

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

**2009**

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2009, or tax year beginning July 1, 2009, and ending June 30, 2010

G Check all that apply:  Initial return  Initial return of a former public charity  Final return  
 Amended return  Address change  Name change

<b>Use the IRS label. Otherwise, print or type. See Specific Instructions.</b>	Name of foundation <u>The Educational Design Foundation</u>		A Employer identification number <u>03:0331005</u>
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) <u>(802) 644-3535 or (805) 569-0443</u>
	City or town, state, and ZIP code <u>Norwich, VT 05055</u>		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <u>\$ 43,718</u>		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <small>(Part I, column (d) must be on cash basis)</small>	
E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>			
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>			

	Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	- 0 -	- 0 -		
4	Dividends and interest from securities	3,480	3,480		
5a	Gross rents	- 0 -			
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	- 0 -			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		- 0 -		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)	- 0 -			
11	Other income (attach schedule)	- 0 -	- 0 -		
12	<b>Total.</b> Add lines 1 through 11	3,480	3,480		
13	Compensation of officers, directors, trustees, etc.	- 0 -			- 0 -
14	Other employee salaries and wages	- 0 -			- 0 -
15	Pension plans, employee benefits	- 0 -			- 0 -
16a	Legal fees (attach schedule)	- 0 -			- 0 -
b	Accounting fees (attach schedule)	- 0 -			- 0 -
c	Other professional fees (attach schedule)	- 0 -			- 0 -
17	Interest	- 0 -			- 0 -
18	Taxes (attach schedule) (see page 24 of the instructions)	21			21
19	Depreciation (attach schedule) and depletion	- 0 -			
20	Occupancy	- 0 -			- 0 -
21	Travel, conferences, and meetings	918			918
22	Printing and publications	10			10
23	Other expenses (attach schedule)	803			803
24	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	1,752			1,752
25	Contributions, gifts, grants paid	1,743			1,743
26	<b>Total expenses and disbursements.</b> Add lines 24 and 25	3,495			3,495
27	Subtract line 26 from line 12:	157			
a	<b>Excess of revenue over expenses and disbursements</b>				
b	<b>Net investment income</b> (if negative, enter -0-)		3,480		
c	<b>Adjusted net income</b> (if negative, enter -0-)				

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Operating and Administrative Expenses

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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 . . . . .	48	496.	496.
	2	Savings and temporary cash investments . . . . .	4,596.	4,596.	4,596.
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶	none		
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶	none		
	5	Grants receivable . . . . .	none		
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions) . . . . .	none		
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶	none		
	8	Inventories for sale or use . . . . .	none		
	9	Prepaid expenses and deferred charges . . . . .	none		
	10a	Investments—U.S. and state government obligations (attach schedule)	none	none	none
	b	Investments—corporate stock (attach schedule) . . . . .			
	c	Investments—corporate bonds (attach schedule) . . . . .	10,771	12,669.	12,669.
	11	Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶	none		
	12	Investments—mortgage loans . . . . .	est. 22,500.	none	none
	13	Investments—other (attach schedule) <i>Fidelity</i> . . . . .	none	25,957	25,957
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶	none		
15	Other assets (describe ▶ . . . . . )	none			
16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	37,910	43,718	43,718	
Liabilities	17	Accounts payable and accrued expenses . . . . .	none		
	18	Grants payable . . . . .	none		
	19	Deferred revenue . . . . .	none		
	20	Loans from officers, directors, trustees, and other disqualified persons . . . . .	none		
	21	Mortgages and other notes payable (attach schedule) . . . . .	none		
	22	Other liabilities (describe ▶ . . . . . )	none		
	23	<b>Total liabilities</b> (add lines 17 through 22)	none	none	
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 27 through 31.</b>				
	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	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	37,910	43,718		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)				

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	37,910.
2	Enter amount from Part I, line 27a . . . . .	2	2157.
3	Other increases not included in line 2 (itemize) ▶ <i>increase of value: Fidelity funds</i>	3	5,808.
4	Add lines 1, 2, and 3 . . . . .	4	43,703
5	Decreases not included in line 2 (itemize) ▶	5	-
6	<b>Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .</b>	6	<b>43,703</b>

