



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

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

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation THE BAGAN FOUNDATION		A Employer identification number 02-6115326
Number and street (or P.O. box number if mail is not delivered to street address) 173 SCHOOL STREET	Room/suite	B Telephone number (see instructions) 603.224.1036
City or town, state, and ZIP code CONCORD, NH 03301-2568		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 347,255	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	4,768	4,768		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	23,817			
	b Gross sales price for all assets on line 6a STMT 2				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	28,585	4,768	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule) STMT 2	4,873	4,873		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 3	5	5		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	4,878	4,878		
	25 Contributions, gifts, grants paid	16,000			16,000
26 Total expenses and disbursements. Add lines 24 and 25	20,478	4,873	0	16,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	8,107				
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)					

20

SCANNED MAY 29 2012

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	3,215	29,741	29,741
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) <i>STMT 4</i>	343,962	189,164	317,514
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	347,177	218,905	347,255
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	347,177	218,905	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	347,177	218,905	
	31 Total liabilities and net assets/fund balances (see instructions)	347,177	218,905	

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	347,177
2 Enter amount from Part I, line 27a	2	8,107
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	355,284
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	355,284

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	N/A			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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	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	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	13,500	347,177	0.038885
2009	16,500	209,612	0.078717
2008	19,850	327,357	0.060637
2007	17,600	396,868	0.044347
2006	16,100	351,688	0.045664

2	Total of line 1, column (d)	2	0.268250
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.53650
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	349,467
5	Multiply line 4 by line 3	5	18,748
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7	Add lines 5 and 6	7	18,748
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	16,000

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1		
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		
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		0
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		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2012 estimated tax Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes.</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NEW HAMPSHIRE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	✓	
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)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶				
14	The books are in care of ▶ CAROL J BAGAN Telephone no. ▶ 603 225 2164			
	Located at ▶ 173 SCHOOL STREET, CONCORD, NH ZIP+4 ▶ 03301-2568			
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			
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? 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
				✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c	✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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	✓

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

- 5a** During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No
- b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No
- 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? ☐ Yes ☒ No
- If "Yes," attach the statement required by Regulations section 53.4945–5(d).
- 6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- If "Yes" to 6b, file Form 8870.
- 7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
- b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

5b			
6b			
7b			

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MERWYN BAGAN 173 SCHOOL STREET, CONCORD, NH 03301-2568	PRES/TTEE 2 00	-0-	-0-	-0-
KARIN A BAGAN 717 PINEHURST DRIVE, CHAPEL HILL, NC 27517-6531	VP/TTEE 1 00	-0-	-0-	-0-
CAROL J BAGAN 173 SCHOOL STREET, CONCORD, NH 03301-2568	SEC/TTEE 0 25	-0-	-0-	-0-
SETH C BAGAN 2102 NE PARK ROAD, SEATTLE, WA 98105-2422	TTEE 0 25	-0-	-0-	-0-NONE

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

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

Total number of other employees paid over \$50,000 ☐

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

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

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 SEE STATEMENT 5	16,000
2 THE FOUNDATION'S PURPOSE IS TO OPERATE EXCLUSIVELY FOR CHARITABLE, RELIGIOUS, SCIENTIFIC, LITERARY, OR EDUCATIONAL PURPOSES PER CODE SEC. 170 (C) (2). PRINCIPAL ACTIVITY IS TO SUPPORT FINANCIALLY, CHARITABLE ORGANIZATIONS PRIMARILY LOCAL TO CONCORD, NH AND SURROUNDING	
3 COMMUNITIES	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	▶

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	341,021
b	Average of monthly cash balances	1b	13,767
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	354,788
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	354,788
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	5,321
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	349,467
6	Minimum investment return. Enter 5% of line 5	6	17,473

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	17,473
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	17,473
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	17,473
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	17,473

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	16,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	16,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	16,000

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				17,473
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			13,500	
b Total for prior years: 20 <u> </u> , 20 <u>08</u> , 20 <u>09</u>		32,866		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ <u> 16,000 </u>				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (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:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				17,473
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed				
c "Support" alternative test—enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

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

1 Information Regarding Foundation Managers:

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

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

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

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

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

N/A

b The form in which applications should be submitted and information and materials they should include:

WRITTEN REQUEST AND PROGRAM MATERIALS INCLUDING IRS DETERMINATION LETTER OF TAX EXEMPTION

c Any submission deadlines:

ANNUALLY BEFORE 31 OCTOBER

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

N/A

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 <i>Paid during the year</i>				16,000
Total			▶ 3a	16,000
b <i>Approved for future payment</i>				-0-
Total			▶ 3b	-0-

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities					4,768
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					
8	Gain or (loss) from sales of assets other than inventory					23,817
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue: a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)					28,585
13	Total. Add line 12, columns (b), (d), and (e)					28,585

(See worksheet in line 13 instructions to verify calculations.)

