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

2009

For calendar year 2009, or tax year beginning , and ending

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

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

Name of foundation
CHARLES FOUNDATION INC
C/O ROBERT C ROOKE

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
SPRING VALLEY ROAD #668

City or town, state, and ZIP code
MORRISTOWN, NJ 07960

A Employer identification number
22-3292066

B Telephone number
973-539-2281

C If exemption application is pending, check here ▶ [ ]
D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 36,145,333.

J Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	718,674.	718,674.		Statement 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	759,303.			
	b Gross sales price for all assets on line 6a 9,622,428.				
	7 Capital gain net income (from Part IV, line 2)		759,303.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	1,477,977.	1,477,977.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees Stmt 2	13,850.	6,925.		6,925.
	c Other professional fees				
	17 Interest				
	18 Taxes				
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 3	2,521.	1,746.		775.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	16,371.	8,671.		7,700.
	25 Contributions, gifts, grants paid	1,768,500.			1,768,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,784,871.	8,671.		1,776,200.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	<306,894.>			
	b **Net investment income** (if negative, enter -0-)		1,469,306.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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923501 02-02-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Form **990-PF** (2009)

11220427 100381 11465 2009.03050 CHARLES FOUNDATION INC C/O 11465__1

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	391.	141.	141.
	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			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations Stmt 4	22,370,275.	18,920,080.	19,137,908.
	b Investments - corporate stock Stmt 5	5,029,801.	8,620,087.	15,984,946.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other Stmt 6	1,131,539.	796,412.	1,022,338.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	28,532,006.	28,336,720.	36,145,333.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ DUE TO BROKER)	42,405.	154,013.	
	23 **Total liabilities** (add lines 17 through 22)	42,405.	154,013.	
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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	28,489,601.	28,182,707.	
	30 **Total net assets or fund balances**	28,489,601.	28,182,707.	
	31 **Total liabilities and net assets/fund balances**	28,532,006.	28,336,720.	

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	28,489,601.
2	Enter amount from Part I, line 27a	2	<306,894.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	28,182,707.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	28,182,707.

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	SALE OF MARKETABLE SECURITIES	P		
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	9,622,428.		8,863,125.	759,303.
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
a				759,303.
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** 759,303.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c)
If (loss), enter -0- in Part I, line 8 **3** N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	1,951,550.	39,394,192.	.049539
2007	1,962,116.	38,509,819.	.050951
2006	1,752,675.	36,233,897.	.048371
2005	1,685,954.	32,989,711.	.051105
2004	1,329,054.	28,201,422.	.047127

2	**Total** of line 1, column (d)	2	.247093
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	.049419
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	34,140,331.
5	Multiply line 4 by line 3	5	1,687,181.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	14,693.
7	Add lines 5 and 6	7	1,701,874.
8	Enter qualifying distributions from Part XII, line 4	8	1,776,200.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	14,693.
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	14,693.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	14,693.
6 Credits/Payments				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	24,539.		
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	24,539.
8 Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	9,846.
11 Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 9,846. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*	1b		X
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		X
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NJ			
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 2009 or the taxable year beginning in 2009 (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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ CHARLES FOUNDATION Telephone no ▶973-328-3111
Located at ▶65 MADISON AVE, SUITE 560, MORRISTOWN, NJ ZIP+4 ▶07960

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

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**
1a During the year did the foundation (either directly or indirectly)				
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	N/A	1b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
If "Yes," list the years ▶ ____, ____, ____, ____				
b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	N/A	2b		
c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____				
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b If "Yes," did it have excess business holdings in 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.)*	N/A	3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X |

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

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ROBERT C ROOKE SPRING VALLEY ROAD MORRISTOWN, NJ 07960	PRES-TREAS 0.00	0.	0.	0.
NATALIE D ROOKE SPRING VALLEY ROAD MORRISTOWN, NJ 07960	VICE PRES 0.00	0.	0.	0.
ROBERT C ROOKE, JR 47 SCHOOLHOUSE LN MORRISTOWN, NJ 07960	SECRETARY 0.00	0.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

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

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

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

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

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	33,305,464.
b	Average of monthly cash balances	1b	1,354,771.
c	Fair market value of all other assets	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	34,660,235.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	34,660,235.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	519,904.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	34,140,331.
6	**Minimum investment return.** Enter 5% of line 5	6	1,707,017.