**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				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0- or Losses (from col. (h)))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	3,147.	31,685.	.10
2007	2,362.	37,299.	.06
2006	2,892.	42,668.	.07
2005	2,155.	44,563.	.05
2004	1,846	42,079	.04
2	Total of line 1, column (d)	2	0.32
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	.06
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	31,685.
5	Multiply line 4 by line 3	5	1,901.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	35.
7	Add lines 5 and 6	7	1936.
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	3,495.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	34	80
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	34	80
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	-0-	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	34	80
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	34	80
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	34	80
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10		
11	Enter the amount of line 10 to be: <b>Credited to 2010 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		<input checked="" type="checkbox"/>
b		<input checked="" type="checkbox"/>
c		<input checked="" type="checkbox"/>
d		
e		
2		<input checked="" type="checkbox"/>
3		<input checked="" type="checkbox"/>
4a		<input checked="" type="checkbox"/>
4b		<input checked="" type="checkbox"/>
5		<input checked="" type="checkbox"/>
6		
7	<input checked="" type="checkbox"/>	
8a		
8b	<input checked="" type="checkbox"/>	
9		<input checked="" type="checkbox"/>
10		<input checked="" type="checkbox"/>

**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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>Legal Aid in Valley News, Lebanon, NH 8/2010 - (Aug 19, 2010)</u>	13	✓	
14	The books are in care of ▶ <u>Elizabeth B. Carlson</u> Telephone no. ▶ <u>(802) 649-3535</u> Located at ▶ <u>66 Old Roach Rd., Norwich, Vermont</u> ZIP+4 ▶ <u>05055-0025</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
<b>1a</b> During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	
<b>c</b> 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 2009?	1c	✓
<b>2</b> 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)):		
<b>a</b> At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.)	2b	
<b>c</b> 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____		
<b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If "Yes," did it have excess business holdings in 2009 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 2009.)	3b	
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
<b>b</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 2009?	4b	✓

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** (continued) Yes No

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No
  - (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No
  - (3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No
  - (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No
  - (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **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?  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**
- 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? **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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Elizabeth B. Carlson Post office Box 25, Norwich, VT 05055	Pres./Director (5-10 hrs/wk)	-0-	-0-	-0-
Robert F. Carlson 839 Ward Drive Santa Barbara, CA 93111	Director (small amt. of time)	-0-	-0-	-0-
Christopher L. Budger 120 Sausal Dr., Portola Valley, CA 94028	Director (small amt. of time)	-0-	-0-	-0-

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE	NONE	-0-	none	none

Total number of other employees paid over \$50,000 none

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

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

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

Total number of others receiving over \$50,000 for professional services ▶ - 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 EDF gives monetary gifts to educational and design-oriented charitable organizations. Examples are VT educational television, VT Public Radio, LandTrusts of VT and CA, and the National Trust for Historic Preservation.	\$ 1,245.
2 EDF gives current, new books to public libraries on the subject of architecture, planning, American culture and design. (Retail value: \$618)	\$ 498.
3 The interest EDF earns from its capital also goes to pay the expenses of on-going costs of running this non-profit organization, and travel to distribute books.	\$ 1,752.

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	

Total. Add lines 1 through 3 ▶

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	27,572
b	Average of monthly cash balances	1b	4,596
c	Fair market value of all other assets (see page 24 of the instructions)	1c	-0-
d	<b>Total</b> (add lines 1a, b, and c)	1d	32,168
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	0
3	Subtract line 2 from line 1d	3	32,168
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	483
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	31,685
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	1,584

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,584
2a	Tax on investment income for 2009 from Part VI, line 5	2a	34,80
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	35
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,549
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	1,549
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,549

**Part XII Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	3,495
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	-0-
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,495
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	348
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	3,147

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

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7 . . . . .				1,549
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only . . . . .			none	
b Total for prior years: 20 __, 20 __, 20 __		none		
3 Excess distributions carryover, if any, to 2009:				
a From 2004 . . . . .				
b From 2005 . . . . .				
c From 2006 . . . . .				
d From 2007 . . . . .				817
e From 2008 . . . . .				
f Total of lines 3a through e . . . . .	817			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ <u>3,495</u>				
a Applied to 2008, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions) . . . . .				
d Applied to 2009 distributable amount . . . . .				
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .				
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions . . . . .				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010 . . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a . . . . .				
10 Analysis of line 9:				
a Excess from 2005 . . . . .				
b Excess from 2006 . . . . .				
c Excess from 2007 . . . . .				817
d Excess from 2008 . . . . .				
e Excess from 2009 . . . . .				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter.					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter.					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 page 28 of the instructions.)

