Form **990-PF**

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

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation GILBERT VERNEY FOUNDATION	**A Employer identification number** 02-6007363
Number and street (or P O box number if mail is not delivered to street address) / Room/suite C/O RICHARD G. VERNEY, 117 ANTRIM ROAD	**B** Telephone number 603-588-3311
City or town, state, and ZIP code BENNINGTON, NH 03442	**C** If exemption application is pending, check here ▶ ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change	**D** 1. Foreign organizations, check here ▶ ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation	**E** If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 2,447,579. **J** Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*	**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

			(a) Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received	150,000.		N/A	
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	48.	48.		STATEMENT 1
	4	Dividends and interest from securities	65,741.	65,741.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	113,941.			
	b	Gross sales price for all assets on line 6a 1,247,178.				
	7	Capital gain net income (from Part IV, line 2)		113,941.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income				
	12	**Total** Add lines 1 through 11	329,730.	179,730.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 3	4,000.	2,000.		2,000.
	c	Other professional fees STMT 4	30,461.	30,461.		0.
	17	Interest				
	18	Taxes STMT 5	1,734.	1,734.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 6	8,988.	0.		8,988.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	45,183.	34,195.		10,988.
	25	Contributions, gifts, grants paid	245,095.			167,595.
	26	**Total expenses and disbursements** Add lines 24 and 25	290,278.	34,195.		178,583.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	39,452.			
	b	**Net investment income** (if negative, enter -0-)		145,535.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Form **990-PF** (2011)

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	26,700.	67,507.	67,507.
	2 Savings and temporary cash investments	227,123.	81,187.	81,187.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ 150,000.			
	Less: allowance for doubtful accounts ▶	130,000.	150,000.	150,000.
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 8	288,199.	115,550.	115,550.
	b Investments - corporate stock STMT 9	1,523,242.	1,290,888.	1,290,888.
	c Investments - corporate bonds STMT 10	483,792.	742,447.	742,447.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	2,679,056.	2,447,579.	2,447,579.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	244,250.	206,500.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	244,250.	206,500.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☒ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	2,434,806.	2,241,079.	
	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, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	2,434,806.	2,241,079.	
	31 **Total liabilities and net assets/fund balances**	2,679,056.	2,447,579.	

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	2,434,806.
2 Enter amount from Part I, line 27a	2	39,452.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	3,645.
4 Add lines 1, 2, and 3	4	2,477,903.
5 Decreases not included in line 2 (itemize) ▶ NET UNREALIZED LOSS ON INVESTMENTS	5	236,824.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,241,079.

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	MSSB #30584 SHORT-TERM (SEE DETAIL)	P	VARIOUS	12/31/11
b	MSSB #30584 LONG-TERM (SEE DETAIL)	P	VARIOUS	12/31/11
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	855,298.		776,656.	78,642.
b	391,880.		356,581.	35,299.
c				
d				
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				78,642.
b				35,299.
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	113,941.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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 instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	247,388.	2,427,757.	.101900
2009	243,587.	2,291,305.	.106309
2008	231,293.	2,791,775.	.082848
2007	209,490.	3,377,303.	.062029
2006	181,731.	3,287,614.	.055277

2 **Total** of line 1, column (d)	2	.408363
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	.081673
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,386,968.
5 Multiply line 4 by line 3	5	194,951.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,455.
7 Add lines 5 and 6	7	196,406.
8 Enter qualifying distributions from Part XII, line 4	8	178,583.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary-see instructions)**				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	2,911.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	2,911.
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	2,911.
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	3,333.		
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	3,333.
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	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	422.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶		422. **Refunded** ▶	11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*	1b		X
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see 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? If "No," attach explanation*	8b	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ RICHARD G. VERNEY Telephone no. ▶ 603-588-3311

Located at ▶ ANTRIM ROAD, BENNINGTON, NH ZIP+4 ▶ 03442

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

		Line	Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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.

		Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
(6)	Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	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 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

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

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

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

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

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

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

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

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

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

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RICHARD VERNEY 117 ANTRIM ROAD BENNINGTON, NH 03442	PRESIDENT 1.00	0.	0.	0.
E. GEOFFREY VERNEY 117 ANTRIM ROAD BENNINGTON, NH 03442	TRUSTEE 1.00	0.	0.	0.
LUMINA V. GREENWAY 117 ANTRIM ROAD BENNINGTON, NH 03442	TRUSTEE 1.00	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

Form **990-PF** (2011)

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

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

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

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2011)

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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	2,222,059.
b	Average of monthly cash balances			1b	201,259.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	2,423,318.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.		
2	Acquisition indebtedness applicable to line 1 assets			2	0.
3	Subtract line 2 from line 1d			3	2,423,318.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	36,350.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	2,386,968.
6	**Minimum investment return.** Enter 5% of line 5			6	119,348.

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	119,348.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	2,911.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	2,911.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	116,437.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	116,437.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	116,437.

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	178,583.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	178,583.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	178,583.

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

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					116,437.
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				0.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2011:					
a From 2006	24,659.				
b From 2007	46,465.				
c From 2008	92,718.				
d From 2009	129,538.				
e From 2010	127,488.				
f **Total** of lines 3a through e		420,868.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 178,583.					
a Applied to 2010, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions)		0.			
d Applied to 2011 distributable amount					116,437.
e Remaining amount distributed out of corpus		62,146.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)		0.			0.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		483,014.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.				0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7		24,659.			
9 **Excess distributions carryover to 2012** Subtract lines 7 and 8 from line 6a		458,355.			
10 Analysis of line 9:					
a Excess from 2007	46,465.				
b Excess from 2008	92,718.				
c Excess from 2009	129,538.				
d Excess from 2010	127,488.				
e Excess from 2011	62,146.				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

SEE STATEMENT 11

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

c Any submission deadlines:

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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED STATEMENT	NONE	PUBLIC	CHARITABLE - SEE ATTACHED STATEMENT	280,345.
LESS PRIOR YEAR PLEDGES - SEE ATTACHED STATEMENT	NONE	PUBLIC	CHARITABLE - SEE ATTACHED STATEMENT	-112,750.
Total			▶ 3a	167,595.
b *Approved for future payment*				
SEE ATTACHED STATEMENT	NONE	PUBLIC	CHARITABLE - SEE ATTACHED STATEMENT	77,500.
Total			▶ 3b	77,500.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion 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	48.	
4 Dividends and interest from securities			14	65,741.	
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					
8 Gain or (loss) from sales of assets other than inventory			18	113,941.	
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)		0.		179,730.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 179,730.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee

Date: 8-13-12

Title: DIRECTOR

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PHILIP A. LAPP, CPA		8/9/12		P00356904

Firm's name ▶ GALLAGHER, FLYNN & COMPANY, LLP

Firm's EIN ▶ 03-0225774

Firm's address ▶ 45 LYME RD, SUITE 205
HANOVER, NH 03755

Phone no. 603.643.0043

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization

GILBERT VERNEY FOUNDATION

Employer identification number

02-6007363

Organization type (check one).

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 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 (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions 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 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total 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. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
GILBERT VERNEY FOUNDATION	02-6007363

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MONADNOCK PAPER MILLS, INC 117 ANTRIM ROAD BENNINGTON, NH 03442-4205	$ 150,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization

GILBERT VERNEY FOUNDATION

Employer identification number

02-6007363

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

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

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

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

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

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

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

Name of organization	Employer identification number
GILBERT VERNEY FOUNDATION	02-6007363