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

- | 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? | | Yes | No |
|---|--|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of: | | | |
| (1) Cash | | | ✓ |
| (2) Other assets | | | ✓ |
| b Other transactions: | | | |
| (1) Sales of assets to a noncharitable exempt organization | | | ✓ |
| (2) Purchases of assets from a noncharitable exempt organization | | | ✓ |
| (3) Rental of facilities, equipment, or other assets | | | ✓ |
| (4) Reimbursement arrangements | | | ✓ |
| (5) Loans or loan guarantees | | | ✓ |
| (6) Performance of services or membership or fundraising solicitations | | | ✓ |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | | |
| 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

**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.

Merwyn Bagan
Signature of officer or trustee

119 May 12
Date

PRESIDENT / TRUSTEE
Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's address ►

Firm's EIN ►

Phone no

MorganStanley
SmithBarney

2011 Year End Summary

Ref: 00013572 00145569

THE BAGAN FOUNDATION

Account Number 232-43210-13 766

Details of Long Term Gain (Loss) 2011 continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000030	60	HDFC BANK LTD ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/17/06	06/10/11	\$ 9,810.15	\$ 3,465.60		\$ 6,344.55
125000040	25	METTLER TOLEDO INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/25/99	01/25/11	3,724.42	721.87		3,002.55 c
125000050	35	METTLER TOLEDO INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/25/99	10/28/11	5,492.44	1,010.63		4,481.81 c
125000060	30	WATERS CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/12/99	01/25/11	2,344.45	978.73		1,365.72 c
125000070	55	WATERS CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/12/99	10/28/11	4,508.26	1,794.34		2,713.92 c
Total					\$ 36,177.03	\$ 11,360.60		\$ 23,816.53

^c Based on information supplied by Client or other financial institution, not verified by us.

2 0 1 1 Y E A R E N D S U M M A R Y

STATEMENT 1
PART 1 CINE ba

MorganStanley
SmithBarney

Ref. 00013572 00145570

2011 Year End Summary

Page 6 of 6

THE BAGAN FOUNDATION
Account Number 232-43210-13 766

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Deposits

Reference number	Date	Description	Amount
210000100	02/28/11	INVESTMENT AND MGMT SERVICES FROM 02/01/11 TO 03/31/11	\$ 20.37
Total			\$ 20.37

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/21/11	INVESTMENT AND MGMT SERVICES FROM 01/01/11 TO 03/31/11		\$ 1,198.47
220000300	04/15/11	INVESTMENT AND MGMT SERVICES FROM 04/01/11 TO 06/30/11		1,282.86
220000500	07/15/11	INVESTMENT AND MGMT SERVICES FROM 07/01/11 TO 09/30/11		1,314.70
220000700	10/03/11	BRITISH AMERICAN TOBACCO PLC ADR ADR FEE OF .00500 PER SHR RECORD 08/19/11 PAY 10/03/11		.70
220000200	02/01/11	FROM 232-43210-01 TO 232-37645-01 TFR TO FMA ACCOUNT		\$ 9,000.00
220000400	05/10/11	BRITISH AMERICAN TOBACCO PLC ADR ADR FEE OF .00500 PER SHR RECORD 03/11/11 PAY 05/10/11		.70
220000600	07/19/11	HDFC BANK LTD ADR ADR FEE OF .02000 PER SHR RECORD 06/02/11 PAY 07/19/11		2.80
220000800	10/21/11	INVESTMENT AND MGMT SERVICES FROM 10/01/11 TO 12/31/11		1,096.86
Total				\$ 13,997.09

STATEMENT 2
PART 2 LINE 16C

2011 YEAR END SUMMARY

2011 Year End Summary

THE BAGAN FOUNDATION

Account Number 232-43210-13 766

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Deposits

Reference number	Date	Description	Amount
210000100	02/28/11	INVESTMENT AND MGMT SERVICES FROM 02/01/11 TO 03/31/11	\$ 20.37
Total			\$ 20.37