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)  
*none other than Elizabeth B. Carlson*

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.  
*none*

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**  
Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed.  
*- n/a -*

- b** The form in which applications should be submitted and information and materials they should include:  
*- n/a -*

- c** Any submission deadlines: *- n/a -*

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

**Part XV Supplementary Information (continued)**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p>a Paid during the year</p> <ul style="list-style-type: none"> <li>The Educational Design Foundation gave BOOKS to Public Libraries (Retail: 610) (list enclosed)</li> </ul>	<p>none</p>	<p>(501)(c)(3) all</p>	<p>Education</p>	<p>\$498.</p>
<ul style="list-style-type: none"> <li>EDF gave monetary gifts to Organizations that Support Knowledge of America's Historic Architecture and Landscape Architecture; and to Organizations involved in Preservation of Landmark American Properties. (list enclosed)</li> </ul>	<p>none</p>	<p>(501)(c)(3)</p>	<p>Education Planning Preservation</p>	<p>\$1,245.</p>
<p><b>Total</b> . . . . . ▶ <b>3a</b></p>				<p>\$1,743.</p>
<p>b Approved for future payment</p> <p>None</p>				
<p><b>Total</b> . . . . . ▶ <b>3b</b></p>				

**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 page 28 of the 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		none			
2 Membership dues and assessments		none			
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		2,980			2,980
5 Net rental income or (loss) from real estate:					
a Debt-financed property		none			
b Not debt-financed property		none			
6 Net rental income or (loss) from personal property		none			
7 Other investment income		none			
8 Gain or (loss) from sales of assets other than inventory		none			
9 Net income or (loss) from special events		none			
10 Gross profit or (loss) from sales of inventory		none			
11 Other revenue: a		none			
b					
c					
d					
e gift from Elizabeth B. Carlson, 7/21/09		\$500.			\$500.
12 Subtotal. Add columns (b), (d), and (e)					\$3,480.
13 Total. Add line 12, columns (b), (d), and (e)				13	\$3,480

(See worksheet in line 13 instructions on page 28 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 page 29 of the instructions.)
	The dividends from 2 Fidelity Mutual Funds, and the interest paid off 8/21/09 from Santa Barbara Securities* provided the source of funds for EDF to accomplish its educational mission regarding American design and culture. Total Revenue from dividends, interest, and a gift of \$500 from President Elizabeth B. Carlson = \$3,480.
	* Property was foreclosed. Sale of Property in Aug. 2009, enabled an interest repayment cash-out of \$2,289 for EDF, plus return of capital investment.



1.

Elizabeth B. Carlson,  
President

The Educational Design Foundation  
IRS ID #03/0331005

2009 - 2010 Nineteenth Fiscal year:  
Accounting

**1. Background**

EDF Incorporated in the State of Vermont, Aug. 1, 1991.

Endowment funded Sept. 25, 1991 with \$37,474.

EDF granted IRS non-profit status under Code 501(3)(c), May 28, 1992.

**2. Investments kept or made:**

a. Fidelity Puritan	\$10,771.
b. Fidelity Cash Reserves	\$4,596.
c. Mascoma Bank "Non-profit Checking act."	\$43.
d. Santa Barbara Securities investment (est.)	<u>\$22,500.</u>

**Fair market Value of EDF Assets 6/30/09: \$37,910.**

**3. Fair market Value of EDF Assets 6/30/10**

a. Fidelity Puritan	\$12,669.
b. Fidelity Cash Reserves	\$4,596.
c. Mascoma Bank "Non-profit Checking act."	\$496.
d. Fidelity Intermediate Bond Fund (bought 10/15/09)	\$25,957.

