Bobby Farrell 1552 Hammond Hill W. Windsor VT 05089	none	N/A	Tuition and travel scholarship	Person or ☒ Business ☐ 1,000.
Brad Farrell 1552 Hammond Hill W. Windsor VT 05089	none	N/A	Tuition scholarship	Person or ☒ Business ☐ 1,350.
Mattie Ford Holderness School Plymouth NH 03264	none	N/A	Scholarship	Person or ☒ Business ☐ 500.
Tanya Miller 537 Shaw Mansion Rd. Waterbury VT 05677	none	N/A	Scholarship	Person or ☒ Business ☐ 500.
Nolan Kasper PO Box 633 Warren VT 05674	none	N/A	travel expenses	Person or ☒ Business ☐ 850.
Dillon Normyle 210 Freedom Hill Rd. Ludlow VT 05149	none	N/A	travel expenses	Person or ☒ Business ☐ 500.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Marqo Benedict			scholarship	Person or ☒ Business ☐
217 Sugar House Rd.				
Shaftsbury VT 05262	none	N/A		500.
Chad Hedlund	None			Person or ☐ Business ☐
PO Box 87				
Plymouth VT 05056		N/A	travel expenses	500.
Robby Kelley				Person or ☐ Business ☐
619 Varney Hill Rd.			tuition	
Starksboro VT 05487	None	N/A	scholarship	1,000.
Morgan Klein				Person or ☐ Business ☐
383 Ash St.				
Oregon WI 53575	None	N/A	scholarship	850.
Hunter Lathrop				Person or ☐ Business ☐
PO Box 2021				
S. Londonderry VT 05155	None	N/A	scholarship	750.
Prescott McLaughlin				Person or ☐ Business ☐
PO Box 883				
Millbrook NY 12545	None	N/A	scholarship	500.
Andrew McNealus				Person or ☐ Business ☐
2727 Church Hill Rd.				
Woodstock VT 05091	None	N/A	scholarship	1,500.
Mark Nebraska				Person or ☐ Business ☐
413 Highland Ave.				
Manchester Ctr VT 05255	None	N/A	scholarship	2,400.
Marley Pawlak				Person or ☐ Business ☐
PO Box 2329				
W. Dover VT 05356	None	N/A	scholarship	350.
Kelsey Pearson				Person or ☐ Business ☐
PO box 302				
W Dover VT 05356	None	N/A	scholarship	1,000.
Tamara Razingger				Person or ☐ Business ☐
PO box 2036				
Manchester Ctr VT 05255	None	N/A	scholarship	1,000.
Annie Rendall				Person or ☐ Business ☐
51 Old Farm Rd.				
S. Burlington VT 05403	None	N/A	scholarship	500.
Joe Swensson				Person or ☐ Business ☐
17 West Lane				
Niantic CT 06357	None	N/A	scholarship	500.
Myles Trainer				Person or ☐ Business ☐
773 Chapman Rd.				
Ludlow VT 05149	None	N/A	scholarship	750.
Sandy Vietze				Person or ☐ Business ☐
53 Wood Rd South				
Warren VT 05674	None	N/A	scholarship	500.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a <i>Paid during the year</i>				
Andrew Wagner				Person or ☐
PO box				Business ☐
Cavendish VT 05142	None	N/A	scholarship	500.
Kelly Brush Foundation				Person or ☐
7 Aspen Lane				Business ☐
S. Burlington VT 05403	None	N/A	donation	250.

Total

19,800.