1304

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

2012

For calendar year 2012, or tax year beginning Jul 1 , 2012, and ending Jun 30 , 2013

Name of foundation: Lydia B. Stokes Foundation

A Employer identification number: 21-6016107

Number and street (or P O box number if mail is not delivered to street address): PO Box 5777 | Room/suite:

B Telephone number (see the instructions): (802) 863-6370

City or town: Burlington | State: VT | ZIP code: 05402-5777

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, column (c), line 16) ► $ 6,472,435.

J Accounting method: ☐ Cash ☐ Accrual ☒ Other (specify) Modified Cash
(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) (see instructions))

	Line	(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)	2,985,370.			
	2 Ck ► ☐ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	104,419.	104,419.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	94,139.			
	b Gross sales price for all assets on line 6a 1,951,301.				
	7 Capital gain net income (from Part IV, line 2)		275,385.		
	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/(loss) (att sch)				
	11 Other income (attach schedule) See Line 11 Stmt	-3,160.			
	12 **Total.** Add lines 1 through 11	3,180,768.	379,804.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	15,000.	11,250.		3,750.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) L-16a Stmt	33,237.	14,709.		11,153.
	b Accounting fees (attach sch) L-16b Stmt	8,875.	2,219.		5,769.
	c Other prof fees (attach sch) L-16c Stmt	26,968.	23,958.		3,010.
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	1,847.	847.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	16,024.			11,249.
	22 Printing and publications	549.			549.
	23 Other expenses (attach schedule) See Line 23 Stmt	3,866.	460.		831.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	106,366.	53,443.		36,311.
	25 Contributions, gifts, grants paid	209,500.			209,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	315,866.	53,443.		245,811.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	2,864,902.			
	b **Net investment income** (if negative, enter -0-)		326,361.		
	c **Adjusted net income** (if negative, enter -0-)				

BAA For Paperwork Reduction Act Notice, see Instructions. TEEA0301 12/06/12 Form **990-PF** (2012)

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing		541.	541.
	2 Savings and temporary cash investments	793,765.	1,369,910.	1,362,423.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less. allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule) L-10a Stmt	738,836.	642,385.	767,130.
	b Investments – corporate stock (attach schedule) L-10b Stmt	1,012,478.	1,523,264.	2,865,348.
	c Investments – corporate bonds (attach schedule) L-10c Stmt	191,349.	576,249.	576,127.
	11 Investments – land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans L-12 Stmt		48,011.	48,011.
	13 Investments – other (attach schedule) L-13 Stmt	308,424.	593,651.	588,865.
	14 Land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ► L-15 Stmt)	385,000.	263,990.	263,990.
	16 **Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	3,429,852.	5,018,001.	6,472,435.
LIABILITIES	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)			
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			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► X 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	3,429,852.	5,018,001.	
	30 **Total net assets or fund balances** (see instructions)	3,429,852.	5,018,001.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	3,429,852.	5,018,001.	

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	3,429,852.
2	Enter amount from Part I, line 27a	2	2,864,902.
3	Other increases not included in line 2 (itemize) ► Adjustment for Realized Capital Gains based on cost basis	3	181,246.
4	Add lines 1, 2, and 3	4	6,476,000.
5	Decreases not included in line 2 (itemize) ► See Other Decreases Stmt	5	1,457,999.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	5,018,001.

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	Publicly traded securities			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,951,301.		1,675,916.	275,385.
b				
c				
d				
e				

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))
a				275,385.
b				
c				
d				
e				

2	Capital gain net income or (net capital loss). — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	275,385.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2011	415,489.	3,263,996.	0.127295
2010	363,708.	3,467,189.	0.104900
2009	321,575.	3,439,873.	0.093485
2008	213,907.	3,508,119.	0.060975
2007	257,713.	4,449,294.	0.057922

