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990-PF

Form
Department of the Treasury
Internal Revenue ServiceReturn of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No. 1545-0052

2011

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

For calendar year 2011 or tax year beginning , 2011, and ending , 20

Name of foundation BHBT & JK PETTY TTEES RICHARD S. PETTY CHAR.F DN		A Employer identification number 01-0525593
Number and street (or P.O. box number if mail is not delivered to street address) 135 HIGH STREET, P.O. BOX 1100		B Telephone number (see instructions) (207) 667-3883
City or town, state, and ZIP code ELLSWORTH, ME 04605-1100		
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> 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"/>
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) \$ 1,211,606.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 instructions).)		(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) if the foundation is not required to attach Sch. B				
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	25,041.	25,041.		STMT 1
5a	Gross rents	5,500.	5,500.	5,500.	
b	Net rental income or (loss)	5,500.			
6a	Net gain or (loss) from sale of assets not on line 10	26,085.			
b	Gross sales price for all assets on line 6a	388,761.			
7	Capital gain net income (from Part IV, line 2)		26,085.		
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)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	56,626.	56,626.	5,500.	
13	Compensation of officers, directors, trustees, etc.	11,685.	5,843.		5,843.
14	Other employee salaries and wages		NONE	NONE	
15	Pension plans, employee benefits		NONE	NONE	
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 2	350.	350.	NONE	350.
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 3	3,672.	2,933.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings		NONE	NONE	
22	Printing and publications		NONE	NONE	
23	Other expenses (attach schedule) STMT 4	375.	375.		
24	Total operating and administrative expenses. Add lines 13 through 23	16,082.	9,501.	NONE	6,193.
25	Contributions, gifts, grants paid	77,703.			77,703.
26	Total expenses and disbursements. Add lines 24 and 25	93,785.	9,501.	NONE	83,896.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-37,159.			
b	Net investment income (if negative, enter -0-)		47,125.		
c	Adjusted net income (if negative, enter -0-)			5,500.	

For Paperwork Reduction Act Notice, see instructions.

JSA

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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				
	2	Savings and temporary cash investments	160,380.			
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶	NONE	52,494.		
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)	898,752.	1,021,973.	1,012,106.	
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment: basis ▶	59,888.			
	Less: accumulated depreciation (attach schedule) ▶		59,888.	199,500.		
12	Investments - mortgage loans					
13	Investments - other (attach schedule)					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		1,171,514.	1,081,861.	1,211,606.	
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)				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	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. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds	1,171,514.	1,081,861.		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)	1,171,514.	1,081,861.		
31	Total liabilities and net assets/fund balances (see instructions)	1,171,514.	1,081,861.			

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	1,171,514.
2	Enter amount from Part I, line 27a	2	-37,159.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,134,355.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 5	5	52,494.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,081,861.

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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 PUBLICLY TRADED SECURITIES					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a 388,501.		362,676.	25,825.		
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			25,825.		
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	26,085.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	102,529.	1,198,682.	0.08553477903
2009	99,085.	1,117,821.	0.08864120463
2008	66,557.	1,255,631.	0.05300681490
2007	81,057.	1,381,984.	0.05865263274
2006	73,916.	1,338,931.	0.05520523462
2 Total of line 1, column (d)			2 0.34104066592
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 0.06820813318
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 1,197,878.
5 Multiply line 4 by line 3			5 81,705.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 471.
7 Add lines 5 and 6			7 82,176.
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.			8 83,896.

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instructions)		1	471.
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			
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	
3 Add lines 1 and 2		3	471.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	471.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	492.	
b Exempt foreign organizations - tax withheld at source	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	492.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	21.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input checked="" type="checkbox"/> 21. Refunded <input type="checkbox"/>	11		

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?		X
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)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
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? If "Yes," attach a detailed description of the activities.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see 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? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address N/A				
14	The books are in care of BAR HARBOR TRUST SERVICES Telephone no. (207) 667-3883 Located at 135 HIGH ST., PO BOX 1100, ELLSWORTH, ME ZIP + 4 04605-1100			
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			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country				

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

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

	Yes	No
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?	<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 checked="" type="checkbox"/> Yes <input 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 If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	2b	X
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations 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? ☐ Yes ☒ No

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? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 6		11,685.	-0-	-0-

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

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

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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3 NONE	
Total. Add lines 1 through 3	

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,216,120.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	1,216,120.
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	NONE
3	Subtract line 2 from line 1d	3	1,216,120.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	18,242.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,197,878.
6	Minimum investment return. Enter 5% of line 5	6	59,894.

