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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn 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

2012

Open to public inspection

For calendar year 2012 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	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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 37,091,196. (Part I, column (d) must be on cash basis)	J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify)	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)
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		1,049,591.	1,049,591.		Statement 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		2,590,358.			
b Gross sales price for all assets on line 6a 13,121,691.			2,590,358.		
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications Gross sales less returns and allowances					
10a Less: Cost of goods sold					
c Gross profit or (loss)		69,154.	7,618.		Statement 2
11 Other income		3,709,103.	3,647,567.		
12 Total. Add lines 1 through 11		0.	0.		0.
13 Compensation of officers, directors, trustees, etc					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		20,300.	10,150.		10,150.
c Other professional fees					
17 Interest					
18 Taxes		79,232.	6,721.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		8,049.	3,850.		142.
24 Total operating and administrative expenses. Add lines 13 through 23		107,581.	20,721.		10,292.
25 Contributions, gifts, grants paid		2,089,200.			2,089,200.
26 Total expenses and disbursements. Add lines 24 and 25		2,196,781.	20,721.		2,099,492.
27 Subtract line 26 from line 12		1,512,322.			
a Excess of revenue over expenses and disbursements			3,626,846.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

223501
12-05-12

LHA For Paperwork Reduction Act Notice, see instructions.

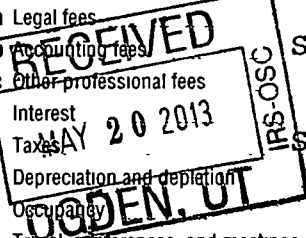
Form 990-PF (2012)

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2012.03050 CHARLES FOUNDATION INC C/O 11465 1

SCANNED MAY 21 2013

Operating and Administrative Expenses



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CHARLES FOUNDATION INC
C/O ROBERT C ROOKE

22-3292066

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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			279.	1,588.	1,588.
	2 Savings and temporary cash investments					
	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 6	9,558,211.	10,053,094.	10,052,973.		
	b Investments - corporate stock Stmt 7	14,748,427.	16,767,842.	24,334,146.		
	c Investments - corporate bonds					
Liabilities	11 Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other Stmt 8	2,759,519.	1,756,234.	2,702,489.		
	14 Land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)	27,066,436.	28,578,758.	37,091,196.		
	17 Accounts payable and accrued expenses					
	18 Grants payable					
Net Assets or Fund Balances	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 ▶ ☒					
	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	27,066,436.	28,578,758.				
30 Total net assets or fund balances	27,066,436.	28,578,758.				
31 Total liabilities and net assets/fund balances	27,066,436.	28,578,758.				

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	27,066,436.
2 Enter amount from Part I, line 27a	2	1,512,322.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	28,578,758.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	28,578,758.

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 13,121,691.		10,531,333.	2,590,358.

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			2,590,358.

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 2,590,358.

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 the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	1,961,528.	39,173,081.	.050073
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

2 Total of line 1, column (d)	2	.257496
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	.051499
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	37,825,047.
5 Multiply line 4 by line 3	5	1,947,952.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	36,268.
7 Add lines 5 and 6	7	1,984,220.
8 Enter qualifying distributions from Part XII, line 4	8	2,099,492.

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)	1	36,268.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)	3	36,268.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3	Add lines 1 and 2	5	36,268.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	45,100.
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	45,100.
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	8,832.
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ☒ 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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☒ \$ 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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ 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	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► CHARLES FOUNDATION Located at ► 65 MADISON AVE, SUITE 560, MORRISTOWN, NJ Telephone no ► 973-328-3111 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			
16	At any time during calendar year 2012, 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes No	X X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ 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 2012 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 2012.) 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 2012?	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

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	PRES-TREAS			
SPRING VALLEY ROAD #668				
MORRISTOWN, NJ 07960	0.00	0.	0.	0.
NATALIE D ROOKE	VICE PRES			
SPRING VALLEY ROAD #668				
MORRISTOWN, NJ 07960	0.00	0.	0.	0.
ROBERT C ROOKE, JR	SECRETARY			
47 SCHOOLHOUSE LN				
MORRISTOWN, NJ 07960	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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. 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	

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	
All other program-related investments See instructions.	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	37,548,519.
b	Average of monthly cash balances	1b	852,544.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	38,401,063.
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	38,401,063.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	576,016.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	37,825,047.
6	Minimum investment return. Enter 5% of line 5	6	1,891,252.