**Fair market Value of EDF Assets 6/30/10: \$43,718.**

(note: Santa Barbara Securities investment est. \$22,500: sold 8/21/09)

**4. Interest Earned on Investments:**

a. Fidelity Cash Reserves & Fidelity acts.	\$692.
b. Mascoma Bank "Non-profit Checking act."	---
c. Santa Barbara Securities, S. Barbara, CA (8/21/09)	\$2,288.
d. gift from Elizabeth B. Carlson	\$500.

**Total of Income, Nineteenth Fiscal year, '09-'10: \$3,480.**

2.

Elizabeth B. Carlson  
President

**The Educational Design Foundation**  
Nineteenth Fiscal Year, 7/01/09-6/30/10

EDF Purchases of Books for Libraries:

Yankee Bookstore, Woodstock, VT	\$94.
Tecelote Bookstore, 11/06/09; 2/26; 5/26/10	\$254.
Billings Natl. Park Bookstore	\$64.
Box Car Bookstore, St. Johnsbury, VT	\$51.
Shiretown Books, Woodstock	\$35.

**Total Expenditure: \$498. (Retail: \$610.)**

EDF Monetary Gifts to:

Preservation Trust of VT,	\$50.
KCET - Educ. TV	\$55.
Land Trust of Santa Barbara County	\$100.
Vermont Public Radio	\$60.
Univ. of CA Arts/Architect. Library	\$100.
Vermont Educational TV	\$55.
National Trust for Hist. Preserv.	\$75.
Wilding Museum, S. Barbara, 4/12	\$165.
S. Barbara Trust for Hist. Preservation	\$50.
Radcliffe Inst. Schlesinger Library	\$75.
Museum of Natural History, 10/23/09; 4/03	\$150.
Sedgewick Reserve, (UCSB)	\$20.
KUSC, (U of S. Cal.)	\$40.
Citizens Planning Assoc., S. Barbara	\$100.
Fenn School Library, Concord, MA	\$50.
Upper Valley Land Trust of VT/NH	\$100.

**Total: \$1,245.**

**Total Expenditures of Gifting: \$1,743.**

3.

Elizabeth B. Carlson

**The Educational Design Foundation**

Nineteenth Fiscal Year, 7/01/09-6/30/10

**Office Expenses:**

Telephone, heat, light	\$190.
Post Office	\$48.
Post Office Box Rental	\$44
Xerox	\$10.
Systems Plus Computers, Lebanon, NH (6/14/10) 1/3 cost of new iMac	\$486.

**Total: \$778.**

**Travel Expenses:**

United Airlines r.t.	\$649.
economy plus	\$126.
United Airlines fee	\$25.
Fairfield Inn, Hartford, CT airport	\$118.

**Total: \$918.**

**Fees, taxes:**

Valley News, legal notice	\$10.
IRS 10/09	\$21.
State of Vermont (5/08/10) filing fee	\$25.

**Total: \$56.**

*Expenses: 1,752.*

**Total Expenditures, Nineteenth Fiscal Year, 2009-2010: \$3,495.**

Elizabeth B. Carlson

The Educational Design Foundation Books  
2009 - 2010      Nineteenth Fiscal Year