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	1,707,017.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	14,693.		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	14,693.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,692,324.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	1,692,324.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	1,692,324.

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	1,776,200.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,776,200.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	14,693.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,761,507.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,692,324.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			877,412.	
b Total for prior years ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 1,776,200.				
a Applied to 2008, but not more than line 2a			877,412.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				898,788.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				793,536.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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 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	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(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 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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Statement 7				
Total			▶ 3a	1,768,500.
b *Approved for future payment*				
None				
Total			▶ 3b	0.

Part XVI-A **Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	718,674.	
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	759,303.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		1,477,977.	0.

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 1,477,977.

(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)
	N/A

923621 02-02-10

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

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

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

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

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

b If "Yes," complete the following schedule

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

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 or fiduciary) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer or trustee | 4/28/10 Date | PRESIDENT Title

Paid Preparer's Use Only

Preparer's signature | Date 4-28-10 | Check if self-employed ☐ | Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code: Olsen & Thompson, P.A.
970 Mount Kemble Ave.
Morristown, NJ 07960

EIN

Phone no (973)425-3212

Form **990-PF** (2009)

923622
02-02-10

Form 990-PF	Dividends and Interest from Securities	Statement 1

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
MORGAN STANLEY SMITH BARNEY	718,674.	0.	718,674.
Total to Fm 990-PF, Part I, ln 4	718,674.	0.	718,674.

Form 990-PF	Accounting Fees	Statement 2

Description	(a) Expenses Per Books	(b) Net Invest-ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
OLSEN & THOMPSON	3,850.	1,925.		1,925.
BOOKKEEPING	10,000.	5,000.		5,000.
To Form 990-PF, Pg 1, ln 16b	13,850.	6,925.		6,925.

Form 990-PF	Other Expenses	Statement 3

Description	(a) Expenses Per Books	(b) Net Invest-ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUES	495.	0.		495.
FILING FEES	55.	0.		55.
BANK CHARGES	225.	0.		225.
MISCELLANEOUS INVESTMENT EXPENSES	1,746.	1,746.		0.
To Form 990-PF, Pg 1, ln 23	2,521.	1,746.		775.

Form 990-PF U.S. and State/City Government Obligations Statement 4

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
VARIOUS US GOVT BONDS	X		4,353,036.	4,540,693.
VARIOUS TREASURY BILLS	X		14,567,044.	14,597,215.
Total U.S. Government Obligations			18,920,080.	19,137,908.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			18,920,080.	19,137,908.

Form 990-PF Corporate Stock Statement 5

Description	Book Value	Fair Market Value
VARIOUS COMMON STOCKS	8,620,087.	15,984,946.
Total to Form 990-PF, Part II, line 10b	8,620,087.	15,984,946.

Form 990-PF Other Investments Statement 6

Description	Valuation Method	Book Value	Fair Market Value
MONEY FUNDS	COST	485,788.	485,788.
VARIOUS EXCHANGE TRADED FUNDS	COST	310,624.	536,550.
Total to Form 990-PF, Part II, line 13		796,412.	1,022,338.

Form 990-PF | Grants and Contributions Paid During the Year | Statement 7

Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
ANDOVER NH RESCUE SQUAD 23 CHANEL ROAD ANDOVER, NH 03216	NONE MEDICAL	IRC 501 (C)(3)	5,000.
BABSON COLLEGE 231 FOREST ST BABSON PARK, MA 024570310	NONE EDUCATION	IRC 501 (C)(3)	6,500.
BRISTOL UNITED CHURCH OF CHRIST 15 CHURCH ST BRISTOL, NH 03222	NONE RELIGIOUS	IRC 501 (C)(3)	10,000.
BUCKNELL UNIVERSITY 701 MOORE AVE LEWISBURG, PA 17837	NONE EDUCATION	IRC 501 (C)(3)	1001500.
CALLICOON VOLUNTEER FIRE DEPT PO BOX 806 CALLICOON, NY 12723	NONE MEDICAL	IRC 501 (C)(3)	4,000.
CIRCLE PROGRAM 85 MAIN ST PLYMOUTH, NH 03264	NONE EDUCATION	IRC 501 (C)(3)	5,000.
COLBY-SAWYER COLLEGE 100 MAIN ST NEW LONDON, NH 03257	NONE EDUCATION	IRC 501 (C)(3)	250,000.
COMMUNITY THEATER 100 SOUTH ST MORRISTOWN, NJ 07960	NONE ARTS	IRC 501 (C)(3)	5,000.

