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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2011

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation THE BAXTER FOUNDATION		A Employer identification number 25-6603101
Number and street (or P.O. box number if mail is not delivered to street address) 606 POST ROAD EAST		B Telephone number 203-226-1904
City or town, state, and ZIP code WESTPORT, CT 06880		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		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 type="checkbox"/> Section 501(c)(3) exempt private foundation <input checked="" 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) \$ 374,941. (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <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).)		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		42.	42.		STATEMENT 1
4 Dividends and interest from securities		8,569.	8,569.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		14,680.			
b Gross sales price for all assets on line 6a		14,721.			
7 Capital gain net income (from Part IV, line 2)			14,680.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		86.	0.		STATEMENT 3
12 Total. Add lines 1 through 11		23,377.	23,291.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		2,600.	1,690.		910.
c Other professional fees		3,841.	3,841.		0.
17 Interest					
18 Taxes		94.	59.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		317.	0.		317.
24 Total operating and administrative expenses. Add lines 13 through 23		6,852.	5,590.		1,227.
25 Contributions, gifts, grants paid		17,405.			17,405.
26 Total expenses and disbursements. Add lines 24 and 25		24,257.	5,590.		18,632.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<880.>			
b Net investment income (if negative, enter -0-)			17,701.		
c Adjusted net income (if negative, enter -0-)				N/A	

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Operating and Administrative Expenses

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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	36,806.	20,923.	20,923.
	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			
	b Investments - corporate stock STMT 8	386,834.	401,436.	354,018.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	423,640.	422,359.	374,941.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Liabilities	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)	401.	0.	
23 Total liabilities (add lines 17 through 22)	401.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	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	423,239.	422,359.		
30 Total net assets or fund balances	423,239.	422,359.		
31 Total liabilities and net assets/fund balances	423,640.	422,359.		

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	423,239.
2 Enter amount from Part I, line 27a	2	<880.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	422,359.
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	422,359.

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 600 SHS COMCAST CORP CL A	P	VARIOUS	05/04/11
b 4 SHS FAIRPOINT COMMUNICATIONS	P	VARIOUS	07/18/11
c CAPITAL GAINS DIVIDENDS			
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 14,673.			14,673.
b		41.	<41.>
c 48.			48.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			14,673.
b			<41.>
c			48.
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	14,680.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	17,107.	352,252.	.048565
2009	20,474.	327,085.	.062595
2008	14,472.	396,340.	.036514
2007	20,793.	469,124.	.044323
2006	18,512.	426,318.	.043423

2 Total of line 1, column (d)	2	.235420
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	.047084
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	384,135.
5 Multiply line 4 by line 3	5	18,087.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	177.
7 Add lines 5 and 6	7	18,264.
8 Enter qualifying distributions from Part XII, line 4	8	18,632.

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 <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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	177.
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	177.
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	177.
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		0.
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		177.
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
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?		
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) <input type="checkbox"/> CT		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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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 ► THE FOUNDATION Telephone no. ► 203-226-1904 Located at ► 606 POST ROAD EAST SUITE 480, WESTPORT, CT ZIP+4 ► 06880			
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 0.			
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 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? <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)? Organizations relying on a current notice regarding disaster assistance check here N/A ► <input type="checkbox"/>	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?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ► <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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

5b

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?

If "Yes" to 6b, file Form 8870.

6b

X

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
THOMAS G. BAXTER	TRUSTEE			
606 POST ROAD EAST SUITE 480				
WESTPORT, CT 06880	2.00	0.	0.	0.
VIRGINIA T. BAXTER	TRUSTEE			
606 POST ROAD EAST SUITE 480				
WESTPORT, CT 06880	2.00	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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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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	358,795.
b Average of monthly cash balances	1b	31,190.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	389,985.
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	389,985.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,850.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	384,135.
6 Minimum investment return. Enter 5% of line 5	6	19,207.

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	19,207.
2a Tax on investment income for 2011 from Part VI, line 5	2a	177.
b Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	177.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	19,030.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	19,030.
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	19,030.

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	18,632.
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	18,632.
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	177.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	18,455.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				19,030.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			16,121.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 18,632.				
a Applied to 2010, but not more than line 2a			16,121.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				2,511.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (if an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				16,519.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

N/A

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

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.)**

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).)

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.

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.

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED STATEMENT		PUBLIC CHARITY	TO HELP FUND THE OPERATING BUDGETS OF THE RECIPIENTS	17,405.
Total			3a	17,405.
b Approved for future payment NONE				
Total			3b	0.

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, this is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

5-14-2012
Date

Trustee

May the IRS discuss this return with the preparer shown below (see instr.)?

☒ Yes ☐ No**Paid
Preparer
Use Only**

Print/Type preparer's name

CHRISTINE GONZALEZ

Preparer's signature _____

Date

Check ☐ self-employed

PTIN

Firm's name ► **BLUM, SHAPIRO & COMPANY P.C.**

Firm's EIN ► 06-1009205

Firm's address ► P.O. BOX 119

SOUTHPORT, CT 06890-0119

Phone no. 203-319-6000

Form **990-PF** (2011)

