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

For calendar year 2011 or tax year beginning JUL 1, 2011 , and ending JUN 30, 2012

Name of foundation: EMANUEL & PAULINE A LERNER FOUNDATION

A Employer identification number: 20-8797462

Number and street (or P O box number if mail is not delivered to street address): P. O. BOX 10370 | Room/suite:

B Telephone number: 207-730-2779

City or town, state, and ZIP code: PORTLAND, ME 04104-0370

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) ▶$ 6,341,494.

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	111.	111.		STATEMENT 1
	4 Dividends and interest from securities	197,230.	192,883.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	232,269.			STATEMENT 3
	b Gross sales price for all assets on line 6a 544,274.				
	7 Capital gain net income (from Part IV, line 2)		211,137.		
	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	-15,040.	1,387.		STATEMENT 4
	12 **Total.** Add lines 1 through 11	414,570.	405,518.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	50,000.	12,500.		0.
	14 Other employee salaries and wages	23,000.	5,750.		0.
	15 Pension plans, employee benefits				
	16a Legal fees STMT 5	344.	86.		0.
	b Accounting fees STMT 6	13,828.	3,457.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 7	4,146.	878.		0.
	19 Depreciation and depletion	113.	0.		
	20 Occupancy	8,525.	0.		0.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 8	69,489.	57,883.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	169,445.	80,554.		0.
	25 Contributions, gifts, grants paid	544,174.			544,174.
	26 Total expenses and disbursements. Add lines 24 and 25	713,619.	80,554.		544,174.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-299,049.			
	b **Net investment income** (if negative, enter -0-)		324,964.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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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		7,231.	7,231.
	2 Savings and temporary cash investments	1,217,434.	211,333.	211,333.
	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			
	b Investments - corporate stock STMT 10	4,254,831.	4,887,070.	4,887,070.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 11	1,162,274.	1,233,704.	1,233,704.
	14 Land, buildings, and equipment: basis ▶ 2,269.			
	Less accumulated depreciation STMT 9 ▶ 113.	0.	2,156.	2,156.
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	6,634,539.	6,341,494.	6,341,494.
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	6,634,539.	6,341,494.	
	30 Total net assets or fund balances	6,634,539.	6,341,494.	
	31 Total liabilities and net assets/fund balances	6,634,539.	6,341,494.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	6,634,539.
2 Enter amount from Part I, line 27a	2	-299,049.
3 Other increases not included in line 2 (itemize) ▶ RETURN OF CAPITAL ON INVESTMENTS	3	48,507.
4 Add lines 1, 2, and 3	4	6,383,997.
5 Decreases not included in line 2 (itemize) ▶ CHANGE IN VALUE OF INVESTMENTS	5	42,503.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,341,494.

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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				
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	544,274.		334,382.	211,137.

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				211,137.

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	211,137.
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	322,860.	6,068,955.	.053199
2009	95,000.	3,558,446.	.026697
2008	0.	695,037.	.000000
2007	135,000.	452,594.	.298281
2006			

2	**Total** of line 1, column (d)	2	.378177
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	.094544
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	6,325,682.
5	Multiply line 4 by line 3	5	598,055.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,250.
7	Add lines 5 and 6	7	601,305.
8	Enter qualifying distributions from Part XII, line 4	8	544,174.

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	6,499.
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	6,499.
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	6,499.
6	Credits/Payments:			
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 10,000.		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	10,000.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	3,501.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 3,501. **Refunded** ▶		11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	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) ▶ 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*	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 ▶ THE FOUNDATION Telephone no. ▶ 207-730-2779
Located at ▶ P.O. BOX 10370, PORTLAND, ME ZIP+4 ▶ 04104-0370

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see 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 ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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

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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)? ☐ 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 — No: 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
SEE STATEMENT 12		50,000.	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	
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	5,642,216.
b	Average of monthly cash balances		1b	779,281.
c	Fair market value of all other assets		1c	515.
d	**Total** (add lines 1a, b, and c)		1d	6,422,012.
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	6,422,012.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	96,330.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	6,325,682.
6	**Minimum investment return.** Enter 5% of line 5		6	316,284.