DAMASCUS TWP VOLUNTEER AMBULANCE CORPS INC PO BOX 63 DAMASCUS, PA 18415	NONE MEDICAL	IRC 501 (C)(3)	4,000.
DANA FARBER CANCER INSTITUTE 44 BINNEY ST EAST ANDOVER, NH 03231	NONE MEDICAL	IRC 501 (C)(3)	10,000.
DELBARTON SCHOOL 230 MENDHAM ROAD MORRISTOWN, NJ 07960	NONE EDUCATION	IRC 501 (C)(3)	5,000.
EVANGELICAL HOSPITAL ONE HOSPITAL DR LEWISBURG, PA 07837	NONE MEDICAL	IRC 501 (C)(3)	25,000.
GROVER HERMANN HOSPITAL AUXILIARY 8881 ROUTE 97 CALLICOON, NY 12723	NONE MEDICAL	IRC 501 (C)(3)	7,000.
HARDING TWP LIBRARY CONSTRUCTION FUND PO BOX 283 NEW VERNON, NJ 07976	NONE EDUCATION	IRC 501 (C)(3)	10,000.
KENT PLACE SCHOOL 42 NORWOOD AVE SUMMIT, NJ 07901	NONE EDUCATION	IRC 501 (C)(3)	5,000.
LAKE SUNAPEE REGION NH VISITING NURSE ASSOC. 107 NEWPORT ROAD NEW LONDON, NH 03257	NONE MEDICAL	IRC 501 (C)(3)	10,000.
LIBERTY CORNER FIRE COMPANY PO BOX 98 LIBERTY CORNER, NJ 07938	NONE MEDICAL	IRC 501 (C)(3)	1,000.
LIBERTY CORNER FIRST AID SQUAD PO BOX 57 LIBERTY CORNER, NJ 07938	NONE MEDICAL	IRC 501 (C)(3)	1,000.

MARKET STREET MISSION 9 MARKET STREET MORRISTOWN, NJ 07960	NONE COUNSELING	IRC 501 (C)(3)	20,000.
MAYHEW PROGRAM PO BOX 120 BRISTOL, NH 03222	NONE EDUCATION	IRC 501 (C)(3)	20,000.
MORRISTOWN MEMORIAL HEALTH FOUNDATION 100 MADISON AVE MORRISTOWN, NJ 07962	NONE MEDICAL	IRC 501 (C)(3)	105,000.
NEW LONDON HOSPITAL 273 COUNTY ROAD NEW LONDON, NH 03257	NONE MEDICAL	IRC 501 (C)(3)	5,000.
NEWFOUND LAKE REGION ASSOCIATION 800 LAKE ST BRISTOL, NH 03222	NONE CONSERVATION	IRC 501 (C)(3)	15,000.
OVERLOOK HOSPITAL FOUNDATION BOX 220 SUMMIT, NJ 07902	NONE MEDICAL	IRC 501 (C)(3)	27,000.
PINGRY SCHOOL MARTINSVILLE ROAD MARTINSVILLE, NJ 08836	NONE EDUCATION	IRC 501 (C)(3)	20,000.
PRESBYTERIAN CHURCH IN MORRISTOWN 65 SOUTH ST MORRISTOWN, NJ 07960	NONE RELIGIOUS	IRC 501 (C)(3)	27,500.
SALVATION ARMY 95 SPRING ST MORRISTOWN, NJ 07960	NONE MEDICAL	IRC 501 (C)(3)	1,000.
SKI JUMPING DEVELOPMENT USA, INC PO BOX 683757 PARK CITY, UT 84060	NONE EDUCATION	IRC 501 (C)(3)	10,000.