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	1,891,252.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	36,268.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	2,220.
c	Add lines 2a and 2b	2c	38,488.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,852,764.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,852,764.
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	1,852,764.

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	2,099,492.
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	2,099,492.
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	36,268.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,063,224.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				1,852,764.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			538,290.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 2,099,492.				
a Applied to 2011, but not more than line 2a			538,290.	
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 2012 distributable amount	0.			1,561,202.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				291,562.
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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, enter the date of the ruling



☐ 4942(1)(3) or ☐ 4942(1)(5)

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(i)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

[illegible]

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 or e-mail 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

CHARLES FOUNDATION INC
C/O ROBERT C ROOKE

Form 990-PF (2012)

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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				
ANDOVER OUTING CLUB 313 EMORY RD ANDOVER, NH 03216	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
ASSUMPTION SCHOOL 63 MACCULLOCH AVE MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	2,500.
BABSON COLLEGE 231 FOREST ST BABSON PARK, MA 02457-0310	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
BOSTON COLLEGE SCHOOL OF NURSING 140 COMMONWEALTH AVE CHESTNUT HILL, MA 02467	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
BRISTOL UNITED CHURCH OF CHRIST 15 CHURCH ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	RELIGIOUS	15,000.
Total	See continuation sheet(s)			2,089,200.
b Approved for future payment				
None				
Total				0.

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

[illegible]

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. | | |

[illegible]

- 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					May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No	
	 Signature of officer or trustee		5/14/13 Date		PRESIDENT Title		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date	Check ☐ if self-employed	PTIN
	BRIAN DOHERTY				5-13-13		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** (2012)

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE ATTACHMENT FOR REALIZED GAINS		P		
b FROM K-1 - ALLIANCE RESOURCE PTRS		P		
c FROM K-1 - PLAINS ALL AMERICAN PIPELINE LP		P		
d FROM K-1 - CVR PARTNERS LP		P		
e ROC - SPDR GOLD TRUST		P		
f ROC - SPDR GOLD TRUST		P		
g Capital Gains Dividends				
h				
i				
j				
k				
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 13,087,292.		10,527,341.	2,559,951.
b 17.			17.
c 1.			1.
d		793.	<793.>
e 1,339.		1,339.	0.
f 1,860.		1,860.	0.
g 31,182.			31,182.
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			2,559,951.
b			17.
c			1.
d			<793.>
e			0.
f			0.
g			31,182.
h			
i			
j			
k			
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	2,590,358.
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

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
BUCKNELL UNIVERSITY 701 MOORE AVE LEWISBURG, PA 17837	NONE	IRC 501 (C)(3)	EDUCATION	510,000.
CALLICOON VOLUNTEER FIRE DEPT PO BOX 806 CALLICOON, NY 12723	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
CIRCLE PROGRAM 85 MAIN ST PLYMOUTH, NH 03264	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
COLBY-SAWYER COLLEGE 100 MAIN ST NEW LONDON, NH 03257	NONE	IRC 501 (C)(3)	EDUCATION	200,000.
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	20,000.
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	45,000.
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.
Total from continuation sheets				2,051,700.