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	316,284.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 6,499.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b 3,718.		
c	Add lines 2a and 2b		2c	10,217.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	306,067.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	306,067.
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	306,067.

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	544,174.
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	544,174.
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	544,174.

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				306,067.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ___ , ___ , ___		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007 1,163.				
c From 2008				
d From 2009				
e From 2010 28,177.				
f **Total** of lines 3a through e	29,340.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 544,174.				
a Applied to 2010, but not more than line 2a			0.	
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				306,067.
e Remaining amount distributed out of corpus	238,107.			
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	267,447.			
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				0.
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	267,447.			
10 Analysis of line 9:				
a Excess from 2007 1,163.				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010 28,177.				
e Excess from 2011 238,107.				

Form **990-PF** (2011)

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12-02-11

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 ▶ ☐ 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:

SEE STATEMENT 13

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				
5 RIVERS ARTS ALLIANCE 108 MAINE STREET BRUNSWICK, ME 04011	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT	20,000.
AROOSTOOK COUNTY ACTION PROGRAM 744 MAIN STREET # 11 PRESQUE ISLE, ME 04769	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	7,835.
AROOSTOOK MENTAL HEALTH SERVICES 43 HATCH DRIVE CARIBOU, ME 04736	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT/EDUCATION	5,000.
BOYS AND GIRLS CLUB OF SOUTHERN MAINE P.O. BOX 7830 PORTLAND, ME 04112	NONE	PUBLIC CHARITY	RENOVATION OF BUILDING	20,000.
CAMDEN CONFERENCE P.O. BOX 882 CAMDEN, ME 04843-0882	NONE	PUBLIC CHARITY	EDUCATION	15,310.
Total SEE CONTINUATION SHEET(S)			▶ 3a	544,174.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	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			14	111.	
4 Dividends and interest from securities			14	197,230.	
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	1,387.	
8 Gain or (loss) from sales of assets other than inventory	900099	21,132.	18	211,137.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a SEE STATEMENT 14		-16,427.			
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		4,705.		409,865.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 414,570.

(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).

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12-02-11

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: [signature] Date: 1/18/13 Title: DIRECTOR

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
RICHARD B. DAWSON	RICHARD B. DAWSON	01/16/13		P00173150

Firm's name ▶ DAWSON, SMITH, PURVIS & BASSETT, P.A. Firm's EIN ▶ 01-0459941

Firm's address ▶ 15 CASCO STREET PORTLAND, ME 04101-2902 Phone no. 207-874-0355

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
CENTER FOR CIVIC EDUCATION 21600 OXNARD STREET, SUITE 500 WOODLAND HILLS, CA 91367	NONE	PUBLIC CHARITY	"WE THE PEOPLE" COMPETITION - CIVIC ENGAGEMENT	20,024.
COMMUNITY CONCEPTS 16 MADISON AVENUE, OXFORD, ME OXFORD, ME 04270	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	11,415.
COMMUNITY WELLNESS COALITION P.O. BOX 510 KITTERY, ME 03904	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT/EDUCATION	31,000.
ENVISION MAINE 5 WESTON POINT FREEPORT, ME 04032	NONE	PUBLIC CHARITY	EDUCATION	50,000.
EQUALITY MAINE FOUNDATION 550 FOREST AVENUE, SUITE 201 PORTLAND, ME 04101	NONE	PUBLIC CHARITY	EDUCATION, INCREASING TOLERANCE	30,000.
FRIENDS OF THE MAINE STATE MUSUEM 83 STATE HOUSE STATION AUGUSTA, ME 04333-0083	NONE	PUBLIC CHARITY	EDUCATION/TOLERANCE	26,480.
GROWSMART 309 CUMBERLAND AVENUE PORTLAND, ME 04101	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT/EDUCATION	5,000.
HARDY GIRLS HEALTHY WOMEN PO BOX 821 WATERVILLE, ME 04903-0821	NONE	PUBLIC CHARITY	EDUCATION	25,000.
HOLOCAUST & HUMAN RIGHTS CENTER OF MAINE MICHAEL KLAHR CENTER, UNIVERSITY OF MAINE AT AUGUSTA, 46 UNIVERSITY DRIVE AUGUSTA, ME 04330	NONE	PUBLIC CHARITY	CONSULTANT	25,000.
KENNEBEC VALLEY COMMUNITY ACTION PROGRAM 97 WATER STREET WATERVILLE, ME 04901	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	15,475.
Total from continuation sheets				476,029.