- . 1934, a New Deal for Artists, Ann P. Wagner, Smithsonian American Art Museum, Washington, DC, 2009. (\$50.). (given to So. Branch, S.L.O. County Library, CA, 8/4/10)
- . The Andy Goldsworthy Project, Molly Donovan and Tina Fiske, Thames and Hudson, National Gallery of Art, Washington, DC, (after 2005). (\$65.)  
*(given to Santa Barbara Co. Library system, 11/2010)*
- . iPhone The Missing Manual, David Pogue, O'Reilly Media, Sebastopol, CA, 2007. (\$20.) *(given to So. Branch Library, S.L.O. County, CA, 8/4/10)*
- . Brave Companions. Portraits in History, David McCullough, Simon & Shuster, NYC, 1992 (\$15). *(given to Norwich, VT library - 10/07/10)*
- . The Perfect Storm, Sebastian Junger, HarperTorch Publ., NYC, 1997 (\$7).  
(given to Quechee, VT Library, 7/15/10)
- . Lost World. Rewriting Prehistory, Tom Koppel, Atria Books, 2003, (\$15).  
(given to Santa Barbara Library system, 10/15/09).
- . Red Tiles. Blue Skies, More Tales of Santa Barbara, selected by Steven Gilbar, John Daniel and Co., Santa Barbara, CA, 1996. (\$13.)  
*(given to Ojai, CA library, 9/15/10)*
- . Travels with Herodotus, Ryszard Kapuscinski, Vintage Int'l., NYC, 2008. \$15). (given to So. Branch, S.L.O. County Library, CA, 8/4/10)
- . Casa del Herrero, Romance of the Spanish Colonial, Robert Sweney, Rizzoli Publ., NYC, 2009. (\$50). *(given to Santa Barbara County Library System 11/2010)*
- . Longing for God, Richard J. Foster, and Gayle D. Beebe, IVP Books, Downers Grove, IL, 2009. (\$25). *(given to Santa Barbara Co Library System 11/2010)*
- . Hot. Flat and Crowded, Thomas L. Friedman, Picador/Farrar, Straus and Giroux, NYC, 2009. (\$16). *(given to Kellogg-Hubbard Library, Montpelier, VT. - 9/23/10)*

2.

Elizabeth B. Carlson

The Educational Design Foundation Books  
2009 - 2010      Nineteenth Fiscal Year

- Fodor's Maine, Vermont & New Hampshire, 11th Edition, Fodor's Travel Publ., NYC, 2009. (\$20). *(given to Norwich, VT library, 10/07/10)*
- Folk Art Collection, Prof. Fumio Tanaka, Int'l Christian Univ. Tokyo, Japan, 1989 (\$20). *(given to Santa Barbara Library System, 11/2010)*
- George Washington Smith, Architect of the Spanish Colonial Revival, Patricia Gebhard, Gibbs Smith Publ., Salt Lake City, 2005. (\$40)  
*(given to Ojai, CA library, 9/15/10)*
- The Father of All, the de la Guerra Family..., Louise Pubols, Univ. of CA Press, Berkeley, CA, 2009 (\$40.) *(given to Santa Barbara Library System, 11/2010)*
- Outside Lies Magic, Regaining History and Awareness of Everyday Places, John R. Stilgoe, Walker and Co., NYC, 1998. (\$14.)  
*(given to Norwich, VT library, 10/07/10)*
- The Master Builders' Guide to the Perfect home, Jack McKernon, Springfiled Printing Group. N. Springfiled, VT, 2005 (\$40). (given to Quechee, VT Library, 7/15/10)
- Strength in What Remains, Tracy Kidder, Random House, NYC, 2010 (\$16).  
*(given to Norwich, VT library - 10/07/10)*
- Dorothy Canfield Fisher, a Biography, Ida H. Washington, New England Press, Shelburne, VT, 1982 (\$14).  
*(given to Norwich, VT library, 10/07/10)*
- In the Shadow of the Cypress, Thomas Steinbeck, (hardback book, \$22). (given to So. Branch, S.L.O. County Library, 8/4/10)
- Exploring Stone Walls, Robert M. Thorson, Walker & Co., NYC, 2005 (\$15).  
*(given to Kellogg-Hubbard library - 9/23/10)*
- Eric Sloane's ABCs of Early Americana, Voyageur Press, Stillwater, Minn. 2005 (\$13) (given to Quechee, VT Library 7/15/10).
- The Little Book, Seldon Edwards, Dutton Public., NYC, 2008 (\$26).  
*(given to Kellogg-Hubbard library, Montpelier, VT - 9/23/10)*

3.

Elizabeth B. Carlson

The Educational Design Foundation Books  
2009 - 2010      Nineteenth Fiscal Year

- . Uncommon Ground, Rethinking the Human Place in Nature, edited by William Cronon, WW Norton Co., NYC, 1995 (\$22). *(given to Santa Barbara Co. library system, 11/2010)*
- . Collapse, How Societies Choose to Fail or Succeed, Jared Diamond, Penguin Books, NYC, 2005 (\$17). *(given to Ojai, CA library, 9/15/10)*