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Form 990-PF

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

OMB No 1545-0052

2011

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

For calendar year 2011, or tax year beginning 01-01-2011, and ending 12-31-2011

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

Name of foundation: DAVID FLAGG MINISTRIES; A Employer identification number: 94-2763532; B Telephone number: (925) 254-2097; H Check type of organization: Section 501(c)(3) exempt private foundation; I Fair market value of all assets at end of year: \$ 104,471; J Accounting method: Cash

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash—non-interest-bearing			4	
	2 Savings and temporary cash investments	46,423	104,471	104,471	
	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 page 15 of the 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		5,000		
	10a Investments—U S and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule)				
	c Investments—corporate bonds (attach schedule)	776,134	633,589		
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment basis ▶ _____ 19,668 Less accumulated depreciation (attach schedule) ▶ _____ 12,102	11,591	7,566		
15 Other assets (describe ▶ _____)					
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	834,148	750,630	104,471		
Liabilities	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
22 Other liabilities (describe ▶ _____)	-1				
23 Total liabilities (add lines 17 through 22)	-1	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	834,149	750,630		
	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 page 17 of the instructions)	834,149	750,630			
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	834,148	750,630			

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	834,149
2	Enter amount from Part I, line 27a	2	-4,576
3	Other increases not included in line 2 (itemize) ▶ _____	3	35,000
4	Add lines 1, 2, and 3	4	864,573
5	Decreases not included in line 2 (itemize) ▶ _____	5	113,943
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	750,630

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			

(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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col (i) over col (j), if any	
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 pages 13 and 17 of the 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 page 18 of 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	47,688	857,429	0.055617
2009	38,729	865,712	0.044737
2008			
2007			
2006			

2	Total of line 1, column (d).	2	0.100354
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	0.050177
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	709,361
5	Multiply line 4 by line 3.	5	35,594
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	200
7	Add lines 5 and 6.	7	35,794
8	Enter qualifying distributions from Part XII, line 4.	8	38,647

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	200
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	
3	Add lines 1 and 2.	3	200
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	200
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	301
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	301
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	101
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ▶ 101 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?		No
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>		No
c Did the foundation file Form 1120-POL for this year?		No
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>		No
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>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
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?	Yes	
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>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ CA _____		
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>	Yes	
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 on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	Yes	

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 page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of DAVID FLAGG Telephone no (925) 254-2097 Located at ONE ARDOR LANE ORINDA CA ZIP+4 94563			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> 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?	16	Yes	No

See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <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 checked="" type="checkbox"/> Yes <input 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		
1b	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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b	No
1c	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	
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 20____, 20____, 20____, 20____ <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 page 20 of the instructions).	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.).	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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	No

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 page 22 of the 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. **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? 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. **6b** **No**

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 **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 page 22 of the 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
DAVID R FLAGG  ONE ARDOR PLACE ORINDA, CA 94563	PRESIDENT 10 00	0	0	0
ANDREW FLAGG  ONE ARDOR PLACE ORINDA, CA 94563	TREASURER 10 00	0	0	0
WENDY FLAGG NORMAN  ONE ARDOR PLACE ORINDA, CA 94563	SECRETARY 10 00	22,435	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 page 23 of the 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 DAVID FLAGG MINISTRIES WAS ORIGINALLY FOUNDED TO PROPAGATE THE GOSPEL OF JESUS CHRIST THROUGH MUSIC, SCRIPTURE, LITERATURE, PRAYING AND GIVING TESTIMONY AT CHURCHES, HOSPITALS AND RETIREMENT HOMES IN THE USA AND MEXICO. IN ADDITION, DFM CONTRIBUTES FUNDS TO CHURCHES AND PUBLIC CHARITIES THAT FURTHER THIS MISSION.	37,197
2 DAVID FLAGG MINISTRIES FUNDS A CHURCH PROGRAM THAT ENABLES RECENT IMMIGRANTS TO LEARN SEWING ON MACHINES WHILE LISTENING TO THE GOSPEL OF JESUS CHRIST. FOR THIS PURPOSE, DFM HAS PURCHASED SEWING MACHINES AND SEWING SUPPLIES.	1,450
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the 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 page 24 of the instructions.	