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/21/11	INVESTMENT AND MGMT SERVICES FROM 01/01/11 TO 03/31/11		\$ 1,198.47
220000300	04/15/11	INVESTMENT AND MGMT SERVICES FROM 04/01/11 TO 06/30/11		1,282.86
220000500	07/15/11	INVESTMENT AND MGMT SERVICES FROM 07/01/11 TO 09/30/11		1,314.70
220000700	10/03/11	BRITISH AMERICAN TOBACCO PLC ADR ADR FEE OF 00500 PER SHR RECORD 08/19/11 PAY 10/03/11		70

Total \$ 13,897.09

Reference number	Date	Description	Referral number	Amount
220000200	02/01/11	FROM 232-43210-01 TO 232-37645-01 TFR TO FMA ACCOUNT		\$ 9,000.00
220000400	05/10/11	BRITISH AMERICAN TOBACCO PLC ADR ADR FEE OF 00500 PER SHR RECORD 03/11/11 PAY 05/10/11		70
220000600	07/19/11	HDFC BANK LTD ADR ADR FEE OF 02000 PER SHR RECORD 06/02/11 PAY 07/19/11		2.80
220000800	10/21/11	INVESTMENT AND MGMT SERVICES FROM 10/01/11 TO 12/31/11		1,098.86

STATEMENT 3 PART 1 LINE 18



2011 Year End Summary

Account Number 232-43210-13 766

2011 YEAR END SUMMARY

Value of your portfolio	
Description	Amount
Money funds	\$ 29,284.08
Common stocks & options	317,514.15
Value of your account on 12/31/11	\$ 346,798.23
Value of your account on 12/31/10	\$ 347,176.78

Earnings summary 2011	
Description	Amount
Dividends **	\$ 1.55
Qualified Dividends	4,766.50
Total	\$ 4,768.05

**If you received money funds earnings, capital gain distributions or dividends exempt from Federal income tax, they are included in this amount

Additional summary information 2011	
Description	Amount
12-B1 Rebate Payments	\$.61
Total Additional Income	\$.61

STATEMENT 4 PART II LINE 106

Ref 00000099 00011167

Account number 232-43210-13 766

THE BAGAN FOUNDATION

Common stocks & options continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
600	EMC CORP-MASS	EMC	03/02/99	\$ 14,524.00	\$ 24.20	\$ 21.54	\$ 12,924.00	(\$ 1,600.00)*LT		
200			02/22/01	7 800.00	39.00	21.54	4,308.00	(3,492.00)*LT		
800				22,324.00	27 905		17,232.00	(5,092.00)		
220	FISERV INC	FISV	08/25/99	4,555.47	20.70	58.74	12,922.80	8 367 33* LT		
150			09/03/99	3,193.00	21 29	58 74	8,811 00	5,618 00* LT		
370				7,748.47	20 942		21,733 80	13,985 33		
190	GENERAL MILLS INC	GIS	06/08/09	5,165 55	27 187	40 41	7,677 90	2,512.35 LT	3 019	231 80
400	HDFC BANK LTD ADR	HDB	05/17/06	4,620 80	11 552	26 28	10,512 00	5,891 20 LT	833	87 60
470	HALLIBURTON CO HOLDINGS CO	HAL	09/18/03	5,710 17	12 149	34 51	16,219 70	10,509 53 LT	1 043	169 20
375	JOHNSON & JOHNSON	JNJ	12/07/00	15,688.78	41.83	65 58	24,592.50	8,903 72* LT	3 476	855.00
250	KIMBERLY CLARK CORP	KMB	09/03/99	14,205 66	56 822	73.56	18,390 00	4,184 34* LT	3 806	700.00
350	LOWES COMPANIES INC	LOW	03/19/09	6,141 49	17,547	25 38	8,883 00	2,741 51 LT	2 206	196 00
5	METTLER TOLEDO INTL INC	MTD	08/25/99	144.37	28 87	147 71	738.55	594 18* LT		
150			05/05/00	5,381 00	35 87	147.71	22,156 50	16,775 50* LT		
155				5,525 37	35,648		22,895 05	17,369 68		
300	NORTHERN TRUST CORP	NTRS	03/02/99	13,584 00	45 28	39 66	11,898 00	(1,686 00)*LT	2 824	336.00
175	PEPSICO INC	PEP	04/22/04	9,616 25	54 95	66 35	11,611 25	1,995 00 LT	3 104	360.50
125	PHILIP MORRIS INTL INC	PM	09/28/06	5,117 13	40 937	78 48	9,810 00	4,692 87 LT	3 924	385 00
800	TALEO CORP CL A	TLEO	12/17/08	6,190 16	7.737	38 69	30,952 00	24,761.84 LT		
150	WATERS CORP	WAT	10/12/99	4,893 67	32 62	74.05	11,107 50	6,213.83* LT		
150			10/27/99	3,918.00	26 12	74 05	11,107 50	7,189.50* LT		
300				8,811 67	29 372		22,215 00	13,403.33		
250	WILLIAMS COS INC	WMB	07/27/00	9,854 00	39 41	33 02	8,255 00	(1,599 00)*LT		
200			12/07/00	6 632 00	33 16	33 02	6,604 00	(28.00)*LT		
450				16,486 00	36 636		14,859 00	(1,627 00)	3 028	450.00
Total common stocks and options				\$ 189,163 53			\$ 317,514.15	\$ 0.00 ST	1.59	
								\$ 128,350.62 LT		\$ 5,077 98
Total portfolio value				\$ 218,447 61			\$ 346,798.23	\$ 0.00 ST	1.46	\$ 5,080 90
								\$ 128,350.62 LT		