2	Total of line 1, column (d)	2	0.444577
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	0.088915
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,341,497.
5	Multiply line 4 by line 3	5	474,939.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,264.
7	Add lines 5 and 6	7	478,203.
8	Enter qualifying distributions from Part XII, line 4	8	474,801.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter. ___ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here . ► ☐ and enter 1% of Part I, line 27b		1	6,527.
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	6,527.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) 2,342		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	X 6,527.
6 Credits/Payments.			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6a 985.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 3,200.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	4,185.
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	2,342.
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 2013 estimated tax ►	Refunded ►	11	

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		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?	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
4 a 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?	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, column (c), and Part XV*	7	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► VT - Vermont			
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 2012 or the taxable year beginning in 2012 (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)*

			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 ► lydiabstokesfoundation.org

14 The books are in care of ► Wallace W. Tapia, PC Telephone no. ► (802) 863-6370

Located at ► 131 Main Street, 8th Fl Burlington VT ZIP + 4 ► 05401

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

			Yes	No
16	At any time during calendar year 2012, 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.

					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 instructions)?			1 b		X
	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 2012?			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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes	☒ No			
	If 'Yes,' list the years ► 20 , 20 , 20 , 20					
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement — see instructions.)			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. ► 20 , 20 , 20 , 20					
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 2012 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 2012.)*			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 2012?			4 b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 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 (No)

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

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

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

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

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

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

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? — 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
Nancy V. Deren 131 Main Street, 8th Fl Burlington VT 05401	Co-Trustee 8.00	7,500.	0.	0.
Thomas R. Willits 131 Main Street, 8th Fl Burlington VT 05401	Co-Trustee 8.00	7,500.	0.	0.
Thalia Venerable 131 Main Street, 8th Fl Burlington VT 05401	Co-Trustee 0.50	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ► None

Part 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	
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 Ayers Goat Diary	100,000.
2 Northeast Kingdom Tasting Center	50,000.
All other program-related investments. See instructions 3 See Line 3 Statement	78,990.
Total. Add lines 1 through 3 ►	228,990.

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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	4,964,913.
b Average of monthly cash balances		1b	457,927.
c Fair market value of all other assets (see instructions)		1c	
d Total (add lines 1a, b, and c)		1d	5,422,840.
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	5,422,840.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	81,343.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	5,341,497.
6 **Minimum investment return.** Enter 5% of line 5		6	267,075.

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	267,075.
2a Tax on investment income for 2012 from Part VI, line 5	2a	6,527.		
b Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c Add lines 2a and 2b			2c	6,527.
3 Distributable amount before adjustments. Subtract line 2c from line 1			3	260,548.
4 Recoveries of amounts treated as qualifying distributions			4	285,004.
5 Add lines 3 and 4			5	545,552.
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	545,552.

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	245,811.
b Program-related investments — total from Part IX-B	1b	228,990.
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	474,801.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	474,801.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				545,552.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20 ___, 20 ___, 20 ___				
3 Excess distributions carryover, if any, to 2012				
a From 2007 0.				
b From 2008 148,188.				
c From 2009 89,723.				
d From 2010 191,628.				
e From 2011 135,880.				
f Total of lines 3a through e	565,419.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► $ 474,801.				
a Applied to 2011, 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 2012 distributable amount				474,801.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	70,751.			70,751.
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	494,668.			
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 2011 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
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 2007 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	494,668.			
10 Analysis of line 9				
a Excess from 2008 77,437.				
b Excess from 2009 89,723.				
c Excess from 2010 191,628.				
d Excess from 2011 135,880.				
e Excess from 2012 0.				

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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	(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).)