Total. Add lines 1 through 3. ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	694,955
b	Average of monthly cash balances.	1b	25,208
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	720,163
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	720,163
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	10,802
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	709,361
6	Minimum investment return. Enter 5% of line 5.	6	35,468

Part XI Distributable Amount (see page 25 of the 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	35,468
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	200
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	200
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	35,268
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	35,268
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	35,268

Part XII Qualifying Distributions (see page 25 of the 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	38,647
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	38,647
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 page 26 of the instructions).	5	200
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	38,447

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				35,268
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011				
a From 2006.				
b From 2007.				
c From 2008.				
d From 2009.				
e From 2010. 1,978				
f Total of lines 3a through e.	1,978			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 38,647				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).				
d Applied to 2011 distributable amount.				35,268
e Remaining amount distributed out of corpus	3,379			
5 Excess distributions carryover applied to 2011 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	5,357			
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 page 27 of the instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions).				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a.	5,357			
10 Analysis of line 9				
a Excess from 2007.				
b Excess from 2008.				
c Excess from 2009.				
d Excess from 2010. 1,978				
e Excess from 2011. 3,379				

Part XIV Private Operating Foundations (see page 27 of the 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 organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the 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))

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

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i> See Additional Data Table				
Total				3a 4,370
b <i>Approved for future payment</i>				
Total				3b

Additional Data

Software ID:

Software Version:

EIN: 94-2763532

Name: DAVID FLAGG MINISTRIES

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
CALVARY BAPTIST CHURCH3201 STANLEY BLVD LAFAYETTE,CA 94549		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	300
OAK PARK CHRISTIAN CENTER 2073 OAK PARK BLVD PLEASANT HILL,CA 94523		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	110
BAY AREA RESCUE MISSION2114 MACDONALD AVENUE RICHMOND,CA 94801		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	2,000
ASSEMBLIES OF GOD1445 BOONVILLE AVENUE SPRINGFIELD,MO 65802		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	500
FRIENDSHIP BAPTIST CHURCH 1391 SYKESVILLE ROAD SYKESVILLE,MD 21784		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	1,000
IMB INTL MISSION BD1400 EASTON DRIVE BAKERSFIELD,CA 93309		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	260
SUMNER PRESBYTERIAN CHURCH 1915 WASHINGTON ST SUMNER,WA 98390		PUBLIC	SUPPORT AGENCY WITH SIMILAR MISSION	200
Total				4,370

3a

Form **4562**

**Depreciation and Amortization
(Including Information on Listed Property)**

OMB No 1545-0172

2011

Attachment
Sequence No **179**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return DAVID FLAGG MINISTRIES	Business or activity to which this form relates INDIRECT DEPRECIATION	Identifying number 94-2763532
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Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	2,930

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2011	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21 Listed property Enter amount from line 28	21	1,095
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	4,025
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) **25**

26 Property used more than 50% in a qualified business use

Table with 9 columns: 2008 AUTO, 2008-03-15, 100.00%, 5,475, 5,475, 5.0, S/L-S/L, 1,095.

27 Property used 50% or less in a qualified business use

Table with 9 columns: %, %, S/L-, S/L-, S/L-.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28** 1,095

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 main columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Rows include 30-33 (miles driven) and 34-36 (availability questions).

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Yes, No. Rows include 37-41 (policy and use questions).

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2011 tax year (see instructions)

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

43 Amortization of costs that began before your 2011 tax year **43**

44 Total. Add amounts in column (f). See the instructions for where to report **44**

TY 2011 Accounting Fees Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREP AND ACCOUNTING FEES	1,930	1,930		

TY 2011 Activities not Previously Reported Explanation

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Explanation: DAVID FLAGG MINISTRIES WAS ORIGINALLY FOUNDED TO PROPAGATE THE GOSPEL OF JESUS CHRIST THROUGH MUSIC, SCRIPTURE, LITERATURE, PRAYING AND GIVING TESTIMONY AT CHURCHES, HOSPITALS AND RETIREMENT HOMES IN THE USA AND MEXICO. IN PRIOR YEARS, AS THE PRINCIPAL, MR. FLAGG, MADE VISITS TO SING AND GIVE TESTAMONY, MANY INDIVIDUALS AND AGENCIES CONTRIBUTED TO THE AGENCY TO FURTHER THE MISSION. IN RECENT YEARS, THE FOCUS HAS BEEN EVOLVING TO ONE THAT CONTRIBUTES FUNDS, EQUIPMENT AND SERVICES TO CHURCHES AND PUBLIC CHARITIES THAT FURTHER THE MISSION OF DAVID FLAGG MINISTRIES. IN ADDITION TO DONATING MONIES, THE AGENCY IS ALSO FUNDING A CHURCH PROGRAM THAT ENABLES RECENT IMMIGRANTS TO LEARN SEWING ON MACHINES WHILE LISTENING TO THE GOSPEL OF JESUS CHRIST.

