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

2011

SCANNED MAY 08 2012

For calendar year 2011 or tax year beginning , and ending

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

A Employer identification number
22-3292066

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

B Telephone number
973-539-2281

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

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 37,635,981.

J Accounting method ☐ Cash ☒ 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 ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	851,053.	851,053.		Statement 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,131,745.			
	b Gross sales price for all assets on line 6a 4,349,268.				
	7 Capital gain net income (from Part IV, line 2)		1,131,745.		
	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	26,183.	26,183.		Statement 2
	12 Total. Add lines 1 through 11	2,008,981.	2,008,981.		
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 3	15,800.	7,900.		7,900.
	c Other professional fees				
	17 Interest				
	18 Taxes Stmt 4	33,658.	11,558.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 5	8,993.	3,624.		628.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	58,451.	23,082.		8,528.
	25 Contributions, gifts, grants paid	1,953,000.			1,953,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	2,011,451.	23,082.		1,961,528.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	<2,470.>			
	b **Net investment income** (if negative, enter -0-)		1,985,899.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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12-02-11 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2011)

10220502 100381 11465 2011.03050 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	160.	279.	279.
	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 7	11,401,726.	9,558,211.	9,563,377.
	b	Investments - corporate stock Stmt 8	13,386,805.	14,748,427.	24,216,757.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other Stmt 9	2,226,080.	2,759,519.	3,855,568.
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	27,014,771.	27,066,436.	37,635,981.
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 ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.	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 ▶ [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	27,014,771.	27,066,436.	
	30	**Total net assets or fund balances**	27,014,771.	27,066,436.	
	31	**Total liabilities and net assets/fund balances**	27,014,771.	27,066,436.	

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	27,014,771.
2	Enter amount from Part I, line 27a	2	<2,470.>
3	Other increases not included in line 2 (itemize) ▶ See Statement 6	3	54,135.
4	Add lines 1, 2, and 3	4	27,066,436.
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	27,066,436.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				
b	See Attached Statement			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	4,349,268.		3,217,523.	1,131,745.

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				
b				
c				
d				
e				1,131,745.

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** 1,131,745.

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))
2010	1,985,462.	35,879,525.	.055337
2009	1,761,507.	34,140,331.	.051596
2008	1,951,550.	39,394,192.	.049539
2007	1,962,116.	38,509,819.	.050951
2006	1,752,675.	36,233,897.	.048371

2 Total of line 1, column (d)	2	.255794
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	.051159
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	39,173,081.
5 Multiply line 4 by line 3	5	2,004,056.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	19,859.
7 Add lines 5 and 6	7	2,023,915.
8 Enter qualifying distributions from Part XII, line 4	8	1,961,528.

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 ▶ ☐ and enter 1% of Part I, line 27b		1	39,718.
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	39,718.
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	39,718.
6	Credits/Payments			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a 23,833.		
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	23,833.
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	287.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	16,172.
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 2012 estimated tax** ▶	Refunded ▶	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
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?	4b	X	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ 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

			Yes	No
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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. Yes No

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

			Yes	No
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? 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 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? ☐ Yes ☒ No
If "Yes," list the years ▶ ______, ______, ______, ______

			Yes	No
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

			Yes	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.)* 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 2011?	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 #668 MORRISTOWN, NJ 07960	PRES-TREAS 0.00	0.	0.	0.
NATALIE D ROOKE SPRING VALLEY ROAD #668 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	38,963,227.
b	Average of monthly cash balances	1b	806,398.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	39,769,625.
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	39,769,625.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	596,544.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	39,173,081.
6	**Minimum investment return.** Enter 5% of line 5	6	1,958,654.

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	1,958,654.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 39,718.		
b	Income tax for 2011 (This does not include the tax from Part VI) — 2b: 4,942.		
c	Add lines 2a and 2b	2c	44,660.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	1,913,994.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,913,994.
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	1,913,994.

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	1,961,528.
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	1,961,528.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,961,528.