CHARLES FOUNDATION INC
C/O ROBERT C ROOKE

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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
EVANGELICAL HOSPITAL ONE HOSPITAL DR LEWISBURG, PA 07837	NONE	IRC 501 (C)(3)	MEDICAL	15,000.
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	10,000.
MORRISTOWN MEDICAL CENTER FOUNDATION 475 SOUTH STREET MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	MEDICAL	160,000.
MRS. WILSON'S HALFWAY HOUSE PO BOX 9175 MORRISTOWN, NJ 07963	NONE	IRC 501 (C)(3)	COUNSELING	2,500.
NEWFOUND AREA NURSING ASSOCIATION 214 LAKE ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	MEDICAL	5,000.
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
NEWFOUND LAKE REGION ASSOCIATION 800 LAKE ST BRISTOL, NH 03222	NONE	IRC 501 (C)(3)	CONSERVATION	20,000.
OUR LADY OF MERCY HIGH SCHOOL 1437 BLOSSON RD ROCHESTER, NY 14610	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
OVERLOOK HOSPITAL FOUNDATION BOX 220 SUMMIT, NJ 07902	NONE	IRC 501 (C)(3)	MEDICAL	27,500.
PHILANTHROPY ROUNDTABLE 1730 M ST., NW WASHINGTON, DC 20036	NONE	IRC 501 (C)(3)	EDUCATION	200.
PINGRY SCHOOL MARTINSVILLE ROAD MARTINSVILLE, NJ 08836	NONE	IRC 501 (C)(3)	EDUCATION	124,000.
PRESBYTERIAN CHURCH IN MORRISTOWN 65 SOUTH ST MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	RELIGIOUS	25,000.
PROCTOR ACADEMY PO BOX 500 ANDOVER, NH 03216	NONE	IRC 501 (C)(3)	EDUCATION	20,000.
SKI JUMPING DEVELOPMENT USA, INC PO BOX 683757 PARK CITY, UT 84060	NONE	IRC 501 (C)(3)	EDUCATION	10,000.
SKIDMORE COLLEGE 815 N BROADWAY SARATOGA SPRINGS, NY 12866	NONE	IRC 501 (C)(3)	EDUCATION	1,000.
SPEARE MEMORIAL HOSPITAL 16 HOSPITAL ROAD PLYMOUTH, NH 03264	NONE	IRC 501 (C)(3)	MEDICAL	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
SQUAM LAKES SCIENCE CENTER PO BOX 173 HOLDERNESS, NH 03245	NONE	IRC 501 (C)(3)	CONSERVATION	5,000.
SUSQUEHANNA UNIVERSITY 514 UNIVERSITY AVE SELINGROVE, 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	6,000.
THE QUEEN'S WORK INC. PO BOX 260 HANKINS, NY 12741	NONE	IRC 501 (C)(3)	COUNSELING	2,000.
UNIVERSITY OF PENNSYLVANIA SCHOOL OF NURSING PO BOX 70259 PHILADELPHIA, PA 19176	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
VILLA WALSH ACADEMY 455 WESTERN AVE MORRISTOWN, NJ 07960	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
YALE SCHOOL OF FORESTRY & ENVIRONMENTAL STUDIES PO BOX 803 NEW HAVEN, CT 06503	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
YALE SCHOOL OF PUBLIC HEALTH PO BOX 803 NEW HAVEN, CT 06503	NONE	IRC 501 (C)(3)	EDUCATION	2,500.
YMCA OF NEWARK AND VICINITY 600 BROAD ST NEWARK, NJ 07102	NONE	IRC 501 (C)(3)	EDUCATION	200,000.
BRIDGEWATER-HEBRON EDUCATIONAL ASSOCIATION 297 MAYHEW TPKE BRIDGEWATER, NH 03222	NONE	IRC 501 (C)(3)	EDUCATION	424,000.
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
CITIZEN'S CAMPAIGN 450 MAIN STREET METUCHEN, NJ 08840	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
EAST ANDOVER VILLAGE PRE-SCHOOL PO BOX 84 EAST ANDOVER, NH 03231	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
NY/NJ TRAIL CONFERENCE 156 RAMAPO VALLEY RD MAHWAH, NJ 07430	NONE	IRC 501 (C)(3)	EDUCATION	7,000.
SEMESTER AT SEA PO BOX 400885 CHARLOTTEVILLE, VA 22903	NONE	IRC 501 (C)(3)	EDUCATION	5,000.
SPAULDING YOUTH CENTER FOUNDATION 130 SHEDD ROAD NORTHFIELD, NH 03276	NONE	IRC 501 (C)(3)	COUNSELING	5,000.
WOUNDED WARRIOR PROJECT PO BOX 788516 TOPEKA, KS 66675	NONE	IRC 501 (C)(3)	MEDICAL	2,000.
Total from continuation sheets				

Form 990-PF	Dividends and Interest from Securities	Statement	1
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Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
FROM K-1 ALLIANCE RESOURCE PARTNERS	1,883.	0.	1,883.
FROM K-1 CVR PARTNERS LP	27.	0.	27.
FROM K-1 PLAINS ALL AMERICAN PIPELINE	170.	0.	170.
FROM K-1 RENTECH NITROGEN PARTNERS	17.	0.	17.
MORGAN STANLEY SMITH BARNEY	1,078,676.	31,182.	1,047,494.
Total to Fm 990-PF, Part I, ln 4	1,080,773.	31,182.	1,049,591.