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

THE GILBERT VERNEY FOUNDATION
Account Number 188-30584-12 573

Details of Short Term Gain (Loss) 2011

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	70	GREENHAVEN CONTINUOUS COMMODITY INDEX FD UNIT BEN INT MorganStanley SmithBarney LLC	06/23/10	04/18/11	$ 2,476.12	$ 1,753.33		$ 722.79
125000020	1,220	GREENHAVEN CONTINUOUS COMMODITY INDEX FD UNIT BEN INT MorganStanley SmithBarney LLC	02/18/11	11/01/11	38,561.87	42,447.22	(3,885.35)	
125000030	726	ISHARES MSCI CANADA INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	23,626.27	19,238.27		4,388.00
125000040	15	ISHARES MSCI CANADA INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	506.30	397.49		108.81
125000050	15	ISHARES MSCI PACIFIC EX-JAPAN INDEX FUND MorganStanley SmithBarney LLC acted as your agent	04/18/11	04/21/11	758 86	729.72		29.14
125000060	607	ISHARES MSCI UNITED KINGDOM INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	11,224 42	8,746.87		2,477.55
125000070	95	ISHARES MSCI UNITED KINGDOM INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	1,776 84	1,368.95		407.89
125000090	11,323	ISHARES MSCI JAPAN INDEX FUND MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	02/18/11	131,457.50	108,021.42		23,436.08

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000100	245	ISHARES MSCI EMERGING MKTS INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	$ 11,686.39	$ 9,672.11		$ 2,014.28
125000110	148	ISHARES MSCI EMERGING MKTS INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	7,391.27	5,842.74		1,548.53
125000120	13	ISHARES IBOXX $ INVESTOP INVESTMENT GRADE CORP FD FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	1,416.32	1,396.19		20.13
125000130	82	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	3,956.42	3,162.66		793.76
125000140	8	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	495.27	371.91		123.36
125000170	509	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	35,263.86	29,134.35		6,129.51
125000190	49	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	3,003.26	2,389.64		613.62
125000220	23	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	1,737.61	1,393.52		344.09
125000230	5	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	480.29	350.31		129.98

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000260	789	ISHARES MSCI ALL COUNTRY ASIA EX JAPAN INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	$ 49,269.34	$ 43,039.95		$ 6,229.39
	831		02/18/11		51,892 04	51,286.41		605.63
125000290	55	ISHARES FTSE EPRA/NAREIT DEV REAL ESTATE EX-U.S INDX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	1,746.21	1,450.51		295.70
125000300	23	ISHARES FTSE EPRA/NAREIT DEV REAL ESTATE EX-U.S. INDX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	714.46	606.58		107.88
125000330	9	ISHARES BARCLAYS MBS BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	04/18/11	950.29	984.87	(34.58)	
125000350	1,887	ISHARES BARCLAYS 3-7 YR TREAS BD FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	214,513.06	216,053.57	(1,540.51)	
125000360	250	ISHARES BARCLAYS 0-5 YEAR TIPS BOND FUND MorganStanley SmithBarney LLC acted as your agent	04/18/11	07/13/11	25,693.93	25,668.87 R		25.06
125000370	20	ISHARES BARCLAYS 0-5 YEAR TIPS BOND FUND MorganStanley SmithBarney LLC acted as your agent	04/18/11	11/01/11	2,053.79	2,053.14 R		.65
125000380	47	SPDR INDEX SHS FDS S&P INTL SMALL CAP ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/21/11	1,516.66	1,171.75		344.91
125000400	895	SPDR DB INTL GOVT INFLATION PROTECTED BOND ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	54,712.62	47,045 86		7,666.76

2011 Year End Summary

THE GILBERT VERNEY FOUNDATION
Account Number 188-30584-12 573

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000410	65	SPDR DB INTL GOVT INFLATION PROTECTED BOND ETF **MorganStanley SmithBarney** LLC acted as your agent	02/18/11	07/13/11	$ 3,963.17	$ 3,804 94		$ 158.23
125000420	15	SPDR DB INTL GOVT INFLATION PROTECTED BOND ETF MorganStanley SmithBarney LLC acted as your agent	02/18/11	11/01/11	875.05	878.06	(3.01)	
125000430	399	VANGUARD BOND INDEX FUNDS SHORT-TERM BOND ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	31,976 04	32,206.88	(230.84)	
125000440	9	VANGUARD BOND INDEX FUNDS SHORT-TERM BOND ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	04/18/11	723.87	726.47	(2.60)	
125000460	2,599	VANGUARD INTL EQUITY INDEX FD VANGUARD EUROPEAN ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	02/18/11	136,867.21	111,672.01		25,195.20
125000470	37	VANGUARD MSCI EUROPEAN ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/10	04/21/11	2,010.98	1,589.79		421.19
Total					**$ 855,297.59**	**$ 776,656.36**	**($ 5,696.89)**	**$ 84,338.12**

