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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

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
THE FALCON CHARITABLE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
C/O ROBERT B GREGORY

City or town, state, and ZIP code
DAMARISCOTTA, ME 04543

A Employer identification number
22-3340779

B Telephone number (see page 10 of the instructions)
(207) 563-8104

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 ☐

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

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☒ \$ 6,435,356

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis.)

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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	318	318		
	4 Dividends and interest from securities.	59,472	59,472		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	75,318			
	b Gross sales price for all assets on line 6a _____ 327,567				
	7 Capital gain net income (from Part IV , line 2) . . .		75,318		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances _____ 17,858				
	b Less Cost of goods sold 25,374				
	c Gross profit or (loss) (attach schedule)	☒ -7,516			
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	127,592	135,108		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	17,400			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	☒ 1,100			
	c Other professional fees (attach schedule)	☒ 16,186	16,186		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	☒ 838			
	19 Depreciation (attach schedule) and depletion . . .	1,282			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	☒ 79,842			
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	116,648	16,186		0
	25 Contributions, gifts, grants paid	61,700			61,700
	26 Total expenses and disbursements. Add lines 24 and 25	178,348	16,186		61,700
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-50,756			
	b Net investment income (if negative, enter -0-)		118,922		
	c Adjusted net income (if negative, enter -0-) . . .				

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	25		
	2	Savings and temporary cash investments	377,984	276,281	267,281
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ 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)	334,936	 335,833	340,172
	b	Investments—corporate stock (attach schedule)	724,617	 884,958	1,277,245
	c	Investments—corporate bonds (attach schedule)	313,178	 270,568	279,015
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ _____ 70,000 Less accumulated depreciation (attach schedule) ▶ 2,511	68,771	 67,489	70,000
15	Other assets (describe ▶ _____)	 4,252,391	 4,201,643	 4,201,643	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	6,071,902	6,036,772	6,435,356	
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 (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)		0	
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 ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	6,071,902	6,036,772	
	30	Total net assets or fund balances (see page 17 of the instructions)	6,071,902	6,036,772	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	6,071,902	6,036,772		

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 6,071,902
2	Enter amount from Part I, line 27a	2 -50,756
3	Other increases not included in line 2 (itemize) ▶ _____ 	3 15,626
4	Add lines 1, 2, and 3	4 6,036,772
5	Decreases not included in line 2 (itemize) ▶ _____	5
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . .	6 6,036,772

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	See Additional Data Table			
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	See Additional Data Table		
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) 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	See Additional Data Table		
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	75,318
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))
2009	62,000	6,052,162	0 010244
2008	5,000	2,327,360	0 002148
2007	177,595	2,177,745	0 081550
2006	727,000	3,721,035	0 195376
2005	367,812	3,351,860	0 109734

2	Total of line 1, column (d).	2	0 399052
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 079810
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	6,223,471
5	Multiply line 4 by line 3.	5	496,695
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,189
7	Add lines 5 and 6.	7	497,884
8	Enter qualifying distributions from Part XII, line 4.	8	61,700

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

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 ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1 2,378
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2 0
3 Add lines 1 and 2.		3 2,378
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5 2,378
6 Credits/Payments		
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 1,998	
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 1,998
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		9 380
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☐ 0 Refunded ☐		11

Part VII-A Statements Regarding Activities				
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?		Yes	No	
	1a		No	
	b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>	1b		No
c Did the foundation file Form 1120-POL for this year?.		1c		No
		d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☐ \$ _____ (2) On foundation managers ☐ \$ _____		
	e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☐ \$ _____			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>			2	
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? <i>If "Yes," attach a conformed copy of the changes</i>		3		No
	4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
	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? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		No	
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	Yes		
	7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
	8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ ME			
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? <i>If "No," attach explanation .</i>		8b	Yes	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		9		No
	10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of ROBERT B GREGORY Telephone no (207) 563-8104 Located at PO BOX 760 DAMARISCOTTA ME ZIP+4 04543			
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.			
16	At any time during calendar year 2010, 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?	15		
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country.		16		No

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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).			
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)? Organizations relying on a current notice regarding disaster assistance check here.	1b		
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 2010?	1c		No
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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? 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 page 20 of the instructions).	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 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?			
b	If "Yes," did it have excess business holdings in 2010 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 2010.).	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2010?	4b		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a

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

(1)

Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

Yes

No

(2)

Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

Yes

No

(3)

Provide a grant to an individual for travel, study, or other similar purposes?