SPEARE MEMORIAL HOSPITAL 16 HOSPITAL ROAD PLYMOUTH, NH 03264	NONE MEDICAL	IRC 501 (C)(3)	27,500.
SQUAM LAKES SCIENCE CENTER PO BOX 173 HOLDERNESS, NH 03245	NONE CONSERVATION	IRC 501 (C)(3)	5,000.
SUSQUEHANNA UNIVERSITY 514 UNIVERSITY AVE SELINSGROVE, PA 17870	NONE EDUCATION	IRC 501 (C)(3)	50,000.
TAPLEY-THOMPSON COMMUNITY CENTER 30 NORTH MAIN ST BRISTOL, NH 03222	NONE EDUCATION	IRC 501 (C)(3)	10,000.
VILLA WALSH ACADEMY 455 WESTERN AVE MORRISTOWN, NJ 07960	NONE EDUCATION	IRC 501 (C)(3)	5,000.
VISITING NURSE ASSOCIATION OF NORTHERN NJ 38 ELM ST MORRISTOWN, NJ 07960	NONE MEDICAL	IRC 501 (C)(3)	10,000.
YALE SCHOOL OF FORESTRY & ENVIRONMENTAL STUDIES PO BOX 803 NEW HAVEN, CT 06503	NONE EDUCATION	IRC 501 (C)(3)	7,500.
EASTERN AMATEUR SKI EDUCATIONAL FOUNDATION PO BOX 1720 STATION A RUTLAND, VT 05701	NONE EDUCATION	IRC 501 (C)(3)	10,000.
GRANITE STATE WOODLAND INSTITUTE 54 PORTSMOUTH ST CONCORD, NH 03301	NONE EDUCATION	IRC 501 (C)(3)	5,000.
INSTITUTE FOR SHIPBOARD EDUCATION PO BOX 400885 CHARLOTTESVILLE, VA 22904	NONE EDUCATION	IRC 501 (C)(3)	5,000.

MINOT-SLEEPER LIBRARY 35 PLEASANT ST BRISTOL, NH 03222	NONE EDUCATION	IRC 501 (C)(3)	5,000.
WOMEN'S ASSOCIATION MORRISTOWN HOSPITAL 100 MADISON AVE MORRISTOWN, NJ 07962	NONE MEDICAL	IRC 501 (C)(3)	5,000.
MRS. WILSON'S HALFWAY HOUSE PO BOX 9175 MORRISTOWN, NJ 07963	NONE COUNSELING	IRC 501 (C)(3)	5,000.
THE QUEEN'S WORK INC. PO BOX 156 HANKINS, NY 12741	NONE COUNSELING	IRC 501 (C)(3)	3,000.
Total to Form 990-PF, Part XV, line 3a			1,768,500.

Olsen & Thompson, P.A.