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	59,894.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	471.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	471.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	59,423.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	59,423.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	59,423.

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	83,896.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	83,896.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	471.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	83,425.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				59,423.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			NONE	
b Total for prior years: 20 <u>09</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	10,626.			
b From 2007	13,634.			
c From 2008	4,405.			
d From 2009	43,676.			
e From 2010	43,577.			
f Total of lines 3a through e	115,918.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ <u>83,896.</u>				
a Applied to 2010, but not more than line 2a . . .			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2011 distributable amount				59,423.
e Remaining amount distributed out of corpus . .	24,473.			
5 Excess distributions carryover applied to 2011. (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	140,391.			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . .	NONE			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) . . .	10,626.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	129,765.			
10 Analysis of line 9:				
a Excess from 2007	13,634.			
b Excess from 2008	4,405.			
c Excess from 2009	43,676.			
d Excess from 2010	43,577.			
e Excess from 2011	24,473.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**NOT APPLICABLE**

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling
- b** Check box to indicate whether the foundation is a private operating foundation described in section

	4942(j)(3) or	4942(j)(5)
--	---------------	------------

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:**

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

N/A

- 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.

N/A

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

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

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

- 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 Paid during the year				
SEE STATEMENT 8				
Total			▶ 3a	77,703.
b Approved for future payment				
Total			▶ 3b	

RENT AND ROYALTY INCOME

Taxpayer's Name BHBT & JK PETTY TTEES RICHARD S. PETTY CHAR.F							Identifying Number 01-0525593		
DESCRIPTION OF PROPERTY SURRY LOT 13-2 MAP 10 PROPERTY									
		Yes	No	Did you actively participate in the operation of the activity during the tax year?					
TYPE OF PROPERTY: 4 - COMMERCIAL									
RENTAL INCOME							5,500.		5,500.
OTHER INCOME:									
TOTAL GROSS INCOME									
OTHER EXPENSES:									
DEPRECIATION (SHOWN BELOW)									
LESS: Beneficiary's Portion									
AMORTIZATION									
LESS: Beneficiary's Portion									
DEPLETION									
LESS: Beneficiary's Portion									
TOTAL EXPENSES									
TOTAL RENT OR ROYALTY INCOME (LOSS)							5,500.		
Less Amount to									
Rent or Royalty									
Depreciation									
Depletion									
Investment Interest Expense									
Other Expenses									
Net Income (Loss) to Others									
Net Rent or Royalty Income (Loss)							5,500.		
Deductible Rental Loss (if Applicable)									
SCHEDULE FOR DEPRECIATION CLAIMED									
(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
Totals									

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
ABERDEEN ASIA PACIFIC PRIME INCOME	3,776.	3,776.
ANNALY CAP MGMT INC	1,564.	1,564.
AUTOMATIC DATA PROCESSING IN COM	432.	432.
BAR HARBOR BANK & TRUST INST MONEY MARKE	24.	24.
BAR HARBOR BANK & TRUST INST MONEY MKT I	194.	194.
CAMECO CORP	42.	42.
CARGILL INC 6.375% 06/01/12	1,912.	1,912.
CENOVUS ENERGY INC	486.	486.
CENTRAL FUND OF CANADA LTD CL A	14.	14.
CISCO SYSTEMS	108.	108.
CONOCOPHILLIPS	792.	792.
INTEL CORP COM	939.	939.
ISHARES BARCLAYS TIPS BD FD	1,839.	1,839.
ISHARES TR MSCI EMERG MKT	11.	11.
JOHNSON & JOHNSON COM	844.	844.
LOEWS CORP	138.	138.
MICROSOFT CORP	476.	476.
PROCTER & GAMBLE CO COM	566.	566.
ROCHE HLDG LTD SPON ADR	696.	696.
ROYAL GOLD INC	176.	176.
SPROTT RESOURCE LENDING CORP	75.	75.
TELEFONICA S A SPONSORED ADR	937.	937.
TRANSALTA CORP	490.	490.
UNITED PARCEL SERVICE	676.	676.
VANGUARD INFLATION PROTECTED SECURITIES	5,700.	5,700.
VERIZON COMMUNICATIONS	981.	981.
VITERRA INC	129.	129.
WAL-MART	693.	693.
WESTERN UNION	135.	135.
YAMANA GOLD INC	196.	196.
	-----	-----
	25,041.	25,041.
	=====	=====