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

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Inquiring Systems Inc 21885 Bonness Road Sonoma CA 95476		509(a)(2)	Public Banking Institute's symposiums	6,000.
Community Ventures 436 14th Street, Suite 1120 Oakland CA 94612		509(a)(1)	Community Fund Handbook	10,000.
Santa Fe Farmers Market Institute 1607 Paseo de Peralta, Ste A Santa Fe NM 87501		509(a)(1)	General support	5,000.
Quivira Coalition 1413 Second Street, Suite 1 Santa Fe NM 87505		509(a)(1)	General support	7,500.
Community Involved in Sustaining Agriculture 1 Sugarloaf Street South Deerfield MA 01373		509(a)(1)	PV Grows staff person funding	5,000.
Community Involved in Sustaining Agriculture 1 Sugarloaf Street South Deerfield MA 01373		509(a)(1)	Hampden County MA develop access to local food	5,000.
Positive Futures Network 284 Madrona Way, Ste 116 Bainbridge Island WA 98110		509(a)(1)	YES Magazine	8,000.
American Friends Service Committee 1501 Cherry Street Philadelphia PA 19102		509(a)(1)	Los Angeles Peace Education Program	18,000.
Arthur Morgan Institute for Community Solutions PO Box 243 Yellow Springs OH 45387		509(a)(1)	For documentary Passive House: A Building Resolution	8,000.
See Line 3a statement				137,000.
Total			► 3a	209,500.
b Approved for future payment				
Total			► 3b	

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 (See instructions)
	(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					
4 Dividends and interest from securities			14	100,687.	3,732.
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	94,139.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a Loss from publicly-traded Limited Partnership	211110	-3,169.			
b Miscellaneous Income			1	9.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		-3,169.		194,835.	3,732.
13 Total. Add line 12, columns (b), (d), and (e)				13	195,398.

(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). (See instructions.)
4e	Income arising from Program Related Investments undertaken in
4e	furtherance of the Foundation's stated purpose of fostering
4e	agricultural sustainability and conservation of environmentally-sensitive land.

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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

2 a 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

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 | Trustee — Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
William S. Huckabay, CPA				P00154308

Firm's name ▶ Tapia & Huckabay, P.C. — Firm's EIN ▶ 47-1371818

Firm's address ▶ P.O. Box 38, Vergennes VT 05491 — Phone no (802) 870-7086

TEEA0503 03/14/13

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

2012

Name of the organization	Employer identification number
Lydia B. Stokes Foundation	21-6016107

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).

Schedule B (Form 990, 990-EZ, or 990-PF) (2012) Page 1 of 1 of Part 1

Name of organization	Employer identification number
Lydia B. Stokes Foundation	21-6016107

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Sally Venerable Charitable Remainder Trust 721 Don Diego Avenue Santa Fe NM 87505	$ 2,985,370.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)

(a) Number	(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) Number	(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) Number	(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) Number	(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) Number	(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.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2012) Page 1 to 2 of Part II

Name of organization: Lydia B. Stokes Foundation

Employer identification number: 21-6016107

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
1	Calvert Social .75%13 Notes Due 8/15/13 $100,000 Cardinal Bank .5%13 CD Due 8/26/13 $100,326 Discover Bank NA 2.35%12 DC Due 12/10/12 $100,549 European Inv Bank 1/25%13F Notes Due 9/17/13 $100,920	$ 401,795.	10/30/12
1	Fed Farm Cr Bk 1.3%13 Notes Due 12/23/13 $101,333 Fed Farm Cr Bk 1.65%13 Notes Due 2/11/13 $100,654 Huntington Natl .4%13 DC Due 11/25/13 $99,825 Northshore cmnty .3%13 CD Due 6/20/13 $149,727	$ 451,539.	10/30/12
1	Sallie Mae Bank 5.05%13 CD Due 10/29/13 $105,105 Wright Exp Finl .9%13 CD Due 3/15/13 $100,249 2,000 sh. A G L Resources Inc $78,860 1,800 sh. ADP $105,156	$ 389,370.	10/30/12
1	450 sh. Broadridge Finl Solution $10,620 900 sh. Camden National Corp $32,526 2,600 sh. Clarcor Inc $125,242 1,600 sh. Cons Communication Hldgs $25,952	$ 194,340.	10/30/12
1	5,100 sh. GT Advanced Techs Inc $32,334 2,800 sh. Hain Celestial Group Inc $195,300 1,900 sh. Heinz HJ Co $106,913 1,600 sh. Hubbell Inc Class B $132,448	$ 466,995.	10/30/12
1	1,700 sh. Intuit Inc $99,331 1,400 sh. Johnson & Johnson $94,640 2,000 sh. Johnson Controls Inc $53,960 2,300 sh. McCormick & Co Inc $140,530	$ 388,461.	10/30/12