REALIZED GAINS AND LOSSES

Charles Foundation

From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
08-18-03	02-12-09	600 000	CANADIAN NAT RES LTD	6,146 79	20,502 91		14,356 12
08-18-03	02-12-09	200 000	CANADIAN NAT RES LTD	2,048 93	6,832 78		4,783 85
08-18-03	02-12-09	800 000	CANADIAN NAT RES LTD	8,195 72	27,365 76		19,170 04
08-18-03	02-12-09	200 000	CANADIAN NAT RES LTD	2,048 93	6,834 76		4,785 83
08-18-03	02-12-09	100 000	CANADIAN NAT RES LTD	1,024 47	3,418 37		2,393 90
08-18-03	02-12-09	600 000	CANADIAN NAT RES LTD	6,146 79	20,504 28		14,357 49
08-18-03	02-12-09	1,100 000	CANADIAN NAT RES LTD	11,269 12	37,599 58		26,330 46
08-18-03	02-12-09	700 000	CANADIAN NAT RES LTD	7,171 26	23,935 54		16,764 28
08-18-03	02-12-09	700 000	CANADIAN NAT RES LTD	7,171 26	23,942 47		16,771 21
08-18-03	02-12-09	300 000	CABOT OIL & GAS CORP	2,716 00	8,375 97		5,659 97
08-18-03	02-12-09	200 000	CABOT OIL & GAS CORP	1,810 66	5,584 93		3,774 27
06-05-03	02-12-09	300 000	CABOT OIL & GAS CORP	2,838 33	8,371 02		5,532 69
06-05-03	02-12-09	4,200 000	CABOT OIL & GAS CORP	39,736 68	117,308 17		77,571 49
08-11-03	02-12-09	600 000	DEVON ENERGY	15,768 14	30,505 58		14,737 44
10-16-02	02-12-09	4,000 000	DEVON ENERGY	99,590 60	203,346 55		103,755 95
08-11-03	02-12-09	400 000	DEVON ENERGY	10,512 10	20,334 66		9,822 56
06-08-99	02-12-09	2,100 000	NOBLE ENERGY CORP	3,107 05	109,494 37		106,387 32
06-08-99	02-12-09	200 000	NOBLE ENERGY CORP	295 91	10,426 07		10,130 16
06-08-99	02-12-09	100 000	NOBLE ENERGY CORP	147 95	5,208 06		5,060 11
06-08-99	02-12-09	100 000	NOBLE ENERGY CORP	147 95	5,215 01		5,067 06
06-08-99	02-12-09	2,334 000	NOBLE ENERGY CORP	3,453 27	121,672 24		118,218 97
06-08-99	02-12-09	166 000	NOBLE ENERGY CORP	245 60	8,651 99		8,406 39
05-12-00	02-12-09	4,700 000	PIONEER NATURAL RESOURCES	57,136 28	74,045 33		16,909 05
05-12-00	02-12-09	100 000	PIONEER NATURAL RESOURCES	1,215 67	1,571 28		355 61
05-12-00	02-12-09	100 000	PIONEER NATURAL RESOURCES	1,215 67	1,576 27		360 60
05-12-00	02-12-09	100 000	PIONEER NATURAL RESOURCES	1,215 67	1,576 24		360 57
04-03-03	02-12-09	10,000 000	TALISMAN ENERGY	43,833 77	96,598 91		52,765 14
05-19-08	03-31-09	1,000,000	US TREASURY NOTE 4 500 % Due 03-31-09	1,022,870 90	1,000,000 00	-22,870 90	
12-16-05	05-11-09	226 000	BANK OF AMERICA CORP	10,805 68	2,996 92		-7,808 76
02-09-04	05-11-09	154 000	BANK OF AMERICA CORP	6,364 87	2,033 15		-4,331 72
04-07-08	05-11-09	20,000 000	FAIRPOINT COMMUNICATIONS INC	143,098 45	33,557 27		-109,541 18
01-17-01	05-15-09	1,000,000	US TREASURY NOTE 5 500 % Due 05-15-09	1,020,313 00	1,000,000 00		-20,313 00
02-12-01	05-15-09	500,000	US TREASURY NOTE 5 500 % Due 05-15-09	514,062 50	500,000 00		-14,062 50
08-17-06	05-15-09	1,200,000	US TREASURY NOTE 4 875 % Due 05-15-09	1,206,454 06	1,200,000 00		-6,454 06
07-16-07	05-15-09	500,000	US TREASURY NOTE 4 875 % Due 05-15-09	500,404 25	500,000 00		-404 25
11-14-02	05-28-09	0 600	M&T BANK CORP	78 99	30 01		-48 98
11-16-06	06-15-09	3,000,000	US TREASURY NOTE 4 000 % Due 06-15-09	2,956,614 93	3,000,000 00		43,385 07
03-18-08	07-14-09	10,000 000	ADVANTAGE ENERGY INCOME FUND	111,482 10	45,900 00		-65,582 10
12-29-08	07-14-09	10,000 000	ADVANTAGE ENERGY INCOME FUND	42,405 43	45,900 00	3,494 57	
11-14-02	11-03-09	857 520	M&T BANK CORP	112,892 39	53,608 37		-59,284 02
12-18-02	11-03-09	858 120	M&T BANK CORP	113,834 77	53,645 88		-60,188 89
12-27-02	11-03-09	429 060	M&T BANK CORP	57,599 89	26,822 94		-30,776 95
01-08-03	11-03-09	171 620	M&T BANK CORP	23,443 03	10,728 93		-12,714 10

Olsen & Thompson, P.A.