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				1,913,994.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			585,824.	
b Total for prior years ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 1,961,528.				
a Applied to 2010, but not more than line 2a			585,824.	
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 2011 distributable amount				1,375,704.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (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 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				538,290.
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 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

1 **Information Regarding Foundation Managers:**

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

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				
AMERICAN RED CROSS - NORTHERN NJ 29 ELM ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	MEDICAL	2,000.
BABSON COLLEGE 231 FOREST ST BABSON PARK, MA 02457-0310	NONE	IRC 501 (C)(3)	EDUCATION	9,000.
BRISTOL UNITED CHURCH OF CHRIST 15 CHURCH ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	RELIGIOUS	25,000.
BUCKNELL UNIVERSITY 701 MOORE AVE LEWISBURG, PA 17837	NONE	IRC 501 (C)(3)	EDUCATION	254,000.
CALLICOON VOLUNTEER FIRE DEPT PO BOX 806 CALLICOON, NY 12723	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
Total See continuation sheet(s)			▶ 3a	1,953,000.
b Approved for future payment				
None				
Total			▶ 3b	0.

Form **990-PF** (2011)

123611 12-02-11

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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	851,053.	
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			14	26,183.	
8 Gain or (loss) from sales of assets other than inventory			18	1,131,745.	
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.		2,008,981.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 2,008,981.

(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

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		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee | Date 5/7/12 | Title PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Brian Doherty		5-2-12		P00022611

Firm's name ▶ Olsen & Thompson, P.A. — Firm's EIN ▶ 22-1914497

Firm's address ▶ 970 Mount Kemble Ave.
Morristown, NJ 07960 — Phone no (973)425-3212

Form **990-PF** (2011)

123622
12-02-11

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
CIRCLE PROGRAM 85 MAIN ST PLYMOUTH, NH 03264	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
COLBY-SAWYER COLLEGE 100 MAIN ST NEW LONDON, NH 03257	NONE	IRC 501 (C)(3)	EDUCATION	505,000.
COMMUNITY THEATER 100 SOUTH ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	ARTS	5,000.
DAMASCUS CITIZENS FOR SUSTAINABILITY INC PO BOX 147 MILANVILLE, PA 18443	NONE	IRC 501 (C)(3)	ENVIRONMENT	25,000.
DAMASCUS TWP VOLUNTEER AMBULANCE CORPS INC PO BOX 63 DAMASCUS, PA 18415	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
DARTMOUTH COLLEGE 6066 DEVELOPMENT OFFICE HANOVER, NH 03755	NONE	IRC 501 (C)(3)	EDUCATION	210,000.
DELBARTON SCHOOL 230 MENDHAM ROAD MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
DREW UNIVERSITY 36 MADISON AVE MADISON, NJ 07940	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
EAST ANDOVER NH FIRE DEPARTMENT 407 FLAGHOLE RD ANDOVER, NH 03216	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
EVANGELICAL HOSPITAL ONE HOSPITAL DR LEWISBURG, PA 07837	NONE	IRC 501 (C)(3)	MEDICAL	25,000.
Total from continuation sheets				1,658,000.