Form 990-PF	Other Income	Statement	2
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Description	(a) Revenue Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income
FROM K-1 ALLIANCE RESOURCE PARTNERS	72,971.	11,435.	
FROM K-1 RENTECH NITROGEN PARTNERS	11,110.	11,110.	
FROM K-1 PLAINS ALL AMERICAN PIPELINE	<6,944.>	<6,944.>	
CLASS ACTION PROCEEDS	2,578.	2,578.	
FROM K-1 PLAINS ALL AMERICAN PIPELINE	<1,404.>	<1,404.>	
FROM K-1 CVR PARTNERS LP	<9,157.>	<9,157.>	
Total to Form 990-PF, Part I, line 11	69,154.	7,618.	

Form 990-PF	Accounting Fees	Statement	3
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Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
OLSEN & THOMPSON	5,300.	2,650.		2,650.
BOOKKEEPING	15,000.	7,500.		7,500.
To Form 990-PF, Pg 1, ln 16b	20,300.	10,150.		10,150.

Form 990-PF	Taxes			Statement 4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAX WITHHELD	6,721.	6,721.		0.
FEDERAL EXCISE TAX	71,293.	0.		0.
FOREIGN TAXES - PLAINS ALL AMERICAN PIPELINE	1,218.	0.		0.
To Form 990-PF, Pg 1, ln 18	79,232.	6,721.		0.

Form 990-PF	Other Expenses			Statement 5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT EXPENSES - SPDR GOLD TR	3,198.	3,198.		0.
FILING FEES	55.	0.		55.
CHARITABLE CONTRIBUTION FROM K-1 ALLIANCE RES PTRS	561.	561.		0.
BANK CHARGES	173.	86.		87.
NONDEDUCTIBLE EXP - FROM K-1 - ALLIANCE RES PTRS	3,667.	0.		0.
CHARITABLE CONTRIBUTION FROM K-1 RENTECH NITROGEN PTRS	5.	5.		0.
NONDEDUCTIBLE EXP - FROM K-1 - PLAINS ALL AMERICAN PIPELINE	235.	0.		0.
NONDEDUCTIBLE EXP - FROM K-1 - CVR PARTNERS LP	155.	0.		0.
To Form 990-PF, Pg 1, ln 23	8,049.	3,850.		142.

Form 990-PF	U.S. and State/City Government Obligations	Statement	6
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Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
VARIOUS US GOVT BONDS	X		10,053,094.	10,052,973.
VARIOUS TREASURY BILLS	X		0.	0.
Total U.S. Government Obligations			10,053,094.	10,052,973.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			10,053,094.	10,052,973.

Form 990-PF	Corporate Stock	Statement	7
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Description	Book Value	Fair Market Value
VARIOUS COMMON STOCKS	16,767,842.	24,334,146.
Total to Form 990-PF, Part II, line 10b	16,767,842.	24,334,146.

Form 990-PF	Other Investments	Statement	8
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Description	Valuation Method	Book Value	Fair Market Value
MONEY FUNDS	COST	189,437.	189,437.
VARIOUS EXCHANGE TRADED FUNDS	COST	304,431.	810,102.
PUBLICLY TRADED PARTNERSHIPS	COST	1,262,366.	1,702,950.
Total to Form 990-PF, Part II, line 13		1,756,234.	2,702,489.