Yes

No

(4)

Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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

5b

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

Yes

No

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

6b

No

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
MARY F FIORE	TRUSTEE	0	0	0
414 MOUNTAIN RD	0			
JEFFERSON, ME 04568				
ROBERT B GREGORY	TRUSTEE	17,400	0	0
PO BOX 760	3 00			
DAMARISCOTTA, ME 04543				

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				

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 (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	
2	
3	
4	

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	1,779,162
b	Average of monthly cash balances.	1b	312,066
c	Fair market value of all other assets (see page 24 of the instructions).	1c	4,227,017
d	Total (add lines 1a, b, and c).	1d	6,318,245
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	6,318,245
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	94,774
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	6,223,471
6	Minimum investment return. Enter 5% of line 5.	6	311,174

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	311,174
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	2,378
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	2,378
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	308,796
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	308,796
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	308,796

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	61,700
b	Program-related investments—total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	61,700
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	61,700
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 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				308,796
2	Undistributed income, if any, as of the end of 2010				
a	Enter amount for 2009 only.				
b	Total for prior years 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2010				
a	From 2005.				55,312
b	From 2006.				727,000
c	From 2007.				177,595
d	From 2008.				5,000
e	From 2009.				
f	Total of lines 3a through e.	964,907			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 61,700				
a	Applied to 2009, 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 2010 distributable amount.				61,700
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	247,096			247,096
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	717,811			
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 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				0
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions).				
9	Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	717,811			
10	Analysis of line 9				
a	Excess from 2006.				535,216
b	Excess from 2007.				177,595
c	Excess from 2008.				5,000
d	Excess from 2009.				
e	Excess from 2010.				

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 2010, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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 organization had \$5,000 or more in assets at any time during the year—see page 27 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))

MARY F FIORE

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 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

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	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
Name and address (home or business)				
a <i>Paid during the year</i> ASHEVILLE ART MUSEUM 2 SOUTH PACK SQAURE ASHEVILLE, NC 28802		PUBLIC	FOR MUSEUMPAINTINGSDISPLAY	26,000
MAINE FARMLAND TRUST 97 MAIN STREET BELFAST, ME 04915		PUBLIC	UNRESTRICTED	5,700
UNION OF MAINE VISUAL ARTISTS 149 MECHANIC STREET WESTBROOK, ME 04092		PUBLIC	PROJECTMAINE MASTERSJOSEPH FIORE	15,000
LYME ACADEMY 84 LYME STREET OLD LYME, CT 06371		PUBLIC	MUSEUM DISPLAYPAINTING FORAND EDUCATION	15,000
Total			3a	61,700
b <i>Approved for future payment</i>				
Total			3b	

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2010)

Part XVII

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

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)

No

2

Other assets.

1a(2)

No

b

Other transactions

1

Sales of assets to a noncharitable exempt organization.

1b(1)

No

2

Purchases of assets from a noncharitable exempt organization.

1b(2)

No

3

Rental of facilities, equipment, or other assets.

1b(3)

No

4

Reimbursement arrangements.

1b(4)

No

5

Loans or loan guarantees.

1b(5)

No

6

Performance of services or membership or fundraising solicitations.

1b(6)

No

c

Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

1c

No

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

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
--------------------------	--------------------------	---------------------------------

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

Signature of officer or trustee

2011-05-01

Date

Title

Paid Preparer's Use Only

Preparer's Signature

BRUCE A BACHELDER CPA

Firm's name

BRUCE A BACHELDER CPA

PO BOX 1479

Firm's address

DAMARISCOTTA, ME 04543

Date

Check if self-employed

☒

PTIN

Firm's EIN

Phone no

(207) 563-7540

Form 990-PF (2010)

Additional Data

Software ID:
Software Version:
EIN: 22-3340779
Name: THE FALCON CHARITABLE FOUNDATION

Part VI Line 7 - Tax Paid Original Return: 1998

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
A	100 AMGEN	P	2010-02-16	2010-06-02
B	250 MCGRAW HILL	P	2010-02-16	2010-06-02
C	15 MONSANTO	P	2009-03-02	2010-02-16
D	200 S&P 500 SPDR	P	2009-03-02	2010-02-16
E	49 AMGEN	P	2009-02-09	2010-06-02
F	247 AQUA AMER	P	2008-12-29	2010-02-16
G	54 DOLLAR TREE	P	2008-12-29	2010-02-16
H	63 ENERGIZER	P	2009-03-31	2010-06-02
I	10000 FIRST FINANCIAL BANCORP	D	1974-01-01	2010-02-16
J	100K FNMA	P	2006-05-10	2010-12-15
K	76 ISHARES LEHMAN	P	2006-05-10	2010-12-16
L	33 US OIL FUND	P	2009-01-22	2010-06-02
M	SPDR GLD	P	2008-11-21	2010-12-31
N	22 US STEEL	P	2009-03-20	2010-02-16

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
A	5,543	0	5,659	-116
B	6,920	0	8,620	-1,700
C	1,156	0	1,092	64
D	21,822	0	18,717	3,105
E	2,716	0	2,864	-148
F	4,130	0	4,931	-801
G	2,686	0	2,286	400
H	3,493	0	3,134	359
I	169,943	0	97,931	72,012
J	100,000	0	98,261	1,739
K	6,909	0	7,331	-422
L	1,114	0	981	133
M	13	0	9	4
N	1,123	0	434	689