REALIZED GAINS AND LOSSES

Charles Foundation

From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
02-06-03	11-03-09	257 440	M&T BANK CORP	35,433 68	16,094 01		-19,339 67
07-23-03	11-03-09	429 060	M&T BANK CORP	70,952 21	26,822 94		-44,129 27
02-09-04	11-03-09	429 060	M&T BANK CORP	77,666 38	26,822 94		-50,843 44
06-08-04	11-03-09	858 120	M&T BANK CORP	144,410 30	53,645 86		-90,764 44
05-19-08	11-03-09	20,000 000	PROVIDENT ENERGY TRUST	243,890 17	123,857 18		-120,032 99
08-18-03	11-23-09	5,000 000	CANADIAN NAT RES LTD	51,223 26	338,689 22		287,465 96
06-08-99	12-14-09	5,000 000	NOBLE ENERGY CORP	7,397 74	344,988 88		337,591 14
05-02-00	12-15-09	4,500 000	PIONEER NATURAL RESOURCES	47,923 37	193,935 53		146,012 16
05-02-00	12-15-09	500 000	PIONEER NATURAL RESOURCES	5,292 57	21,548 39		16,255 82
TOTAL GAINS						3,494 57	1,495,298 69
TOTAL LOSSES						-22,870 90	-716,620 32
				8,863,125.47	**9,622,427.52**	**-19,376.33**	**778,678.38**

TOTAL REALIZED GAIN/LOSS 759,302 05

PORTFOLIO APPRAISAL
Charles Foundation
December 31, 2009

Attachment to Form 990-PF
Statement 5

Quantity	Security	Total Cost	Market Value
	COMMON STOCK		
20000	ADVANTAGE OIL AND GAS LTD	91,800	130,400
6000	ANADARKO PETROLEUM CORPORATION	88,710	374,520
4000	APACHE CORP	135,629	412,680
15000	AUTOMATIC DATA PROCESSING	418,151	642,300
25000	BANCO LATINOAMERICANO EXPORT	501,563	347,500
7620	BANK OF AMERICA CORP.	122,532	114,757
15000	BANK OF MONTREAL	755,912	796,200
2500	BROADRIDGE FINANCIAL SOLUTIONS, INC.	26,330	56,400
25000	CABOT OIL & GAS CORP.	211,884	1,089,750
10000	CAMPBELL SOUP COMPANY	337,352	338,000
20000	CANADIAN NAT RES LTD	164,075	1,439,000
8000	CENOVUS ENERGY INC.	82,718	201,600
5150	CHEVRON CORP.	174,001	396,499
10000	CONOCOPHILLIPS	371,623	510,700
5000	EMERSON ELECTRIC CO.	198,431	213,000
8000	ENCANA CORP.	87,835	259,120
10000	HUBBELL INC.	378,899	473,000
10000	JOHNSON & JOHNSON	203,905	644,100
5000	Mc DONALDS CORP	312,513	312,200
20000	NOBLE ENERGY CORP	22,987	1,424,400
10000	PAYCHEX INC	300,049	306,400
10000	PEMBINA PIPELINE INCOME FUND	163,371	166,330
30000	PENN WEST ENERGY TR	430,641	528,000
15000	PIONEER NATURAL RESOURCES	142,576	722,550
10000	SUNCOR ENERGY	133,517	353,100
15000	SYSCO CORP.	406,861	419,100
50000	TALISMAN ENERGY	195,667	932,000
30000	TMX GROUP INC.	883,645	943,590
15000	TORONTO DOMINION BANK	796,052	940,800
15000	VERIZON COMMUNICATIONS	480,857	496,950
		8,620,087	15,984,946

PORTFOLIO APPRAISAL
Charles Foundation
December 31, 2009

Attachment to Form 990-PF
Statement 4

Quantity	Security	Total Cost	Market Value
	GOVERNMENT BONDS		
3900000	US TREASURY NOTE 4 250%, Due 10/15/2010	3,857,723	4,016,688
500000	US TREASURY NOTE 5.000%, Due 2/15/2011	495,313	524,005
		4,353,036	4,540,693

Attachment to Form 990-PF
Statement 4

Quantity	Security	Total Cost	Market Value
	TREASURY BILLS		
5700000	US TREASURY BILL Due 2/11/2010	5,692,827	5,699,772
2000000	US TREASURY BILL Due 3/11/2010	1,992,283	1,999,840
1500000	US TREASURY BILL Due 4/15/2010	1,499,282	1,499,655
5400000	US TREASURY BILL Due 5/6/2010	5,382,652	5,397,948
		14,567,044	14,597,215

Attachment to Form 990-PF
Statement 6

Quantity	Security	Total Cost	Market Value
	OTHER ASSETS		
5000	STREETTRACKS GOLD TR GOLD SHARES	310,624	536,550
		310,624	536,550