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
KIDS CONSORTIUM 219 CAPITOL STREET SUITE 5 AUGUSTA, ME 04330	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT/EDUCATION	10,000.
MANO Y MANO P.O. BOX 573 MILBRIDGE, ME 04658	NONE	PUBLIC CHARITY	INCREASING TOLERANCE, CIVIC ENGAGEMENT	20,000.
PROP/OPPORTUNITY ALLIANCE 50 MONUMENT SQUARE PORTLAND, ME 04101	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	6,220.
SEEDS OF INDEPENDENCE P.O. BOX 8 FREEPORT, ME 04032	NONE	PUBLIC CHARITY	EDUCATION	4,013.
SEEDS OF PEACE 370 LEXINGTON AVENUE, SUITE 2103 NEW YORK, NY 10017	NONE	PUBLIC CHARITY	EDUCATION/TOLERANCE	39,347.
SOMALI BANTU YOUTH ASSOCIATION 247 BATES STREET LEWISTON, ME 04240	NONE	PUBLIC CHARITY	SERVICES TO REFUGEES	30,000.
THE LEAGUE OF YOUNG VOTERS 142 HIGH STEET, SUITE 302 PORTLAND, ME 04101	NONE	PUBLIC CHARITY	CIVIC ENGAGEMENT/EDUCATION	15,000.
TREE STREET YOUTH 144 HOWE STREET LEWISTON, ME 04240	NONE	PUBLIC CHARITY	SERVICES TO REFUGEES	45,000.
WASHINGTON - HANCOCK COMMUNITY ACTION PROGRAM 2 MAPLE STREET MILBRIDGE, ME 04658	NONE	PUBLIC CHARITY	HEATING FUEL ASSISTANCE	46,000.
WESTERN MAINE COMMUNITY ACTION 9 MARSTON STREET NORWAY, ME 04268	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	2,940.
Total from continuation sheets				

123631 08-03-11

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
WESTERN MOUNTAIN ALLIANCE 165 FRONT STREET FARMINGTON, ME 04938	NONE	PUBLIC CHARITY	EDUCATIONAL COMMUNITY FORUMS	12,000.
YORK COUNTY COMMUNITY ACTION CORPORATION 6 SPRUCE STREET SANFORD, ME 04073	NONE	PUBLIC CHARITY	FUEL ASSISTANCE	6,115.
Total from continuation sheets				

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	1,500 SHS BECTON DICKINSON, CO	D	01/17/08	08/22/11
b	1,500 BIOGEN IDEC, INC	D	01/17/08	08/22/11
c	500 SHS KRAFT FOODS, INC	D	10/10/08	08/22/11
d	1,088 SHS LIMITED BRANDS, INC	D	01/17/08	08/22/11
e	3,500 SIGMA ALDRICH CORP	D	01/17/08	08/22/11
f	CAPITAL GAINS FROM LIMITED PARTNERSHIPS	D		
g	39 SHS OF GENERAL MTRS CO COM USD 0.01	D	04/21/11	06/30/12
h	34 SHS GENERAL MTRS CO WTS EXP 07/10/2016	D	04/21/11	06/30/12
i	34 SHS GENERAL MTRS CO WTS EXP 07/10/2019	D	04/21/11	06/30/12
j	1,000 SHS CISCO SYS INC	D		06/26/12
k	CAPITAL GAINS DIVIDENDS			
l				
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	117,605.		90,675.	26,930.
b	137,254.		62,790.	74,464.
c	17,027.		13,068.	3,959.
d	37,125.		26,574.	10,551.
e	210,618.		123,165.	87,453.
f				1,245.
g	882.			882.
h	481.			481.
i	323.			323.
j	17,172.		18,110.	-938.
k	5,787.			5,787.
l				
m				
n				
o				