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

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) FMV as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
A	0	0	0	-116
B	0	0	0	-1,700
C	0	0	0	64
D	0	0	0	3,105
E	0	0	0	-148
F	0	0	0	-801
G	0	0	0	400
H	0	0	0	359
I	0	0	0	72,012
J	0	0	0	1,739
K	0	0	0	-422
L	0	0	0	133
M	0	0	0	4
N	0	0	0	689

TY 2010 Accounting Fees Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BRUCE A BACHELDER CPA 990 PF	1,100			

**TY 2010 Investments Corporate
Bonds Schedule****Name:** THE FALCON CHARITABLE FOUNDATION**EIN:** 22-3340779

Name of Bond	End of Year Book Value	End of Year Fair Market Value
PIMCO TOTAL RETURN	100,000	104,338
VANGUARD INTER TERM BOND	101,006	105,115
NORTHERN INST GOVERNMENT TRUST	69,562	69,562

TY 2010 Investments Corporate
Stock Schedule

Name: THE FALCON CHARITABLE FOUNDATION
EIN: 22-3340779

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ABBOTT LABORATORIES	16,367	14,373
CHEVRON TEXACO	21,822	27,375
DEER & CO	13,468	20,763
DU PONT	6,492	9,976
ENERGY SELECT SECTOR	19,842	23,888
ENTERGY CORP	7,821	7,083
FIRST FINANCIAL BANKCORP	301,462	568,870
FREEPORT MCMORAN	8,063	13,810
FRONTIER COMMUNICATIONS	544	701
GENERAL MILLS	11,467	12,172
HEWLETT PACKARD	9,844	8,420
IBM	9,345	11,007
JOHNSON & JOHNSON	15,900	15,463
LOCKHEED MARTIN	15,206	13,982
MCDONALDS	20,200	25,177
MCKESSON	6,975	7,038
MERCK	13,258	12,614
MICROCHIP TECHNOLOGY	8,151	10,263
MICROSOFT	8,493	8,373
NATIONAL OILWELL VARCO	12,964	21,453
NIKE	12,092	16,913
PETROLEO BRASILEIRO	2,094	2,384
PROCTER & GAMBLE	14,099	14,474
SYSCO	3,586	3,528
TECHNOLOGY SELECT	16,238	18,893
TJX	6,828	6,659
UNITED PARCEL SERVICE	11,468	14,516
VERIZON	8,222	10,734
WALMART	17,244	17,150
WASTE MANAGEMENT	4,080	5,014

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ISHARES S&P 1500	149,598	171,756
S&P 500 SPDR	44,904	62,624
ISHARES RUSSELL MIDCAP	6,349	5,800
ISHARES MSCI EAFE	35,651	49,254
ISHARES FTSE XINHUA CHINA 25	1,771	3,059
ISHARES MSCI BRAZIL	2,455	5,882
ISHARES MSCI EMERGING MARKETS	18,313	31,920
SPDR GOLD	2,282	3,884

TY 2010 Investments Government Obligations Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

US Government Securities - End of

Year Book Value:

335,833

US Government Securities - End of

Year Fair Market Value:

340,172

**State & Local Government
Securities - End of Year Book
Value:**

**State & Local Government
Securities - End of Year Fair
Market Value:**

TY 2010 Land, Etc. Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
STORAGE BUILDING JEFFERSON MAINE	70,000	2,511	67,489	

TY 2010 Other Assets Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ARTWORK OF JOSEPH A FIORE	4,252,391	4,201,643	4,201,643

TY 2010 Other Assets Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ARTWORK OF JOSEPH A FIORE	4,252,391	4,201,643	4,201,643

TY 2010 Other Assets Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ARTWORK OF JOSEPH A FIORE	4,252,391	4,201,643	4,201,643

TY 2010 Other Expenses Schedule**Name:** THE FALCON CHARITABLE FOUNDATION**EIN:** 22-3340779

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CURATOR	31,150			
ART CONSERVATION	8,141			
GALLERY EXPENSE	25,158			
TRAVEL	8,687			
ADVERTISING	4,121			
SHOW EXPENSE	2,378			
SUPPLIES	207			

TY 2010 Other Increases Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Description	Amount
DIFFERENCE BETWEEN COST AND FMV OF DISTRIBUTIONS	15,626

TY 2010 Other Professional Fees Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FIRST FINANCIAL BANCORP INVESTMENT MANAGEMENT	16,186	16,186		

TY 2010 Sales Of Inventory Schedule**Name:** THE FALCON CHARITABLE FOUNDATION**EIN:** 22-3340779

Category	Gross Sales	Cost of Goods Sold	Net (Gross Sales Minus Cost of Goods Sold)
4 JOSEPH A FIORI PAINTINGS	17,858	25,374	-7,516

TY 2010 Taxes Schedule

Name: THE FALCON CHARITABLE FOUNDATION

EIN: 22-3340779

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
REAL ESTATE	838			