Schedule B (Form 990, 990-EZ, or 990-PF) (2012) Page 2 to 2 of Part II

Name of organization: Lydia B. Stokes Foundation

Employer identification number: 21-6016107

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
1	1,500 sh. Medtronic Inc $60,870 2,100 sh. Patterson Companies $71,526 2,600 sh. Tennant Company $110,032 2,000 sh. Wabtec $160,060	$ 402,488.	10/30/12

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	4,400 sh. Worthington Inds Inc $92,480 2,700 sh. Amerigas Partners LP $116,883 1,500 sh. Powershs Exch Trad Rd Tr Global Clean Energy $11,235 700 sh. Coop Regions of Organic Product Pools $35,000	$ 255,958.	10/30/12

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	Cash	$ 34,425.	10/29/12

(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
		$	

Additional Information For Tax Return

Lydia B Stokes Foundation 21-60161

Form 990-PF, p1. Amended return checkbox

The attached return has been amended to properly reflect capital gains and book value of assets based on contributor's cost basis as opposed to FMV at the time of the contribution

Form 990-PF, p4 Line 10 Yes

Sally Venerable Charitable Remainder Trust
721 Don Diego Avenue
Santa Fe, NM 87505

Form 990-PF Part I, Line 6a | Net Gain or Loss From Sale of Assets | 2012

Name: Lydia B. Stokes Foundation

Employer Identification Number: 21-6016107

Asset Information:

Description of Property:	Securities		
Date Acquired	Various	How Acquired:	Purchased
Date Sold	Various	Name of Buyer	Open market
Sales Price	1,951,301.	Cost or other basis (do not reduce by depreciation)	1,857,162.
Sales Expense:		Valuation Method.	Fair Market Value
Total Gain (Loss):	94,139.	Accumulation Depreciation:	

Description of Property			
Date Acquired		How Acquired	
Date Sold.		Name of Buyer:	
Sales Price.		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method:	
Total Gain (Loss)		Accumulation Depreciation:	

Description of Property:			
Date Acquired		How Acquired.	
Date Sold		Name of Buyer	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method.	
Total Gain (Loss)		Accumulation Depreciation:	

Description of Property.			
Date Acquired		How Acquired:	
Date Sold		Name of Buyer.	
Sales Price.		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method:	
Total Gain (Loss).		Accumulation Depreciation:	

Description of Property			
Date Acquired.		How Acquired	
Date Sold:		Name of Buyer	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method.	
Total Gain (Loss).		Accumulation Depreciation:	

Description of Property:			
Date Acquired:		How Acquired.	
Date Sold		Name of Buyer:	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method:	
Total Gain (Loss)		Accumulation Depreciation.	

Description of Property			
Date Acquired.		How Acquired:	
Date Sold:		Name of Buyer:	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense.		Valuation Method	
Total Gain (Loss):		Accumulation Depreciation:	

Description of Property:			
Date Acquired:		How Acquired:	
Date Sold		Name of Buyer:	
Sales Price:		Cost or other basis (do not reduce by depreciation)	
Sales Expense:		Valuation Method:	
Total Gain (Loss)		Accumulation Depreciation	

Form 990-PF Part VII-B, Line 5C	Expenditure Responsibility	2012

Name(s) Shown on Return: Lydia B. Stokes Foundation

Employer ID Number: 21-6016107

Grantee Information:

Grantee Name: Ayers Brook Goat Dairy L3C

Check Box, If Grantee is a Business: X

Grantee Address: 301 Vt Route 12 N

Grantee City: Randolph Grantee State: VT Grantee Zip: 05060

Foreign City: Foreign Country:

Grant Amount: 100,000. Amount Expended: 100,000.