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				26,930.
b				74,464.
c				3,959.
d				10,551.
e				87,453.
f				1,245.
g				882.
h				481.
i				323.
j				-938.
k				5,787.
l				
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	211,137.
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

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05-01-11

Depreciation and Amortization Detail FORM 990-PF PAGE 1 990-PF

Asset Number	Description of property / Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	COMPUTER							
	042712	200DB	5.00	19B	2,269.			113.
	* TOTAL 990-PF PG 1 DEPR							
					2,269.	0.	0.	113.

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05-01-11

- Current year section 179 (D) - Asset disposed

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
FIDELITY ACCOUNT Z85-540030	111.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	111.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ENERGY TRANSFER PARTNERS, LP	222.	0.	222.
FIDELITY ACCOUNT Z85-540030	110,205.	5,787.	104,418.
KINDER MORGAN ENERGY PARTNERS, LP	273.	0.	273.
KKR FINANCIAL HOLDINGS	92,230.	0.	92,230.
NGP ENERGY TECHNOLOGY PARTNERS	87.	0.	87.
TOTAL TO FM 990-PF, PART I, LN 4	203,017.	5,787.	197,230.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 3

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1,500 SHS BECTON DICKINSON, CO	DONATED	01/17/08	08/22/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
117,605.	90,675.	0.	0.	26,930.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1,500 BIOGEN IDEC, INC	DONATED	01/17/08	08/22/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
137,254.	62,790.	0.	0.	74,464.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
500 SHS KRAFT FOODS, INC	DONATED	10/10/08	08/22/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
17,027.	13,068.	0.	0.	3,959.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1,088 SHS LIMITED BRANDS, INC	DONATED	01/17/08	08/22/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
37,125.	26,574.	0.	0.	10,551.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
3,500 SIGMA ALDRICH CORP	DONATED	01/17/08	08/22/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
210,618.	123,165.	0.	0.	87,453.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL GAINS FROM LIMITED PARTNERSHIPS	DONATED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	1,245.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
39 SHS OF GENERAL MTRS CO COM USD 0.01	DONATED	04/21/11	06/30/12

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
882.	0.	0.	0.	882.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
34 SHS GENERAL MTRS CO WTS EXP 07/10/2016	DONATED	04/21/11	06/30/12

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
481.	0.	0.	0.	481.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
34 SHS GENERAL MTRS CO WTS EXP 07/10/2019	DONATED	04/21/11	06/30/12

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
323.	0.	0.	0.	323.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1,000 SHS CISCO SYS INC	DONATED		06/26/12

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
17,172.	18,110.	0.	0.	-938.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL GAINS FROM LIMITED PARTNERSHIPS	DONATED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	21,132.

NET GAIN OR LOSS FROM SALE OF ASSETS	226,482.
CAPITAL GAINS DIVIDENDS FROM PART IV	5,787.
TOTAL TO FORM 990-PF, PART I, LINE 6A	232,269.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER - FIDELITY ACCOUNT Z85-540030	1,387.	1,387.	
ORDINARY LOSS - ENERGY TRANSFER PARTNERS, LP	-13,257.	0.	
ORDINARY LOSS - KINDER MORGAN ENERGY PARTNERS, LP	-9,718.	0.	
OTHER - KKR FINANCIAL HOLDINGS, LLC	3,906.	0.	
ORDINARY INCOME - KKR FINANCIAL HOLDINGS, LLC	2,642.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-15,040.	1,387.	

