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Form 990-PF

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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2014

Open to Public
Inspection

For calendar year 2014, or tax year beginning 01-01-2014 , and ending 12-31-2014

Name of foundation GAG CHARITABLE CORPORATION		A Employer identification number 95-2568756
Number and street (or P O box number if mail is not delivered to street address) 2240 ENCINITAS BLVD D-325		Room/suite
City or town, state or province, country, and ZIP or foreign postal code ENCINITAS, CA 92024		
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"/> <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> <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"/> <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,219,474	J Accounting method <input type="checkbox"/> Cash <input checked="" 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"/> <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 type="checkbox"/> <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	6	6		
	4 Dividends and interest from securities.	57,100	57,100		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	67,918			
	b Gross sales price for all assets on line 6a 340,507				
	7 Capital gain net income (from Part IV, line 2)		67,918		
	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) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	125,024	125,024		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	70,000	30,100		39,900
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	17,123	12,842		4,281
	c Other professional fees (attach schedule)	12,427	9,320		3,107
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,408			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	6,381	2,854		3,527
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	107,339	55,116		50,815
	25 Contributions, gifts, grants paid	54,400			54,400
	26 Total expenses and disbursements. Add lines 24 and 25	161,739	55,116		105,215
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-36,715			
	b Net investment income (if negative, enter -0-)		69,908		
	c Adjusted net income (if negative, enter -0-)				

Assets	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
1	Cash—non-interest-bearing		7,911	8,958	8,958
2	Savings and temporary cash investments		209,665	105,146	105,146
3	Accounts receivable ► 2,400				
	Less allowance for doubtful accounts ►		2,400	2,400	2,400
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		4,915	5,597	5,597
10a	Investments—U S and state government obligations (attach schedule)				
b	Investments—corporate stock (attach schedule)		983,811	972,979	1,383,200
c	Investments—corporate bonds (attach schedule)		632,080	708,987	714,173
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 ►				
	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)		1,840,782	1,804,067	2,219,474
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 ►)			
	23	Total liabilities (add lines 17 through 22)		0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ►				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ►				
	and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		1,840,782	1,804,067
	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)		1,840,782	1,804,067
	31	Total liabilities and net assets/fund balances (see instructions)		1,840,782	1,804,067

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	1,840,782
2	Enter amount from Part I, line 27a	2	-36,715
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	1,804,067
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	1,804,067

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)
1 a	BABSON CAPITAL-CAP GAIN-LT	P	2001-01-01	2014-12-31
b	SCHWAB-CAP GAIN DIST-LT	P	2012-12-11	2014-12-31
c	PUBLICLY TRADED SECURITIES-ST	P	2013-12-18	2014-08-21
d	PUBLICLY TRADED SECURITIES-LT	P	2013-05-08	2014-09-29
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 4,043				4,043
b 8,455				8,455
c 58,758		58,059		699
d 269,251		214,530		54,721
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))	
(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	(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
a			4,043	
b			8,455	
c			699	
d			54,721	
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	67,918
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	699

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))
2013	108,903	2,192,409	0 04967
2012	106,409	2,107,828	0 05048
2011	96,708	2,087,374	0 04633
2010	100,013	2,059,401	0 04856
2009	103,737	1,880,345	0 05517
2 Total of line 1, column (d).			0 25022
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			0 05004
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5.			2,231,363
5 Multiply line 4 by line 3.			111,666
6 Enter 1% of net investment income (1% of Part I, line 27b).			699
7 Add lines 5 and 6.			112,365
8 Enter qualifying distributions from Part XII, line 4.			105,215

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 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)	1	1,398
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		
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	1,398
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	1,398
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	2,519
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	1,500
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	4,019
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	2,621
11	Enter the amount of line 10 to be Credited to 2015 estimated tax <input type="checkbox"/> 2,621 Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	<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>		
1c	Did the foundation file Form 1120-POL for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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>	<input type="checkbox"/> Yes	<input type="checkbox"/> 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>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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?	<input type="checkbox"/> 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>	<input type="checkbox"/> Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> 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>	<input type="checkbox"/> 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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ► N/A

14 The books are in care of ► KEITH M SPRAGUE CPA Telephone no ► (559) 625-0320
 Located at ► 822 W CENTER VISALIA CA ZIP +4 ► 93291

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ► 15 and enter the amount of tax-exempt interest received or accrued during the year

16 At any time during calendar year 2014, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). 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.