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

SOURCE	AMOUNT
MORGAN STANLEY/SMITH BARNEY	42.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	42.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY/SMITH BARNEY	8,617.	48.	8,569.
TOTAL TO FM 990-PF, PART I, LN 4	8,617.	48.	8,569.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
NON-TAXABLE DISTRIBUTION	86.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	86.	0.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	2,600.	1,690.		910.
TO FORM 990-PF, PG 1, LN 16B	2,600.	1,690.		910.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	3,841.	3,841.		0.
TO FORM 990-PF, PG 1, LN 16C	3,841.	3,841.		0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	35.	0.		0.
FOREIGN TAX	59.	59.		0.
TO FORM 990-PF, PG 1, LN 18	94.	59.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSE	317.	0.		317.
TO FORM 990-PF, PG 1, LN 23	317.	0.		317.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE	401,436.	354,018.
TOTAL TO FORM 990-PF, PART II, LINE 10B	401,436.	354,018.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 9

NAME OF MANAGER

THOMAS G. BAXTER
VIRGINIA T. BAXTER

**THE BAXTER FOUNDATION
SUMMARY OF INVESTMENTS**

EIN: # 25-6603101

12/31/2011

Quantity	Description	Book Value	Market Value
374	Ariba Inc Com	23,690.00	10,501.92
250	AT&T	8,927.50	7,560.00
425	Bristol Myers Squibb	9,638.15	14,977.00
500	Cisco Sys Inc	7,739.00	9,040.00
250	Covidien LTD	11,067.50	11,252.50
400	Dow Chemical Co	13,304.00	11,504.00
1,000	Dycom Ind Inc	24,812.00	20,920.00
60	Frontier Communications Inc.	583.46	309.00
500	General Electric Co	19,029.00	8,955.00
573	Ishares Barclay Agg.Bd Fd	57,797.28	63,173.25
87	Ishares Barclay 1 - 3 yr TSY BD	7,147.68	7,351.50
712	Ishares MSCI Japan Index	9,999.29	6,486.32
29	Ishares S&P Mid Cap 400 Value	2,376.84	2,203.42
26	Ishares S&P Mid Cap 400 Growth	2,379.70	2,566.98
34	Ishares S&P Small Cap 600 Val	2,437.35	2,371.84
614	Ishares S&P 500 Grwth Index	43,549.53	41,402.02
492	Ishares S&P 500 Value Index	38,872.40	28,452.36
34	Ishares Small Cap 600 Growth	2,337.46	2,531.98
342	Las Vegas Sands Corporation	14,642.73	14,613.66
68	Ishares Barclay Tips BD FD	7,123.76	7,934.92
600	Microsoft Corp	16,093.00	15,576.00
619	Nuveen Multi Strat Inc	9,209.36	4,982.95
500	Oracle Corp	7,082.50	12,825.00
108	S&P North Amer Nat Res Sector	4,730.95	4,104.00
250	Tyco International	13,602.50	11,677.50
90	Vanguard EMRG Mkts	4,910.60	3,438.90
312	Vanguard European	24,711.58	12,926.16
75	Vanguard REIT	4,985.14	4,350.00
250	Verizon Communications	8,655.92	10,030.00
		<u>401,436.18</u>	<u>354,018.18</u>

THE BAXTER FOUNDATION
SUMMARY OF CONTRIBUTIONS PAID
EIN: 25-6603101
12/31/2011

NAME	STATUS OF RECIPIENT	PURPOSE OF CONTRIBUTION	AMOUNT
Leukemia & Lymphoma Society 1311 Mamaroneck Avenue Suite 310 White Plains, NY 10605	Public Charity	To fund the recipients operating budget	50 00
Thomas Hartman Foundation for Parkinson Research 72 West Main Street East Islip, NY 11730	Public Charity	To fund the recipients operating budget	500 00
Neurofibromatosis Midwest P.O. Box 1923 Lombard, IL 60148	Public Charity	To fund the recipients operating budget	200 00
Stamford Hospital 1351 Washington Blvd Suite 202 Stamford , CT 06902	Public Charity	To fund the recipients operating budget	130 55
Sisters, Servants of the Immaculate Heart of Mary Office of Mission Advancement 1140 King Road Immaculata, PA 19345	Public Charity	To fund the recipients operating budget	5,324 64
The Little Pink Shelter Westport, CT	Public Charity	To fund the recipients operating budget	50 00
Westport Animal Shelter Advocates 1 Tower Ridge Westport CT 06880	Public Charity	To fund the recipients operating budget	500 00
Bennet Cancer Center Stamford Hospital 30 Shelburne Street Stamford, CT 06904	Public Charity	To fund the recipients operating budget	50 00
Holy Cross College 1 College Street Worcester, MA 01610	Public Charity	To fund the recipients operating budget	500 00
Archbishop Stepinac High School Turf Fund 950 Mamaroneck Avenue White Plains, NY 10605	Public Charity	To fund the recipients operating budget	5,000 00

THE BAXTER FOUNDATION
SUMMARY OF CONTRIBUTIONS PAID
EIN: 25-6603101
12/31/2011

NAME	STATUS OF RECIPIENT	PURPOSE OF CONTRIBUTION	AMOUNT
Hobart and William Smith Colleges/Turf Fund 615 Main Street Geneva, NY 14456	Public Charity	To fund the recipients operating budget	1,000.00
Children's Tumor Foundation NYC Marathon 95 Pine Street, 16th Floor New York, NY 10005	Public Charity	To fund the recipients operating budget	550 00
Catskill Mountain Christian Center 629 Main Street Margaretville, NY 12455	Public Charity	To fund the recipients operating budget	250.00
Assumption Church 98 Riverside Avenue Westport, CT 06880	Public Charity	To fund the recipients operating budget	800.00
St John's University 8000 Utopia Parkway Queens, NY 11439	Public Charity	To fund the recipients operating budget	2,500.00
			<u>17,405.19</u>