Details of Long Term Gain (Loss) 2011

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000020	1,655	GREENHAVEN CONTINUOUS COMMODITY INDEX FD UNIT BEN INT MorganStanley SmithBarney LLC	06/23/10	11/01/11	$ 52,311.39	$ 41,453.78		$ 10,857.61
125000080	42	ISHARES MSCI UNITED KINGDOM INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	682.20	605.22		76.98
125000150	12	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	07/13/11	743.27	557.86		185.41
125000160	374	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	20,446 63	17,386.62		3,060.01
125000180	337	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	20,630.03	19,289.34		1,340.69
125000200	65	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	07/13/11	3,991.82	3,169.93		821.89
125000210	461	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	26,181.99	22,482.14		3,699.85
125000240	5	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	07/13/11	481.21	350.31		130.90

THE GILBERT VERNEY FOUNDATION
Account Number 188-30584-12 573

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000250	242	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	$ 19,879.62	$ 16,954.88		$ 2,924.74
125000270	39	ISHARES JP MORGAN EM BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	07/13/11	4,250.03	4,050.60		199.43
125000280	332	ISHARES JP MORGAN EM BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	11/01/11	36,313.89	34,482.02		1,831.87
125000310	749	ISHARES FTSE EPRA/NAREIT DEV REAL ESTATE EX-U.S. INDX FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	19,933.05	19,753.38		179.67
125000320	897	ISHARES IBOXX HIGH YLD CORP BOND FD MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	78,354.49	76,700.94		1,653.55
125000340	14	ISHARES BARCLAYS MBS BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	07/13/11	1,498 08	1,532.02	(33.94)	
125000390	571	SPDR INDEX SHS FDS S&P INTL SMALL CAP ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	11/01/11	15,074 85	14,235.54		839.31
125000410	341	SPDR DB INTL GOVT INFLATION PROTECTED BOND ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	07/13/11	20,791.39	17,924.73		2,866.66
125000450	18	VANGUARD BOND INDEX FUNDS SHORT-TERM BOND ETF MorganStanley SmithBarney LLC acted as your agent	06/23/10	07/13/11	1,463.05	1,452.94		10.11

THE GILBERT VERNEY FOUNDATION
Account Number 188-30584-12 573

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000480	947	VANGUARD MSCI EUROPEAN ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/10	11/01/11	$ 41,477.80	$ 40,690.04		$ 787.76
125000490	57	VANGUARD REIT ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/10	07/13/11	3,511.57	2,815.06		696.51
125000500	419	VANGUARD REIT ETF MorganStanley SmithBarney LLC acted as your agent in this transaction	06/23/10	11/01/11	23,863.48	20,693.20		3,170.28
Total					**$ 391,879 84**	**$ 356,580.55**	**($ 33.84)**	**$ 35,333.23**

R *The basis for this tax lot has been adjusted due to a reclassification of income*

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Deposits

Reference number	Date	Description	Amount	Reference number	Date	Description	Amount
210000100	01/27/11	FROM 188-12248-01 TO 188-30584-01	$ 23	210000200	01/28/11	FROM 188-12248-01 TO 188-30584-01	$ 17.42
210000300	01/28/11	FROM 188-14660-01 TO 188-30584-01	19 19	210000400	01/28/11	FROM 188-14661-01 TO 188-30584-01	11.70
210000500	01/31/11	INVESTMENT AND MGMT SERVICES FROM 01/27/11 TO 03/31/11	219.17	210000600	11/30/11	INVESTMENT AND MGMT SERVICES FROM 11/17/11 TO 12/31/11	154.10
Total			**$ 421.81**				