CHARLES FOUNDATION INC
C/O ROBERT C ROOKE 22-3292066

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
GRANITE STATE WOODLAND INSTITUTE 54 PORTSMOUTH ST CONCORD, NH 03301	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
GROVER HERMANN HOSPITAL AUXILIARY 8881 ROUTE 97 CALLICOON, NY 12723	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
INSTITUTE FOR SHIPBOARD EDUCATION PO BOX 400885 CHARLOTTESVILLE, VA 22904	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
KEMMERER LIBRARY HARDING TOWNSHIP PO BOX 283 NEW VERNON, NJ 07976	NONE	IRC 501 (C)(3)	EDUCATION	1,000.
KENT PLACE SCHOOL 42 NORWOOD AVE SUMMIT, NJ 07901	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
LIBERTY CORNER FIRE COMPANY PO BOX 98 LIBERTY CORNER, NJ 07938	NONE	IRC 501 (C)(3)	MEDICAL	1,500.
LIBERTY CORNER FIRST AID SQUAD PO BOX 57 LIBERTY CORNER, NJ 07938	NONE	IRC 501 (C)(3)	MEDICAL	1,500.
MARKET STREET MISSION 9 MARKET STREET MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	COUNSELING	25,000.
MAYHEW PROGRAM PO BOX 120 BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	EDUCATION	25,000.
MINOT-SLEEPER LIBRARY 35 PLEASANT ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	EDUCATION	25,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
MORRISTOWN MEDICAL CENTER FOUNDATION 100 MADISON AVE MORRISTOWN, NJ 07962	NONE	IRC 501 (C)(3)	MEDICAL	255,000.
MRS. WILSON'S HALFWAY HOUSE PO BOX 9175 MORRISTOWN, NJ 07963	NONE	IRC 501 (C)(3)	COUNSELING	5,000.
NEWFOUND LAKE REGION ASSOCIATION 800 LAKE ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	CONSERVATION	20,000.
OVERLOOK HOSPITAL FOUNDATION BOX 220 SUMMIT, NJ 07902	NONE	IRC 501 (C)(3)	MEDICAL	26,000.
PINGRY SCHOOL MARTINSVILLE ROAD MARTINSVILLE, NJ 08836	NONE	IRC 501 (C)(3)	EDUCATION	57,000.
PRESBYTERIAN CHURCH IN MORRISTOWN 65 SOUTH ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	RELIGIOUS	35,000.
SALVATION ARMY 95 SPRING ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	MEDICAL	2,000.
SKI JUMPING DEVELOPMENT USA, INC PO BOX 683757 PARK CITY, UT 84060	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
SPEARE MEMORIAL HOSPITAL 16 HOSPITAL ROAD PLYMOUTH, NH 03264	NONE	IRC 501 (C)(3)	MEDICAL	100,000.
SQUAM LAKES SCIENCE CENTER PO BOX 173 HOLDERNESS, NH 03245	NONE	IRC 501 (C)(3)	CONSERVATION	10,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
SUSQUEHANNA UNIVERSITY 514 UNIVERSITY AVE SELINSGROVE, PA 17870	NONE	IRC 501 (C)(3)	EDUCATION	50,000.
TAPLEY-THOMPSON COMMUNITY CENTER 30 NORTH MAIN ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	EDUCATION	40,000.
THE QUEEN'S WORK INC. PO BOX 156 HANKINS, NY 12741	NONE	IRC 501 (C)(3)	COUNSELING	2,000.
VILLA WALSH ACADEMY 455 WESTERN AVE MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
VISITING NURSE ASSOCIATION OF NORTHERN NJ 38 ELM ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
WOMEN'S ASSOCIATION MORRISTOWN MEDICAL CTR 100 MADISON AVE MORRISTOWN, NJ 07962	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
YALE SCHOOL OF FORESTRY & ENVIRONMENTAL STUDIES PO BOX 803 NEW HAVEN, CT 06503	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
YALE SCHOOL OF PUBLIC HEALTH PO BOX 803 NEW HAVEN, CT 06503	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
AMERICAN MUSEUM OF NATURAL HISTORY CHURCH ST STATION, BOX 3881 NEW YORK, NY 10277	NONE	IRC 501 (C)(3)	EDUCATION	1,000.
ANDOVER OUTING CLUB 313 EMORY RD ANDOVER, NH 03216	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
ASSUMPTION SCHOOL 63 MACCULLOCH AVE MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	1,000.
BOSTON COLLEGE SCHOOL OF NURSING 140 COMMONWEALTH AVE CHESTNUT HILL, MA 02467	NONE	IRC 501 (C)(3)	EDUCATION	4,000.
COUNTY COLLEGE OF MORRIS 214 CENTER GROVE RD RANDOLPH, NJ 07869	NONE	IRC 501 (C)(3)	EDUCATION	2,000.
HAVENWOOD-HERITAGE HEIGHTS 33 CHRISTIAN AVE CONCORD, NH 03301	NONE	IRC 501 (C)(3)	MEDICAL	25,000.
MORRISTOWN & MORRIS TWP LIBRARY FOUNDATION 1 MILLER ROAD MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	4,000.
NEWFOUND AREA NURSING ASSOCIATION 214 LAKE ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	MEDICAL	13,000.
OUR LADY OF MERCY HIGH SCHOOL 1437 BLOSSON RD ROCHESTER, NY 14610	NONE	IRC 501 (C)(3)	EDUCATION	1,500.
PARK ALLIANCE - MORRIS CTY PARK COMMISSION PO BOX 1295 MORRISTOWN, NJ 07962	NONE	IRC 501 (C)(3)	CONSERVATION	5,000.
ST LOUIS CATHOLIC CHURCH 64 S MAIN ST PITTSFORD, NY 14534	NONE	IRC 501 (C)(3)	RELIGIOUS	2,000.
SKIDMORE COLLEGE 815 N BROADWAY SARATOGA SPRINGS, NY 12866	NONE	IRC 501 (C)(3)	EDUCATION	1,000.
Total from continuation sheets				