REALIZED GAINS AND LOSSES
Charles Foundation
From 01-01-12 Through 12-31-12

EIN 22-3292066

						Gain Or Loss		
Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Short Term	Long Term	
03-08-04	01-12-12	3000	ENCANA CORP.	33,548	53,709		20,161	
04-28-04	01-12-12	5000	ENCANA CORP.	54,286	89,516		35,229	
01-13-11	02-29-12	900000	US TREASURY NOTE 0.875% DUE 02-29-12	906,764	900,000		-6,764	
02-15-11	02-29-12	500000	US TREASURY NOTE 0.875% DUE 02-29-12	503,056	500,000		-3,056	
04-16-03	06-13-12	2000	CANADIAN NAT RES LTD	8,298	52,478		44,180	
05-22-03	06-13-12	8000	CANADIAN NAT RES LTD	38,469	209,910		171,441	
09-11-09	06-13-12	5000	HUBBELL INC. CLASS B	204,967	386,502		181,535	
06-08-99	06-13-12	1952.92	NOBLE ENERGY CORP	2,889	161,163		158,273	
04-06-99	06-13-12	3047.08	NOBLE ENERGY CORP	3,393	251,457		248,064	
04-07-00	06-13-12	5000	PIONEER NATURAL RESOURCES	49,479	451,887		402,408	
08-30-10	06-22-12	5000	HUBBELL INC.	230,513	358,140		127,626	
06-27-04	06-22-12	2000	HUBBELL INC	50,952	143,256		92,304	
09-11-09	06-22-12	3000	HUBBELL INC. CLASS B	122,980	214,884		91,904	
04-18-01	07-02-12	10000	CANADIAN NAT RES LTD	37,016	261,702		224,686	
10-04-10	08-16-12	1000	TMX GROUP INC	31,736	50,429		18,692	
12-29-09	08-16-12	5000	TMX GROUP INC.	155,294	252,143		96,849	
12-23-09	08-16-12	5000	TMX GROUP INC.	154,006	252,143		98,137	
12-14-09	08-16-12	5000	TMX GROUP INC.	148,657	252,143		103,487	
11-23-09	08-16-12	5000	TMX GROUP INC.	144,417	252,143		107,726	
12-02-09	08-16-12	5000	TMX GROUP INC.	144,346	252,143		107,797	
11-10-09	08-16-12	2440	TMX GROUP INC.	66,819	123,046		56,226	
04-11-11	09-27-12	4500000	US TREASURY NOTE 0 375% DUE 09-30-12	4,496,203	4,500,000		3,797	
08-20-12	10-11-12	2500	SEAGATE TECHNOLOGY PLC	89,295	70,302	-18,993		
05-01-12	10-11-12	2500	SEAGATE TECHNOLOGY PLC	81,361	70,302	-11,059		
12-01-11	11-08-12	1250000	US TREASURY NOTES SER A 0 500% DUE 11-30-12	1,254,443	1,250,000	-4,443		
09-10-10	11-13-12	500	ALLIANCE RESOURCE PARTNERS LP	27,466	27,765		299	
08-23-10	11-13-12	2500	ALLIANCE RESOURCE PARTNERS LP	126,982	138,826		11,844	
04-26-12	11-15-12	5000	SEAGATE TECHNOLOGY PLC	156,023	132,932	-23,091		
11-10-09	11-16-12	2560	TMX GROUP INC	70,106	122,644		52,538	
08-06-10	11-20-12	3000	ALLIANCE RESOURCE PARTNERS LP	144,941	167,317		22,376	
08-06-10	11-26-12	2000	ALLIANCE RESOURCE PARTNERS LP	104,939	111,565		6,627	
04-28-10	11-26-12	5000	ALLIANCE RESOURCE PARTNERS LP	250,273	278,913		28,640	
07-09-10	11-26-12	5000	ALLIANCE RESOURCE PARTNERS LP	236,665	272,862		36,197	
05-20-10	11-27-12	5000	ALLIANCE RESOURCE PARTNERS LP	196,256	274,960		78,705	
06-27-12	12-14-12	200000	US TREASURY NOTE 0.500% DUE 05-31-13	200,500	200,109	-391		
TOTAL GAINS						0	2,627,748	
TOTAL LOSSES						-57,977	-9,820	
					10,527,341	13,087,292	-57,977	2,617,928
TOTAL REALIZED GAIN/LOSS			2,559,951					