Withdrawals

Reference number	Date	Description	Referral number	Amount	Reference number	Date	Description	Referral number	Amount
220000100	01/13/11	CHECK 6610968006 BY PROVIDENCE, RI		$ 100,000.00	220000200	01/21/11	INVESTMENT AND MGMT SERVICES FROM 01/01/11 TO 03/31/11		$ 7,777.75

THE GILBERT VERNEY FOUNDATION

SCHEDULE OF CONTRIBUTIONS PAID

YEAR ENDED DECEMBER 31, 2011

- SEE ACCOUNTANTS' REVIEW REPORT –

Payee	Amount
A Safe Place	$ 1,250
All Saints' Parish	16,000
American Red Cross	500
Bonefish & Tarpon Trust	6,000
Boston MedFlight	525
Child and Family Services	2,000
Commonwealth of Massachusetts	70
Community Foundation for Nantucket	1,600
Crotched Mountain Foundation	10,000
CVCSF	4,000
Dartmouth-Hitchcock Medical Center	250
Dexter School	875
East Creek, Inc. / Landmark House	250
Egan Maritime Institute	500
Foundation Fighting Blindness	1,750
Francestown Land Trust, Inc.	5,000
Friends of the Thorne	250
GFWC WCSC	2,500
Grand Monadnock Youth Choirs	375
Granite State Independent Living	500
Granite State Woodland Institute	2,500
Harris Center	3,200
Home Healthcare, Hospice & Community Svcs	500
Island Institute	550
Land Trust Alliance	500
Maria Mitchell Association	1,050
Mariposa Museum & World Culture Center	3,500
Massachusetts General Hospital	12,500
MBL	525
MCELC	900
Monadnock At Home	250
Monadnock Community Hospital	50,000
Monadnock Conservancy	250
Monadnock Family Services	12,500
Monadnock Humane Society	2,500
Monadnock Music	900
Monadnock Summer Lyceum	300
Monadnock Writers' Group	500
Montpelier -The General Henry Knox Museum	500
Subtotal (forward)	$ 147,620

THE GILBERT VERNEY FOUNDATION
SCHEDULE OF CONTRIBUTIONS PAID
YEAR ENDED DECEMBER 31, 2011
- SEE ACCOUNTANTS' REVIEW REPORT -

Payee	Amount
Subtotal (forwarded)	$ 147,620
Mount Washington Observatory	500
Nantucket Arts Council	325
Nantucket Atheneum	1,250
Nantucket Atheneum	5,000
Nantucket Boys & Girls Club	2,500
Nantucket Community Sailing	525
Nantucket Conservation Foundation	10,000
Nantucket Historical Association	5,000
Nantucket Ice	1,500
Nantucket Land Council, Inc.	1,300
Nantucket Lighthouse School	250
Nantucket Preservation Trust	275
Nantucket Youth Hockey, Inc.	500
NCMC	275
New England Forestry Foundation	7,500
New Hampshire Charitable Foundation	2,500
New Hampshire Lakes Association	275
New Hampshire Preservation Alliance	675
New Hampshire Wildlife Federation	500
NH Audubon	1,000
NH Historical Society	1,200
NH Project Learning Tree	1,000
NH Children's Trust	500
NMHS	450
Northern Woodlands	275
Palliative & Supportive Care of Nantucket	1,200
Penobscot Marine Museum	475
Peterborough Players	1,200
Sharon Arts Center	10,000
Small Friends on Nantucket	500
Sophia's Hearth	6,250
St. George's School	15,500
Sustainable Nantucket	500
The Cornucopia Project	500
The Grapevine	8,000
The Homestead of Nantucket	375
The MacDowell Colony	12,500
Subtotal (forward)	$ 249,695