TY 2011 Compensation Explanation

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Person Name	Explanation
DAVID R FLAGG	
ANDREW FLAGG	
WENDY FLAGG NORMAN	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Depreciation Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
MUSICAL EQUIPMENT	2005-01-01	1,500	900	S/L	5 0000	300			
2008 AUTO	2008-03-15	5,475	3,102	S/L	5 0000	1,095			
OFFICE/STUDIO UPGRADES	2008-03-19	6,000	1,100	S/L	15 0000	400			
SEWING MACHINES	2009-09-10	6,693	2,975	S/L	3 0000	2,230			

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Gain/Loss from Sale of Other Assets Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
CALIFORNIA BAPTIST FNDTN-13004XBR6	2007-12	PURCHASE	2011-12		118	118				
CALIFORNIA BAPTIST FNDTN-13004XB4	2007-12	PURCHASE	2011-12		158	158				
CALIFORNIA BAPTIST FNDTN-13004XER3	2007-12	PURCHASE	2011-12		177	177				
CASCADE CHRISTIAN CTR-14718PAF5	2007-12	PURCHASE	2011-04		5,000	5,000				
HOOD MEM AME ZION-438804BL9	2007-12	PURCHASE	2011-08		36,000	36,000				
MISSISSIPPI AVE BAPTIST CHURCH-60525	2007-12	PURCHASE	2011-05		8,000	8,000				
TABERNACLE MISSIONARY BAPTIST-87331P	2007-12	PURCHASE	2011-05		3,685	4,094			-409	
EMMANUAL LUGERIN CHURCH OF NORTH HWD	2001-01	PURCHASE	2011-12		26,337	10,000			16,337	
IMMANUAL BAPTIST HIGHLAND	2001-01	PURCHASE	2011-11		2,063	2,063				

TY 2011 General Explanation Attachment

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Identifier	Return Reference	Explanation
GENERAL RETURN INFORMATION		<p>STATEMENT OF EXPLANATION - 990-PF TAXPAYER DAVID FLAGG MINISTRIES FEDERAL ID 94-2763532 TAX YEAR ENDED 12/31/2011 PURPOSE FILING OF 990-PF INSTEAD O THE DAVID FLAGG MINISTRIES IS APPRO AGENCY WAS ORIGINALLY FOUNDED TO P THROUGH MUSIC, SCRIPTURE, LITERATUR CHURCHES, HOSPITALS AND RETIREMENT CHURCHES AND INDIVIDUALS WOULD MAKE IN RECENT YEARS, HOWEVER, THE FOCUS CONTRIBUTES FUNDS, EQUIPMENT AND SE THAT FURTHER THE MISSION OF DAVID F AGENCY DOES NOT ACTIVELY SEEK CONTR SUPPORT PERCENTAGE SCHEDULE A, SEC PUBLIC CHARITY TEST THEREFORE, SI FILED A 990-PF AS A PRIVATE FOUNDAT APPLICATION FOR EXTENSION WAS FILED TO AUGUST 15, 2012 AND EXTENSION 2012 FOR THE SECOND THREE MONTHS EX WAS REJECTED HERE IS THE TEXT OF T NAME DAVID FLAGG MINISTRIES TAX AUTHORITY US EX2 DETAILS REJECTED INCORRECT DATA /RETURN/RETURNDATA/ 8868, PART II, THE "REQUESTED PAYME MUST BE ON OR BEFORE THE EXTENDED D EXTENSION APPLIES, BUT NOT MORE THA OF THE EXTENSION (VALUE 2012-05-14 SUBID=94197720122270008484 REJECTED ----- ERRORS ----- INCORRECT DATA /RETURN/RETURNDATA/IRSPAYMENT/REQUE FORM 8868, PART II, THE "REQUESTED RECORD) MUST BE ON OR BEFORE THE EX THE EXTENSION APPLIES, BUT NOT MORE DATE OF THE EXTENSION (VALUE 2012- SUBID=94197720122270008484</p>
GENERAL ELECTIONS		