CHARLES FOUNDATION INC
C/O ROBERT C ROOKE 22-3292066

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
UNIVERSITY OF PENNSYLVANIA SCHOOL OF NURSING PO BOX 70259 PHILADELPHIA, PA 19176	NONE	IRC 501 (C)(3)	EDUCATION	2,500.
YMWCA OF NEWARK AND VICINITY 600 BROAD ST NEWARK, NJ 07102	NONE	IRC 501 (C)(3)	EDUCATION	50,000.
Total from continuation sheets				

123631 08-03-11

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	500000 US TREASURY NOTES 5% DUE 2-15-11	P	05/20/02	02/15/11
b	7500 SH CABOT OIL & GAS	P	11/22/00	04/04/11
c	2500 SH CABOT OIL & GAS	P	05/22/03	04/04/11
d	5000 SH CABOT OIL & GAS	P	05/22/03	04/04/11
e	7500 SH CABOT OIL & GAS	P	05/27/03	04/04/11
f	2500 SH CABOT OIL & GAS	P	08/18/03	04/04/11
g	2400000 US TREASURY NOTE 1% DUE 08-31-11	P	06/17/10	08/31/11
h	20000 SH ADVANTAGE OIL & GAS LTD	P	07/14/09	10/18/11
i	FROM K-1 - ALLIANCE RESOURCE PARTNERS	P		
j	FROM K-1 - PLAINS ALL AMERICAN PIPELINE	P		
k	CLASS ACTION PROCEEDS	P		
l	Capital Gains Dividends			
m				
n				
o				

	(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	500,000.		495,313.	4,687.
b	404,803.		58,129.	346,674.
c	134,934.		21,481.	113,453.
d	268,132.		42,963.	225,169.
e	402,197.		66,678.	335,519.
f	134,066.		22,633.	111,433.
g	2,400,000.		2,418,526.	<18,526.>
h	94,311.		91,800.	2,511.
i	499.			499.
j	3.			3.
k	2,850.			2,850.
l	7,473.			7,473.
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
	(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				4,687.
b				346,674.
c				113,453.
d				225,169.
e				335,519.
f				111,433.
g				<18,526.>
h				2,511.
i				499.
j				3.
k				2,850.
l				7,473.
m				
n				
o				

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	1,131,745.
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

123591
05-01-11

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
FROM K-1 ALLIANCE RESOURCE PARTNERS	230.	0.	230.
FROM K-1 PLAINS ALL AMERICAN PIPELINE	3.	0.	3.
FROM K-1 PLAINS ALL AMERICAN PIPELINE	8.	0.	8.
FROM K-1 RENTECH NITROGEN PARTNERS	2.	0.	2.
MORGAN STANLEY SMITH BARNEY	858,283.	7,473.	850,810.
Total to Fm 990-PF, Part I, ln 4	858,526.	7,473.	851,053.