THE GILBERT VERNEY FOUNDATION

SCHEDULE OF CONTRIBUTIONS PAID

YEAR ENDED DECEMBER 31, 2011

- SEE ACCOUNTANTS' REVIEW REPORT –

Payee	Amount
Subtotal (forwarded)	$ 249,695
The Mayhew Program	1,000
The Park Theatre	4,000
The Place To Go, Inc.	3,000
The River Center	525
The Trustees of Reservations	525
The Well School	12,500
Theatre Workshop of Nantucket	250
Thompson Island Outward Bound	2,300
Touchstone Farm	375
Upper Valley Haven	1,250
WGBH	2,750
WHOI	750
Williams Mystic	250
Women's Fund of New Hampshire	500
Woods Hole Research Center	675
	$ 280,345

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME	48.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	48.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	65,741.	0.	65,741.
TOTAL TO FM 990-PF, PART I, LN 4	65,741.	0.	65,741.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,000.	2,000.		2,000.
TO FORM 990-PF, PG 1, LN 16B	4,000.	2,000.		2,000.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	30,461.	30,461.		0.
TO FORM 990-PF, PG 1, LN 16C	30,461.	30,461.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES PAID	1,734.	1,734.		0.
TO FORM 990-PF, PG 1, LN 18	1,734.	1,734.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SERVICE CHARGES	10.	0.		10.
GREENHAVEN K-1 INVEST EXP	879.	0.		879.
GREENHAVEN K-1 OTHER EXPENSE	5,761.	0.		5,761.
OFFICE EXPENSES	2,338.	0.		2,338.
TO FORM 990-PF, PG 1, LN 23	8,988.	0.		8,988.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 7

DESCRIPTION	AMOUNT
NET OTHER GAAP-TAX ADJUSTMENTS RELATED TO INVESTMENTS	3,645.
TOTAL TO FORM 990-PF, PART III, LINE 3	3,645.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT OBLIGATIONS	X		115,550.	115,550.
TOTAL U.S. GOVERNMENT OBLIGATIONS			115,550.	115,550.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			115,550.	115,550.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	1,290,888.	1,290,888.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,290,888.	1,290,888.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	742,447.	742,447.
TOTAL TO FORM 990-PF, PART II, LINE 10C	742,447.	742,447.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION PART XV, LINES 2A THROUGH 2D STATEMENT 11

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

RICHARD G. VERNEY
C/O MONADNOCK PAPER MILLS
BENNINGTON, NH 03442

TELEPHONE NUMBER

603-588-3311

FORM AND CONTENT OF APPLICATIONS

NO STANDARD FORM OR FORMAT REQUIRED

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NO CONTRIBUTIONS MAY BE MADE TO ANY RELIGIOUS, CHARITABLE, SCIENTIFIC, LITERARY OR EDUCATIONAL ORGANIZATION, THE EARNINGS OF WHICH INURE TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL OR THE SUBSTANTIAL PART OF THE ACTIVITIES OF WHICH IS CARRYING ON PROPAGANDA OR OTHERWISE ATTEMPTING TO INFLUENCE LEGISLATION.

Form **8868**
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- 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.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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.

Type or print

File by the due date for filing your return See instructions

Name of exempt organization or other filer, see instructions.
GILBERT VERNEY FOUNDATION

Employer identification number (EIN) or
☒ 02-6007363

Number, street, and room or suite no. If a P.O. box, see instructions.
C/O RICHARD G. VERNEY, 117 ANTRIM ROAD

Social security number (SSN)
☐

City, town or post office, state, and ZIP code. For a foreign address, see instructions.
BENNINGTON, NH 03442

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ RICHARD G. VERNEY
ANTRIM ROAD - BENNINGTON, NH 03442
Telephone No ▶ 603-588-3311 FAX No ▶ 603-588-3516
- 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 is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2012 , to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ ☒ calendar year 2011 or
▶ ☐ tax year beginning ________, and ending ________ .

2 If the tax year entered in line 1 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	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 3,333.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

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

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev 1-2012)

123841
01-04-12