Date of Grant: 04/19/13

Purpose of Grant:

Investment in goat dairy

Any Diversion By Grantee?

No

Dates of Reports by Grantee?

No reports required to date.

Verification Date None

Results of Verification:

Not Applicable

Form 990-PF Part VII-B, Line 5C | **Expenditure Responsibility** | **2012**

Name(s) Shown on Return: Lydia B. Stokes Foundation

Employer ID Number: 21-6016107

Grantee Information:

Grantee Name . . . . Northeast Kingdom Tasting Center

Check Box, if Grantee is a Business [X]

Grantee Address 150 Main Street

Grantee City Newport Grantee State VT Grantee Zip 05855

Foreign City Foreign Country

Grant Amount 50,000. Amount Expended 50,000.

Date of Grant 04/10/13

Purpose of Grant:

Investment in tasting center in rural Vermont

Any Diversion By Grantee?

No

Dates of Reports by Grantee?

No reports required to date

Verification Date None

Results of Verification:

Not Applicable

Form 990-PF Part VII-B, Line 5C | **Expenditure Responsibility** | **2012**

Name(s) Shown on Return: Lydia B. Stokes Foundation

Employer ID Number: 21-6016107

Grantee Information:

Grantee Name . . . . VSJF Flexible Capital Fund L3C

Check Box, if Grantee is a Business [X]

Grantee Address

Grantee City   Grantee State   Grantee Zip

Foreign City   Foreign Country

Grant Amount 28,990.   Amount Expended 28,990.

Date of Grant 12/06/12

Purpose of Grant:

The Flex Fund remains the first and only business-lending program in Vermont solely focused on royalty financing for small, growth stage businesses, one of only two such investment-lending programs of its scale in New England.

Any Diversion By Grantee?

No

Dates of Reports by Grantee?

6/30/13, 9/30/13

Verification Date None

Results of Verification:

Not Applicable

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

Expenditure Responsibility

2012

Name(s) Shown on Return: Lydia B. Stokes Foundation

Employer ID Number: 21-6016107

Grantee Information:

Grantee Name: Real Pickles Cooperative Inc

Check Box, if Grantee is a Business: X

Grantee Address: 311 Wells Street

Grantee City: Greenfield

Grantee State: MA

Grantee Zip: 01301

Foreign City:

Foreign Country:

Grant Amount: 50,000.

Amount Expended: 50,000.

Date of Grant: 04/19/13

Purpose of Grant:

Preferred stock in company

Any Diversion By Grantee?

No

Dates of Reports by Grantee?

No reports required to date.

Verification Date None

Results of Verification:

Not Applicable

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

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
Misc	9.		
Ordinary business loss	-3,169.		
Total	-3,160.		

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Excise	1,000.			
Foreign	847.	847.		
Total	1,847.	847.		

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
Memberships	1,195.			
Insurance	856.			
Miscellaneous	1,815.	460.		831.
Total	3,866.	460.		831.

Form 990-PF, Page 2, Part III, Line 5
Other Decreases Stmt

Adjustment to bring beginning assets to book value	586,689.
Adjustment required to record donated securities (FMV vs. cost)	871,310.
Total	1,457,999.

Form 990-PF, Page 7, Part IX-B, Summary of Program Related Investments
Line 3 Statement

All other program-related investments.	
Real Pickles Cooperative Inc	50,000.
VSJF Flexible Capital Fund L3C	28,990.
Total	78,990.