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	344.	86.		0.
TO FM 990-PF, PG 1, LN 16A	344.	86.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	13,828.	3,457.		0.
TO FORM 990-PF, PG 1, LN 16B	13,828.	3,457.		0.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	788.	0.		0.
FOREIGN TAXES	56.	56.		0.
PAYROLL TAXES & FEES	3,286.	822.		0.
REAL ESTATE TAXES	16.	0.		0.
TO FORM 990-PF, PG 1, LN 18	4,146.	878.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSES	2,126.	0.		0.
INVESTMENT INTEREST EXPENSE FROM LIMITED PARTNERSHIPS	27,314.	27,314.		0.
NON-DEDUCTIBLE EXPENSES FROM LIMITED PARTNERSHIPS	47.	0.		0.
INTANGIBLE DRILLING COSTS FROM LIMITED PARTNERSHIPS	1,643.	1,643.		0.
ADMINISTRATIVE FEES	2,826.	0.		0.
DUES & SUBSCRIPTIONS	4,490.	995.		0.
INSURANCE	2,250.	0.		0.
INVESTMENT FEES	130.	130.		0.
MISCELLANEOUS	862.	0.		0.
OTHER DEDUCTIONS FROM LIMITED PARTNERSHIPS	27,801.	27,801.		0.
TO FORM 990-PF, PG 1, LN 23	69,489.	57,883.		0.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	FAIR MARKET VALUE
COMPUTER	2,269.	113.	2,156.	2,156.
TO 990-PF, PART II, LN 14	2,269.	113.	2,156.	2,156.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
500 SHS AGL RES INC	19,375.	19,375.
800 SHS DIAGEO PLC	82,456.	82,456.
832 SHS EXXON MOBIL CORP	71,194.	71,194.
1,000 SHS REALTY INCOME CORP	41,770.	41,770.
30,000 SHS TELSTRA CORP	113,473.	113,473.
900 SHS ABBOTT LABORATORIES	58,023.	58,023.
839 SHS AGILENT TECH INC	32,922.	32,922.
600 SHS AMGEN INC	43,746.	43,746.
250 SHS APPLE INC	146,000.	146,000.

5,000 SHS BANK NEW YOR MELLON CORP	109,750.	109,750.
2,800 SHS BAXTER INTL INC	148,820.	148,820.
5,184 SHS BECTON DICKINSON CO	275,379.	275,379.
3,767 SHS BIOGEN IDEC INC	327,309.	327,309.
4,000 SHS CELGENE CORP	256,640.	256,640.
1,000 SHS CISCO SYS INC	0.	0.
500 SHS DISNEY WALT CO	24,250.	24,250.
7,000 SHS EXACT SCIENCES CORP	75,040.	75,040.
300 SHS INTEL CORP	7,995.	7,995.
500 SHS KRAFT FOODS INC CL A	0.	0.
1088 SHS LIMITED BRANDS INC	0.	0.
600 SHS MEDTRONIC INC	23,238.	23,238.
13,665 SHS MERK & CO NEW COM	570,514.	570,514.
7,500 SHS PALL CORP	411,075.	411,075.
3,500 SHS SIGMA ALDRICH CORP	258,755.	258,755.
940 SHS US BANCORP DEL COM NEW	30,230.	30,230.
1,600 SHS UNITEDHEALTH GROUP	93,600.	93,600.
755 SHS THORNBURG MTG INC COM NEW	0.	0.
20,000 SHS ADVANCED MICRO DEVICES INC	114,600.	114,600.
5,000 SHS GILEAD SCIENCES INC	256,400.	256,400.
3,000 SHS PROCTER & GAMBLE CO	183,750.	183,750.
6,000 SHS QLIK TECHNOLOGIES INC COM USD 0.0001	132,720.	132,720.
4,000 SHS JPMORGAN CHASE &CO	142,920.	142,920.
38 SHS GENERAL MOTORS CO COM USD0.01	0.	0.
34 SHS GENERAL MTRS CO WTS EXP 07/10/2016	0.	0.
34 SHS GENERAL MTRS CO WTS EXP 07/10/2019	0.	0.
4,000 SHS BIOMED RLTY TR INC	101,920.	101,920.
9,000 SHS GENERAL ELECTRIC	187,560.	187,560.
400 SHS GENERAL MOTORS CORP ESCROW	0.	0.
2,500 SHS ILLINOIS TOOL WORKS	132,225.	132,225.
10 SHS MOTORS LIQ CO	123.	123.
2,200 SHS NATIONAL GRID NEW ADR	116,578.	116,578.
8,000 SHS PFIZER INC	184,000.	184,000.
4,000 SHS VODAFONE GROUP SPON ADR	112,720.	112,720.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,887,070.	4,887,070.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
2,300 UNITS ENERGY TRANSFER PARTNERS LP	FMV	101,637.	101,637.
1,300 UNITS KINDER MORGAN ENERGY PARTNERS LP	FMV	102,154.	102,154.
37,834 UNITS KKR FINL HLDGS LLC	FMV	322,346.	322,346.
4,917.978 SHS GOLDMAN SACHS CAP GROWTH CLASS A	FMV	114,195.	114,195.
1,294.228 SHS T ROWE PRICE MEDIA & TELECOM	FMV	69,707.	69,707.