1a	During the year did the foundation (either directly or indirectly)	1b	Yes	No
	(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
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)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here. ►			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	1c		No
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?		<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)	2b		No
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 2014 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 2014)	3b		No
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 2014?	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))? (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? (3) Provide a grant to an individual for travel, study, or other similar purposes? (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 here. <input type="checkbox"/>		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? <i>If "Yes," attach the statement required by Regulations section 53.4945-5(d).</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	No
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>		6b
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		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)

2. 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
DOROTHY SALANT 44913 MEADOW CIRCLE MENDOCINO, CA 95460	PRESIDENT 5 00	30,000		
PETER SALANT 5288 LITTLE APPLEGATE JACKSONVILLE, OR 97530	CFO 4 00	20,000		
ANTHONY SALANT 7668 EL CAMINO REAL 104-608 CARLSBAD, CA 92009	Secretary 4 00	20,000		

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

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		

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	
2	
3	
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 _____ _____	
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	2,201,683
b	Average of monthly cash balances.	1b	56,004
c	Fair market value of all other assets (see instructions).	1c	7,656
d	Total (add lines 1a, b, and c).	1d	2,265,343
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	
3	Subtract line 2 from line 1d.	3	2,265,343
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	33,980
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,231,363
6	Minimum investment return. Enter 5% of line 5.	6	111,568

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	111,568
2a	Tax on investment income for 2014 from Part VI, line 5.	2a	1,398
b	Income tax for 2014 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,398
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	110,170
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	110,170
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	110,170

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	105,215
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	105,215
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	105,215

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				110,170
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only.			93,073	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014				
a From 2009.				
b From 2010.				
c From 2011.				
d From 2012.				
e From 2013.				
f Total of lines 3a through e.				
4 Qualifying distributions for 2014 from Part XII, line 4 ► \$ _____ 105,215				
a Applied to 2013, but not more than line 2a			93,073	
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2014 distributable amount.				12,142
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (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 2013 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015.				98,028
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2010.				
b Excess from 2011.				
c Excess from 2012.				
d Excess from 2013.				
e Excess from 2014.				

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 2014, enter the date of the ruling.			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 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.			
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 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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or email address 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 Paid during the year SEE ATTACHED SCHEDULE 2240 ENCINITAS BLVD D-325 ENCINITAS, CA 92024			SEE ATTACHED SCHEDULE	54,400
Total			► 3a	54,400
b Approved for future payment				
Total			► 3b	

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.			14	6
5	Net rental income or (loss) from real estate			14	57,100
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.				67,918
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).				57,106
13	Total. Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations.)				125,024
			13		

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

TY 2014 Accounting Fees Schedule

Name: GAG CHARITABLE CORPORATION

EIN: 95-2568756

Software ID: 14000265

Software Version: 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	17,123	12,842	0	4,281

TY 2014 Other Expenses Schedule

Name: GAG CHARITABLE CORPORATION

EIN: 95-2568756

Software ID: 14000265

Software Version: 2014v5.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK CHARGES	107	80		27
OFFICE AND ADMINISTRATION	180	135		45
PAYROLL TAXES	6,035	2,595		3,440
POSTAGE	59	44		15

TY 2014 Other Professional Fees Schedule

Name: GAG CHARITABLE CORPORATION**EIN:** 95-2568756**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FIDUCIARY FEES	12,427	9,320	0	3,107

TY 2014 Taxes Schedule

Name: GAG CHARITABLE CORPORATION**EIN:** 95-2568756**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX ON NET INVESTMENT INCOME	1,398			
FILING FEES	10			