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	Foundation status of recipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a *Paid during the year*				
Santa Fe College/Office for Development 3000 NW 83 Street Gainesville FL 32606		509(a)(1)	Displaced Homemaker program	Person or Business X 8,000.
Blue Oven Kitchens/Santa Fe College CEID 530 W University Ave Gainesville FL 32601		509(a)(1)	Energy efficiency upgrades to facility	Person or Business X 8,500.
Slow Money PO Box 333 York Harbor ME 03911		509(a)(2)	General support	Person or Business X 5,000.
Fay-Penn Economic Development 1040 Eberly Way, Suite 200 Lemont Furnace PA 15456		509(a)(1)	American Sustainable Business Council	Person or Business X 10,000.
Quivira Coalition 1413 Second Street, Suite 1 Santa Fe NM 87505		509(a)(1)	New Agrarian program	Person or Business X 18,000.
Community Involved in Sustaining Agriculture 1 Sugarloaf Street South Deerfield MA 01373		509(a)(1)	PV Grows	Person or Business X 5,000.
Planned Parenthood Federation 434 West 33rd Street New York NY 10001		509(a)(1)	General support	Person or Business X 25,000.
Triskeles Foundation 707 Eagleview Blvd, Ste 105 Exton PA 19341		509(a)(1)	Food For All	Person or Business X 5,000.
Florida Certified Organic Growers PO Box 12311 Gainesville FL 32604		509(a)(1)	General support	Person or Business X 6,000.
Massachusetts Workforce Alliance 14 Beacon Street Boston MA 02108		509(a)(2)	Mapping work across the food system	Person or Business X 5,000.
New England Small Farm Institute PO Box 937 Belchertown MA 01007		509(a)(1)	Pioneer Valley Biochar Initiative	Person or Business X 4,000.
Strolling of the Heifers, Inc 105 Partridge Rd E Dummerston VT 05346		509(a)(1)	Slow Living conference	Person or Business X 4,000.
Franklin County CDC 324 Wells Street Greenfield MA 01301		509(a)(1)	The Science & Stability Expo	Person or Business X 1,500.
Fair Food Network 205 E Washington St, Ste B Ann Arbor MI 48104		509(a)(1)	General Support	Person or Business X 10,000.
Presidio Graduate School 36 Lincoln Blvd San Francisco CA 94129		509(a)(1)	Sustainable Agriculture curriculum	Person or Business X 7,500.

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

Continued

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	Person or Business Checkbox Amount
a *Paid during the year*				
Federation for Mass. Farmers Markets 240 Beaver Street Waltham MA 02452		509(a)(1)	Northampton, MA FoodStampsX2	Person or Business X 2,500.
Post Carbon Institute 613 Fourth St, Suite 208 Santa Rosa CA 95404		509(a)(1)	Community Resilience Initiative	Person or Business X 12,000.
Total				137,000.

Form 990-PF, Page 1, Part I
Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Davenport & Dodds	Legal services	28,289.	14,709.		9,504.
Dinse, Knapp & McAndrew, PC	Legal services	4,948.			1,649.
Total		33,237.	14,709.		11,153.

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

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Wallace W. Tapia, PC	Accounting & tax advice	8,875.	2,219.		5,769.
Total		8,875.	2,219.		5,769.

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Clear Field Asset Management	Investment advice	26,968.	23,958.		3,010.

Form 990-PF, Page 1, Part I Continued
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Total		26,968.	23,958.		3,010.

Form 990-PF, Page 2, Part II, Line 10a
L-10a Stmt

Line 10a - Investments - US and State Government Obligations:	End of Year State and Local Obligations Book Value	State and Local Obligations FMV	End of Year US Government Obligations Book Value	US Government Obligations FMV
100,000 Federal Farm Credit Bank			101,646.	100,550.
100,000 Government Backed Trusts			96,942.	99,620.
305,000 US Treasury Notes TIPS			295,346.	386,495.
142,000 US Treasury Notes TIPS			148,451.	180,465.
Total			642,385.	767,130.