Form 990-PF Other Income Statement 2

Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
FROM K-1 ALLIANCE RESOURCE PARTNERS	33,946.	33,946.	
FROM K-1 RENTECH NITROGEN PARTNERS	<6,745.>	<6,745.>	
FROM K-1 PLAINS ALL AMERICAN PIPELINE	<1,018.>	<1,018.>	
Total to Form 990-PF, Part I, line 11	26,183.	26,183.	

Form 990-PF Accounting Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
OLSEN & THOMPSON	5,800.	2,900.		2,900.
BOOKKEEPING	10,000.	5,000.		5,000.
To Form 990-PF, Pg 1, ln 16b	15,800.	7,900.		7,900.

Form 990-PF — Taxes — Statement 4

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAX WITHHELD	11,480.	11,480.		0.
FEDERAL EXCISE TAX	22,100.	0.		0.
FOREIGN TAXES W/H - PLAINS ALL AMERICAN PIPELINE	78.	78.		0.
To Form 990-PF, Pg 1, ln 18	33,658.	11,558.		0.

Form 990-PF — Other Expenses — Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUES	495.	0.		495.
FILING FEES	55.	0.		55.
CHARITABLE CONTRIBUTION FROM K-1 ALLIANCE RES PTRS	552.	552.		0.
BANK CHARGES	157.	77.		78.
NONDEDUCTIBLE EXP - FROM K-1 - ALLIANCE RES PTRS	4,705.	0.		0.
CHARITABLE CONTRIBUTION FROM K-1 RENTECH NITROGEN PTRS	1.	1.		0.
NONDEDUCTIBLE EXP - FROM K-1 - PLAINS ALL AMERICAN PIPELINE	34.	0.		0.
INVESTMENT EXPENSES - SPDR GOLD TR	2,994.	2,994.		0.
To Form 990-PF, Pg 1, ln 23	8,993.	3,624.		628.

Form 990-PF — Other Increases in Net Assets or Fund Balances — Statement 6

Description	Amount
NONTAXABLE ITEMS FROM K-1 OF ALLIANCE RESOURCE PARTNERS	54,135.
Total to Form 990-PF, Part III, line 3	54,135.

Form 990-PF U.S. and State/City Government Obligations Statement 7

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
VARIOUS US GOVT BONDS	X		7,160,466.	7,164,457.
VARIOUS TREASURY BILLS	X		2,397,745.	2,398,920.
Total U.S. Government Obligations			9,558,211.	9,563,377.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			9,558,211.	9,563,377.

Form 990-PF Corporate Stock Statement 8

Description	Book Value	Fair Market Value
VARIOUS COMMON STOCKS	14,748,427.	24,216,757.
Total to Form 990-PF, Part II, line 10b	14,748,427.	24,216,757.

Form 990-PF Other Investments Statement 9

Description	Valuation Method	Book Value	Fair Market Value
MONEY FUNDS	COST	826,528.	826,528.
VARIOUS EXCHANGE TRADED FUNDS	COST	307,630.	759,950.
PUBLICLY TRADED PARTNERSHIPS	COST	1,625,361.	2,269,090.
Total to Form 990-PF, Part II, line 13		2,759,519.	3,855,568.