PORTFOLIO APPRAISAL
Charles Foundation
December 31, 2012

EIN 22-3292066

Quantity	Security	Total Cost	Market Value
<u>COMMON STOCK</u>			
6000	ANADARKO PETROLEUM CORPORATION	88,710	445,860
30000	ANNALY CAPITAL MGMT INC	536,863	421,200
4000	APACHE CORP.	135,629	314,000
25000	AT&T	782,263	842,750
20000	AUTOMATIC DATA PROCESSING	643,718	1,138,600
25000	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	501,563	539,000
25000	BANK OF MONTREAL	1,296,433	1,532,500
5000	BANK OF NOVA SCOTIA	283,474	289,400
15000	BCE INC.	467,425	644,100
30000	BGC PARTNERS INC	216,717	103,800
5000	BROADRIDGE FINANCIAL SOLUTIONS, INC.	83,337	114,400
10000	CAMPBELL SOUP COMPANY	337,352	348,900
20000	CANADIAN NAT RES LTD	80,293	577,400
8000	CENOVUS ENERGY INC.	82,718	268,320
15000	CENTURYLINK INC.	526,317	586,800
5150	CHEVRON CORP.	174,001	556,921
50000	CHIMERA INVESTMENT CORP	128,604	130,500
10000	CONOCOPHILLIPS	286,485	579,900
35000	CYS INVESTMENTS INC.	458,812	413,350
10000	EMERSON ELECTRIC CO.	440,719	529,600
25000	FAIRPOINT COMMUNICATIONS INC.	137,277	198,660
20000	FRONTIER COMMUNICATIONS CORP	156,503	85,600
15000	GENERAL MOTORS CORP	350,570	432,450
5000	H J HEINZ	261,562	288,400
22500	HATTERAS FINANCIAL CORP	641,664	558,225
2000	HONEYWELL INTERNATIONAL	117,107	126,940
10000	INTERNATIONAL PAPER	335,258	398,400
10000	IRIDIUM COMMUNICATIONS INC	76,161	67,200
10000	JOHNSON & JOHNSON	203,905	701,000
35000	MFA FINANCIAL INC	272,429	283,850
5000	MOLSON COORS BREWING CO CL B	225,625	213,950
10000	Mc DONALDS CORP	626,971	882,100
15000	NOBLE ENERGY CORP.	16,704	1,526,100
25000	PAYCHEX INC.	786,612	777,500
10000	PEMBINA PIPELINE INCOME FUND	160,064	286,400
35000	PENN WEST ENERGY TR	527,933	380,100
5000	PHILLIPS 66	85,139	265,500
25000	PIMCO HIGH INCOME FUND	329,964	262,000
10000	PIONEER NATURAL RESOURCES	93,096	1,065,900
5000	ROYAL BANK OF CANADA	299,328	301,500
25000	RR DONNELLEY & SONS CO	443,075	224,750
10000	SUNCOR ENERGY	133,517	329,800
25000	SYSCO CORP.	711,806	791,500
50000	TALISMAN ENERGY	195,667	566,500
5000	TELUS CORP	172,017	325,700
15000	TORONTO DOMINION BANK	796,052	1,264,950
40000	TWO HARBORS INVESTMENT CORP	427,542	443,200
21000	VERIZON COMMUNICATIONS	632,860	908,670
TOTAL STOCKS		16,767,842	24,334,146

PORTFOLIO APPRAISAL
Charles Foundation
December 31, 2012

EIN 22-3292066

<u>Quantity</u>	<u>Security</u>	<u>Total Cost</u>	<u>Market Value</u>
<u>GOVERNMENT BONDS</u>			
1800000	US TREASURY NOTE 0 500% DUE 05-31-13	1,804,500	1,802,880
5750000	US TREASURY NOTE 0.125% DUE 08-31-13	5,747,304	5,748,678
2000000	US TREASURY NOTE 0.250% DUE 11-30-13	2,001,055	2,001,180
500000	US TREASURY NOTE 0 250% DUE 03-31-14	500,235	500,235
		<u>10,053,094</u>	<u>10,052,973</u>
<u>OTHER ASSETS</u>			
5000	STREETTRACKS GOLD TR GOLD SHARES	<u>304,431</u>	<u>810,102</u>
		<u>304,431</u>	<u>810,102</u>
<u>PARTNERSHIP INVESTMENTS</u>			
12500	CVR PARTNERS LP	311,573	315,500
10000	EL PASO PIPELINE PARTNERS LP	388,085	369,700
10000	PLAINS ALL AMERICAN PIPELINE LP	297,293	452,400
15000	RENTECH NITROGEN PARTNERS	<u>265,415</u>	<u>565,350</u>
		<u>1,262,366</u>	<u>1,702,950</u>