TOTAL
DAF949 976K 04/26/2012 11:39:57

FORM 990PF, PART I - ACCOUNTING FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
TAX PREPARATION FEE (NON-ALLOC	350.	350.		350.
TOTALS	350.	350.	NONE	350.
	=====	=====	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FOREIGN TAXES	489.	489.
REAL ESTATE TAX ON NON-RENTAL	2,389.	2,389.
FEDERAL TAX PAYMENT - PRIOR YE	247.	
FEDERAL ESTIMATES - PRINCIPAL	492.	
FOREIGN TAXES ON QUALIFIED FOR	2.	2.
FOREIGN TAXES ON NONQUALIFIED	53.	53.
	-----	-----
TOTALS	3,672.	2,933.
	=====	=====

FORM 990PF, PART I - OTHER EXPENSES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
OTHER NON-ALLOCABLE EXPENSE -	375.	375.
TOTALS	----- 375. =====	----- 375. =====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES
=====DESCRIPTION
-----AMOUNT

PEASLEY LOAN DEEMED WORTHLESS DUE TO FORECLOSURE

52,494.

TOTAL

52,494.
=====

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

BAR HARBOR TRUST SERVICES

ADDRESS:

135 HIGH STREET, P O BOX 1100

ELLSWORTH, ME 04605

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 8

COMPENSATION 11,685.

TOTAL COMPENSATION: 11,685.
=====

RECIPIENT NAME:
PENOBSCOT COMMUNITY SCHOOL
ADDRESS:
66 N. PENOBSCOT TOAD
PENOBSCOT, ME 04476
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
NONPROFIT
AMOUNT OF GRANT PAID 4,465.

RECIPIENT NAME:
CANELO PROJECT
ADDRESS:
HC1 BOX 324
ELGIN, AZ 85611
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
NONPROFIT
AMOUNT OF GRANT PAID 10,000.

RECIPIENT NAME:
COMMUNITY HEALTH ALLIANCE
ADDRESS:
3355 DOUGLAS ROAD
SOUTH BEND, IN 46635
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
5013C
AMOUNT OF GRANT PAID 45,000.

RECIPIENT NAME:
THE BAY SCHOOL
ADDRESS:
17 BAY SCHOOL DRIVE
BLUE HILL, ME 04614
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
501C3
AMOUNT OF GRANT PAID 4,138.

RECIPIENT NAME:
THE BROOKLYN SCHOOL
ADDRESS:
119 GORMAN ROAD
BROOKLYN, CT 06234
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
NONPROFIT
AMOUNT OF GRANT PAID 4,100.

RECIPIENT NAME:
BUILDERS WITHOUT BORDERS
ADDRESS:
367 NE 61ST STREET
MIAMI, FL 33137
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL SUPPORT
FOUNDATION STATUS OF RECIPIENT:
NONPROFIT
AMOUNT OF GRANT PAID 10,000.

TOTAL GRANTS PAID: 77,703.
=====

RENT AND ROYALTY SUMMARY

=====

PROPERTY -----	TOTAL INCOME -----	DEPLETION/ DEPRECIATION -----	OTHER EXPENSES -----	ALLOWABLE NET INCOME -----
SURRY LOT 13-2 MAP 1	5,500.			5,500.
	-----	-----	-----	-----
TOTALS	5,500.			5,500.
	=====	=====	=====	=====

Report Date January 31, 2012

BAR HARBOR TRUST SERVICES

Time Prepared 01:48:01 PM

Requested By LARA HORNER

Includes Account: 23 00 7028 0 01 BHBT & JK PETTY TTEES RICHARD S. PETTY CHAR.FDN