Form 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	Fair Market Value
2,000 sh. AGL Resources Inc	81,478.	85,720.
3,500 sh. Ameresco Inc Cl A	46,182.	31,535.
1,800 sh. Automatic Data Processing	66,063.	123,948.
1,500 sh. Badger Meter Inc	46,337.	66,825.
800 sh. Brady Corp Cl A	24,394.	24,584.
2,300 sh. Camden National Corp	74,641.	81,581.
1,150 sh. Canadian National Railway Co	20,472.	111,861.
2,600 sh. Clarcor Inc	17,568.	135,746.
3,250 sh. Consolidated Comm Holdings Inc	59,407.	56,583.
60 sh. Google Inc Cl A	27,312.	52,822.
1,800 sh. Hain Celestial Group Inc	34,794.	117,018.
1,600 sh. Hubbell Inc Cl B	48,919.	158,400.
2,525 sh. Intuit	34,130.	154,126.
1,400 sh. Johnson & Johnson	42,463.	120,204.
4,000 sh. Johnson Controls Inc	109,612.	143,160.
2,300 sh. McCormick & Co Inc	26,777.	161,828.
1,500 sh. Medtronic Inc	56,411.	77,205.
4,250 sh. Met Pro Corp	35,158.	57,120.
2,250 sh. Neogen Corp	17,267.	125,010.
2,700 sh. Patterson Companies Inc	83,132.	101,520.
937 sh. Sun Hydraulics Corp	8,817.	29,309.
3,600 sh. Tennant Co	69,865.	173,772.
2,700 sh. Wabtec Corp	38,124.	144,261.
1,400 sh. WGL Holdings Inc	43,159.	60,508.

Form 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Continued

Line 10b - Investments - Corporate Stock:	**End of Year Book Value**	**End of Year Fair Market Value**
2,900 sh. Wiley John & Sons Inc Cl A	111,568.	116,261.
909 sh. Equal Exchange Pfd	24,998.	24,998.
2,700 sh. Coop Regions of Organic Cl E Ser 1 W Private Placement	135,000.	135,000.
3,000 sh. Canon Inc ADR	105,066.	98,610.
570 sh. Novo-Nordisk AS ADR	26,650.	88,333.
15 sh. Sustaining Technologies LLC	7,500.	7,500.
Total	1,523,264.	2,865,348.

Form 990-PF, Page 2, Part II, Line 10c
L-10c Stmt

Line 10c - Investments - Corporate Bonds:	**End of Year Book Value**	**End of Year Fair Market Value**
100,000 European Inv Bank	100,322.	100,200.
200,000 Calvert Social Inv Foundation	200,000.	200,000.
100,000 Calvert Social Inv Foundation	100,000.	100,000.
75,000 Calvert Social Inv Foundation	75,000.	75,000.
50,927 Cooperative Fund of New England	50,927.	50,927.
50,000 High Mowing Seed Co	50,000.	50,000.
Total	576,249.	576,127.

Form 990-PF, Page 2, Part II, Line 12
L-12 Stmt

Line 12 - Investments - Mortgage loans:	**End of Year Book Value**	**End of Year Fair Market Value**
PV Grows Loan	48,011.	48,011.
Total	48,011.	48,011.

Form 990-PF, Page 2, Part II, Line 13
L-13 Stmt

Line 13 - Investments - Other:	**End of Year Book Value**	**End of Year Fair Market Value**
3,800 PowerShares Global ETF Trust Global Clean Energy	53,419.	37,050.
7030.075 units Forum Funds Merk Hard Currency Inv	76,827.	80,354.
2,700 units AmeriGas Partners LP	107,226.	133,461.
4,000 units Liberty Property Trust	156,170.	147,840.
8,000 sh. Federal Agric Mtg Corp	200,009.	190,160.

Form 990-PF, Page 2, Part II, Line 13 Continued
L-13 Stmt

Line 13 - Investments - Other:	End of Year Book Value	End of Year Fair Market Value
Total	593,651.	588,865.

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

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	End of Year Fair Market Value
2,000 pref stock Real Pickles Cooperative Inc	0.	50,000.	50,000.
Ayers Brook Goat Dairy L3C 3.0% Due 04/01/23	0.	100,000.	100,000.
Carrot Project CD	25,000.	25,000.	25,000.
Northeast Kingdom Tasting Center LLC	0.	50,000.	50,000.
River Valley Market CD	10,000.	10,000.	10,000.
VSJF Flexible Capital Fund L3C	0.	28,990.	28,990.
Program related investments	350,000.	0.	0.
Total	385,000.	263,990.	263,990.