PORTFOLIO APPRAISAL
Charles Foundation
December 31, 2011

EIN 22-3292066
STATEMENT 7

Quantity	Security	Total Cost	Market Value
	GOVERNMENT BONDS		
1400000	US TREASURY NOTE 0 875% DUE 02-29-12	1,409,820	1,401,862
4500000	US TREASURY NOTE 0 375% DUE 09-30-12	4,496,203	4,508,595
1250000	US TREASURY NOTES SER A 0.500% DUE 11-30-12	1,254,443	1,254,000
	TOTAL GOVERNMENT BONDS	7,160,467	7,164,457
	TREASURY BILLS		
2400000	US TREASURY BILL DUE 08-23-12	2,397,745	2,398,920
	TOTAL TREASURY BILLS	2,397,745	2,398,920

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Quantity	Security	Total Cost	Market Value
	COMMON STOCK		
6000	ANADARKO PETROLEUM CORPORATION	88,710	457,980
25000	ANNALY CAPITAL MGMT INC	448,217	399,000
4000	APACHE CORP	135,629	362,320
10000	AT&T	263,998	302,400
20000	AUTOMATIC DATA PROCESSING	643,718	1,080,200
25000	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	501,563	401,250
25000	BANK OF MONTREAL	1,296,433	1,370,250
15000	BCE INC	467,425	625,050
25000	BGC PARTNERS INC	198,229	148,500
5000	BROADRIDGE FINANCIAL SOLUTIONS, INC.	83,337	112,750
10000	CAMPBELL SOUP COMPANY	337,352	332,400
40000	CANADIAN NAT RES LTD	164,075	1,494,800
8000	CENOVUS ENERGY INC.	82,718	265,600
15000	CENTURYLINK INC	526,317	558,000
5150	CHEVRON CORP.	174,001	547,960
10000	CONOCOPHILLIPS	371,623	728,700
30000	CYS INVESTMENTS INC	386,952	394,200
7500	EMERSON ELECTRIC CO.	312,529	349,425
8000	ENCANA CORP.	87,835	148,240
10000	FAIRPOINT COMMUNICATIONS INC.	72,068	43,300
20000	FRONTIER COMMUNICATIONS CORP	158,216	103,000
5000	GENERAL MOTORS CORP	107,089	101,350
3000	H J HEINZ	150,929	162,120
5000	HATTERAS FINANCIAL CORP	131,545	131,850
15000	HUBBELL INC CLASS B	609,413	1,002,900
2500	INTERNATIONAL PAPER	77,721	74,000
10000	IRIDIUM COMMUNICATIONS INC	76,161	77,100
10000	JOHNSON & JOHNSON	203,905	655,800
20000	MFA FINANCIAL INC	147,315	134,400
1000	MOLSON COORS BREWING CO CL B	47,559	43,540
10000	Mc DONALDS CORP	626,971	1,003,300
20000	NOBLE ENERGY CORP.	22,987	1,887,800
25000	PAYCHEX INC	786,612	752,750
10000	PEMBINA PIPELINE INCOME FUND	160,064	291,730
35000	PENN WEST ENERGY TR	527,933	693,000
10000	PIMCO HIGH INCOME FUND	128,325	120,200
15000	PIONEER NATURAL RESOURCES	142,576	1,342,200
25000	RR DONNELLEY & SONS CO	443,075	360,750
10000	SUNCOR ENERGY	133,517	288,300
25000	SYSCO CORP.	711,806	733,250
50000	TALISMAN ENERGY	195,667	637,500
5000	TELUS CORP	172,017	267,750
31000	TMX GROUP INC.	915,382	1,265,172
15000	TORONTO DOMINION BANK	796,052	1,122,150
21000	VERIZON COMMUNICATIONS	632,860	842,520
	TOTAL COMMON STOCKS	14,748,427	24,216,757

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Quantity	Security	Total Cost	Market Value
	OTHER ASSETS		
5000	STREETTRACKS GOLD TR GOLD SHARES	307,630	759,950
	TOTAL OTHER ASSETS	307,630	759,950
	PARTNERSHIP INVESTMENTS		
23000	ALLIANCE RESOURCE PARTNERS LP	1,112,617	1,738,340
5000	PLAINS ALL AMERICAN PIPELINE LP	328,023	367,250
10000	RENTECH NITROGEN PARTNERS	184,721	163,500
	TOTAL PARTNERSHIP INVESTMENTS	1,625,361	2,269,090