2,327.973 SHS T ROWE PRICE HEALTH SCIENCES	FMV	94,725.	94,725.
NGP ENERGY TECHNOLOGY PARTNERS LP	COST	130,610.	130,610.
2 SHS ASHBURN HILL CORPORATION	COST	298,330.	298,330.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,233,704.	1,233,704.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ELIOT R. CUTLER P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 5.00	50,000.	0.	0.
MELANIE STEWART CUTLER P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 0.00	0.	0.	0.
JUSTIN SCHAIR P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 0.00	0.	0.	0.
VICTORIA BONEBAKKER P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 0.00	0.	0.	0.
SUSAN RUCH P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 0.00	0.	0.	0.
WILLIAM FOSTER P.O. BOX 10370 PORTLAND, ME 04104-0370	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		50,000.	0.	0.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 13
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

ELIOT R. CUTLER
P.O. BOX 10370
PORTLAND, ME 04104-0370

TELEPHONE NUMBER

207-730-2779

FORM AND CONTENT OF APPLICATIONS

THE LERNER FOUNDATION DOES NOT ACCEPT UNSOLICITED PROPOSALS. HOWEVER, IT DOES WELCOME LETTERS OF INQUIRY FROM APPROPRIATE AND QUALIFIED APPLICANTS. IF REQUESTED, APPLICANTS THEN SUBMIT A PROPOSAL USING THE MAINE PHILANTHROPY CENTER'S COMMON GRANT APPLICATION (FORM A).

ANY SUBMISSION DEADLINES

APPLICATIONS ARE DUE BY JANUARY 15, APRIL 15, JULY 15, OR OCTOBER 15. SEE MEGRANTS.ORG FOR DETAILS.

RESTRICTIONS AND LIMITATIONS ON AWARDS

THE FOUNDATION MAKES GRANTS TO OTHER ORGANIZATIONS, INCLUDING EDUCATIONAL INSTITUTIONS AND SIMILAR ENTITIES THAT ARE ENGAGED IN ENDEAVORS TO PROMOTE CIVIL DISCOURSE AND CIVIC RESPONSIBILITY IN AMERICA.

FORM 990-PF OTHER REVENUE STATEMENT 14

DESCRIPTION	BUS CODE	UNRELATED BUSINESS INC	EXCL CODE	EXCLUDED AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
ORDINARY LOSS - ENERGY TRANSFER PARTNERS, LP	900099	-13,257.			
ORDINARY LOSS - KINDER MORGAN ENERGY PARTNERS, LP	900099	-9,718.			
OTHER - KKR FINANCIAL HOLDINGS, LLC	900099	3,906.			
ORDINARY INCOME - KKR FINANCIAL HOLDINGS, LLC	900099	2,642.			
TOTAL TO FORM 990-PF, PG 12, LN 11		-16,427.			