Account Holdings as of 12/31/2011

Cusip No	Security Name	Shares / Par	Investment	Unit Price	Market Value	Price Date
003009107	ABERDEEN ASIA PAC	8,690 0000	48,980 45	7 33	63,697 70	12/30/2011
053015103	AUTOMATIC DATA PROCE	300 0000	10,166 61	54 01	16,203.00	12/30/2011
084670702	BERKSHIRE HATHWY CLB	250 0000	19,384 62	76 30	19,075 00	12/30/2011
089000996	BHBT INST MM	199 9900	199 99	1 00	199 99	12/06/2011
089000991	BHBT INST MM INC	128,602 7900	128,602 79	1 00	128,602 79	12/06/2011
12467B304	C&J ENERGY SVCS INC	700 0000	14,996 03	20 93	14,651 00	12/30/2011
141781AP9	CARGILL INC	30,000 0000	30,819 30	102 317	30,695 10	12/30/2011
153501101	CENTRAL FND CANADA	1,365 0000	14,834 68	19 61	26,767 65	12/30/2011
17275R102	CISCO SYS INC	900 0000	15,282 00	18 08	16,272 00	12/30/2011
204409601	COMPANHIA ENERGETICA	1,000 0000	15,188 56	17 79	17,790 00	12/30/2011
20825C104	CONOCOPHILLIPS	300 0000	13,385 34	72 87	21,861 00	12/30/2011
21075N204	CONTANGO OIL & GAS	175 0000	10,273 71	58 18	10,181 50	12/30/2011
303901102	FAIRFAX FINANCIAL	35 0000	13,669 06	431 20	15,092 00	12/30/2011
313549404	FEDERAL MOGUL CORP	1,000 0000	14,971 85	14 75	14,750 00	12/30/2011
458140100	INTEL CORP	1,200 0000	22,675 92	24 25	29,100 00	12/30/2011
478160104	JOHNSON & JOHNSON	375 0000	24,140 55	65 58	24,592 50	12/30/2011
540424108	LOEWS CORP	550 0000	12,593 72	37 65	20,707 50	12/30/2011
594918104	MICROSOFT CORP	700 0000	19,634 44	25 96	18,172 00	12/30/2011
644535122	NEW GOLD INC - CW17	1,150 0000	1,688 75	2 8199	3,242 89	12/30/2011
690768403	OWENS-ILLINOIS INC	650 0000	12,360 66	19 38	12,597 00	12/30/2011
691000996	PARKER PT BLUE HILL	1 0000	265,000 00	144,700 00	144,700 00	08/05/2010
742718109	PROCTER & GAMBLE CO	275 0000	14,253 99	66.71	18,345 25	12/30/2011
771195104	ROCHE HLDG	400 0000	13,402 60	42 562	17,024 80	12/30/2011
780287108	ROYAL GOLD INC	400 0000	18,361 00	67 43	26,972 00	12/30/2011
867001992	SURRY LOT13-2 MAP 10	1 0000	59,887 72	199,500 00	199,500 00	08/05/2010
89346D107	TRANSALTA CORP	850 0000	18,254 99	20 62	17,527 00	12/30/2011
903914109	ULTRA PETROLEUM CORP	450 0000	13,497 53	29 63	13,333 50	12/30/2011
911312106	UPS	325 0000	14,604 59	73.19	23,786 75	12/30/2011
922031745	VANGUARD INFLATION	14,285 2090	153,566 00	11 29	161,280 01	12/30/2011
92343V104	VERIZON COMM	500 0000	13,723 09	40 12	20,060 00	12/30/2011
92849T108	VITERRA INC	1,250 0000	13,001 13	10 52	13,150 00	12/30/2011
931142103	WAL MART STORES	496 0000	23,898 57	59 76	29,640 96	12/30/2011
98462Y100	YAMANA GOLD INC	1,500 0000	16,559 85	14 69	22,035 00	12/30/2011
Total Securities		198,875.9890	1,081,860.09		1,211,605.89	
Income Cash			0.00		0.00	
Principal Cash			0.00		0.00	
Account Total			1,081,860.09		1,211,605.89	