**TY 2011 Investments Corporate
Bonds Schedule**

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Name of Bond	End of Year Book Value	End of Year Fair Market Value
BETHEL BAPTIST INSTL CHURCH	5,400	
CALIFORNIA BAPTIST FNDTN		
CALIFORNIA BAPTIST FNDTN		
CALIFORNIA BAPTIST FNDTN		
CALVARY CHAPEL OF BANGOR	11,876	
CALVARY PENTECOSTAL CHURCH INC.	1,800	
CASCADE CHRISTIAN CTR		
CASCADE CHRISTIAN CTR	900	
CELEBRATION BAPTIST CHURCH INC.	27,305	
EAST MEM BAPTIST CHURCH	2,988	
EAST MEM BAPTIST CHURCH	5,000	
FELLOWSHIP AT CINCO RANCH INC.	53,579	
FIRST SOUTHN BAPTIST CHURCH	5,000	
FIRST SOUTHN BAPTIST CHURCH	6,000	
FULL GOSPEL FAMILY OUTREACH MINISTRI	10,309	
HOOD MEM AME ZION CHURCH		
HOPEVALE CHURCH SAGINAW MI	20,000	
IGLESIA TEMPLO JERUSALEM	19,236	
IGLESIA TEMPLO JERUSALEM	17,240	
IMMANUEL BAPTIST CHURCH	2,185	
INLAND COMMUNITY CHURCH		
LIFEPOINT CMNTY CHURCH TAMPA BAY INC	3,051	
LIFEPOINT CMNTY CHURCH TAMPA BAY INC	15,000	
LIFEPOINTE VILLAGE - VILLAGE VIEW LL	14,400	
LIFEPOINTE VILLAGE TAVARES LLC	2	
LIFEPOINTE VILLAGE-VILLAGE VIEW	7,200	
LIFEPOINTE VLG SOUTHHAVEN LLC	31,500	
MADISON PK CHURCH OF GOD	29,192	
METROPOLITAN BAPTIST CHURCH	9,958	
MISSISSIPPI AVE BAPTIST CHURCH		
ORLAND CENT CMNTY INC.	4	
PATHWAYS CMNTY CHURCH OF SANTEE INC.	39,024	
PHILLIPS TEMPLE CME CHURCH	5,067	
PHILLIPS TEMPLE CME CHURCH	5,070	
PHILLIPS TEMPLE CME CHURCH	7,125	
PHILLIPS TEMPLE CME CHURCH	19,382	
PHILLIPS TEMPLE CME CHURCH	2,056	
PHILLIPS TEMPLE CME CHURCH	1,026	
PHILLIPS TEMPLE CME CHURCH	2,044	
PHILLIPS TEMPLE CME CHURCH	21,519	
SONRISE BAPTIST CHURCH OF CLOVIS CA	22,500	
SONRISE BAPTIST CHURCH OF CLOVIS CA	4,500	
SONRISE BAPTIST CHURCH OF CLOVIS CA	900	
TABERNACLE MISSIONARY BAPTIST	18,815	
TABERNACLE MISSIONARY BAPTIST		
WESTERN BAPTIST COLLEGE SALEM	64,480	
WESTERN BAPTIST COLLEGE SALEM	86,320	
WINDERMERE BAPTIST CONFERENCE	1,800	
WINDERMERE BAPTIST CONFERENCE	900	
WINDERMERE BAPTIST CONFERENCE CTR RO	9,000	
IMMANUEL BAPTIST HIGHLAND	22,936	

TY 2011 Land, Etc. Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
FURNITURE & EQUIPMENT	19,668	12,102	7,566	

TY 2011 Other Decreases Schedule**Name:** DAVID FLAGG MINISTRIES**EIN:** 94-2763532

Description	Amount
UNREALIZED LOSS ON INVESTMENTS	113,943

TY 2011 Other Expenses Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
AUTOMOBILE EXPENSE	4,031	2,015		2,016
INSURANCE - PROPERTY (PIANO,	681	340		341
BOOKS, SUBSCRIPTIONS, REFEREN				
POSTAGE	66	66		
PROGRAM SUPPLIES	752			752
OFFICE SUPPLIES	286	286		
TELEPHONE	232	232		
BANKING FEES	150	150		
PRIOR YEAR EXPENSES				
MISCELLANEOUS	160	160		
SMALL EQUIPMENT PURCHASE	1,050	525		525
REPAIRS & MAINTENANCE	563	281		282

TY 2011 Other Increases Schedule**Name:** DAVID FLAGG MINISTRIES**EIN:** 94-2763532

Description	Amount
RE-CLASSIFICATION OF SECURITIES	35,000

TY 2011 Other Liabilities Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Description	Beginning of Year - Book Value	End of Year - Book Value
ROUNDING	-1	

TY 2011 Other Professional Fees Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOMPANIST	2,155			2,155
OUTSIDE CONTRACT SERVICES	175			175

TY 2011 Taxes Schedule

Name: DAVID FLAGG MINISTRIES

EIN: 94-2763532

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BUSINESS REGISTRATION FEES	460	460		
STATE FEES	10	10		
IRS TAXES	1,486	1,486		