*Based on information supplied by client or other financial institution, not verified by us

STATEMENT 4 PART II LINE 106



MorganStanley SmithBarney

Reserved Client Financial Management Account January 1 - January 31, 2012

Ref 00000092 00009948

THE BAGAN FOUNDATION

Account number 232-37645-10 766

Checks written

Account number *****3061

Check no	Date written	Date cleared	Description	Tracking code	Amount	Check no	Date written	Date cleared	Description	Tracking code	Amount
00150	12/28/12	01/11/12	FRIENDS PROGRAM	H	\$ 1,000.00	01506	12/28/12	01/05/12	NH COMMUNITY LOAN FUND	H	1,000.00
01501*	12/28/12	01/10/12	GRANITE STATE SYMPHONY OR	H	3,000.00	01508*	12/28/12	01/10/12	CONCORD BOYS & GIRLS CLUB	H	1,000.00
01502	12/28/12	01/05/12	CONCORD COMM CONCERT ASSN	H	3,000.00	01509	12/28/12	01/10/12	MERRIMACK VALLEY DAY CARE	H	1,000.00
01503	12/28/12	01/10/12	THE FRIENDLY KITCHEN	H	2,000.00	01510	12/28/12	01/12/12	CAROLYN L JENKINS CHARITA	H	500.00
01504	12/28/12	01/12/12	LEOPOLD SCHEPP FDN	H	1,000.00	01511	12/28/12	01/11/12	CONCORD FEMINIST HEALTH C	H	500.00
01505	12/28/12	01/12/12	CONCORD PUBLIC LIBRARY FD	H	1,000.00	01512	12/28/12	01/09/12	CONCORD TV	H	500.00
						Total checks written					\$ 15,500.00

MorganStanley SmithBarney

Ref 00011900 00128680

2011 Year End Summary

THE BAGAN FOUNDATION

Account Number 232-37645-10 766

Summary of Expenses 2011 - continued

Listed below are checks written on your FMA

Checking account number XXXXXX7308

Uncoded

Sequence number	Check number	Date written	Date processed	Description	Amount	Sequence number	Check number	Date written	Date processed	Description	Amount
00056489	01093	01/28/11	02/07/11	GRANITE STATE SYMPHONY OR	\$ 2,000.00	00801126	01094	01/28/11	02/10/11	CONCORD COMMUNITY CONCERT	\$ 2,000.00
00439241	01095	01/28/11	02/09/11	THE PENACOOK HISTORICAL S	1,000.00	00610328	01096	01/28/11	02/14/11	CONCORD PUBLIC LIBRARY FO	1,000.00
00064378	01097	01/28/10	02/07/11	TH FRIENDLY KITCHEN	1,000.00	00801127	01098	01/28/11	02/10/11	CONCORD BOYS&GIRLS CLUB	1,000.00
10464646	01099	01/28/11	02/08/11	NEW HAMPSHIRE ASSOCIATION	500.00	00052389	01100	01/28/11	02/07/11	CONCORD TV	250.00
10597640	01101	01/28/11	02/01/11	NEW LONDON BARN PLAYHOUSE	250.00	10368449	01102	02/21/11	03/01/11	THE HUNDRED CLUB OF NEW H	500.00
Total					\$ 9,500.00						

2
0
1
1

Y
E
A
R

STATEMENT 5 PART IX-A

F