G.A.G. Charitable Corporation
Schedule 1
December 31, 2014

Investments - Part II, Line 10b

Common Stock

	Shares	Book Value	Market Value
Energy			
60 Anadarko Petroleum	2,152	4,950	
34 California Resources	253	187	
74 Chevron Corp	6,575	8,301	
135 Conoco Phillips	5,528	9,323	
138 Exxon Mobil Corp	1,695	12,758	
85 Occidental Petroleum	7,002	6,852	
212 Oil/Gas Services ETF	8,533	5,981	
38 Schlumberger Ltd	3,415	3,246	
	<hr/> 35,153	<hr/> 51,598	
Materials			
470 SPDR Basic Mat ETF	<hr/> 16,649	<hr/> 22,833	
	<hr/> 16,649	<hr/> 22,833	
Industrials			
60 3M Company	4,743	9,859	
77 Caterpillar Inc.	4,790	7,048	
65 Emerson Electric Co.	3,346	4,013	
310 General Electric Co	2,696	7,834	
85 Honeywell	4,462	8,493	
80 Union Pacific	3,075	9,530	
76 United Parcel Serv.	5,391	8,449	
86 United Tech Corp.	6,108	9,890	
	<hr/> 34,611	<hr/> 65,116	
Consumer Discretionary			
30 Amazon Com	3,325	9,311	
217 Comcast Class A	4,262	12,588	
110 Home Depot, Inc.	998	11,547	
85 McDonalds Corp.	4,760	7,964	
104 Target Corporation	5,697	7,895	
20 Time Inc	224	492	
165 Time Warner	5,487	14,095	
130 Walt Disney Hold Co	3,001	12,245	
	<hr/> 27,754	<hr/> 76,137	

G.A.G. Charitable Corporation

Schedule 1

December 31, 2014

	Shares	Book Value	Market Value
Consumer Staples			
188 Coca-Cola Company	5,502	7,937	
130 Colgate-Palmolive Co.	3,789	8,995	
76 Costco Wholesale	4,996	10,773	
130 CVS Caremark Corp	2,573	12,520	
179 Mondelez Intl Inc.	3,613	6,502	
90 Pepsico Incorporated	6,042	8,510	
85 Procter & Gamble Co.	5,672	7,743	
79 Wal-Mart Stores Inc.	3,963	6,785	
	<u>36,150</u>	<u>69,765</u>	
Health Care			
204 Abbott Laboratories	5,412	9,184	
155 Bristol-Myers Squibb	2,910	9,150	
93 Johnson & Johnson	5,873	9,725	
105 Lilly, Eli & Co.	5,250	7,244	
135 Merck & Co. Inc.	5,913	7,667	
59 Nasdaq Biotech ETF	4,435	17,897	
266 Pfizer Inc.	4,680	8,286	
125 UnitedHealth Group	3,794	12,636	
	<u>38,267</u>	<u>81,789</u>	
Financials			
140 American Express Co.	6,479	13,026	
200 Bank of NY Mellon	4,210	8,114	
75 Berkshire Hathaway B.	7,020	11,261	
182 Citigroup Inc.	6,765	9,848	
40 Goldman Sachs	5,109	7,753	
143 JP Morgan Chase	6,321	8,949	
160 Metlife Inc.	5,801	8,654	
137 US Bancorp	4,602	6,158	
190 Wells Fargo & Co.	6,088	10,416	
	<u>52,395</u>	<u>84,179</u>	
Information Technology			
63 Apple, Inc	6,164	6,954	
178 eBay	6,416	9,989	
12 Google A	3,089	6,368	
12 Google C	3,080	6,317	
41 Int Bus Mach. (IBM)	4,653	6,578	
290 Intel	5,958	10,524	
147 iSh Semiconductor ETF	7,680	13,655	
120 Mastercard	4,308	10,339	
303 Microsoft Inc.	4,743	14,074	
306 Oracle Corp.	5,874	13,761	
95 Qualcomm	4,207	7,061	
40 Visa Inc.	3,428	10,488	
	<u>59,600</u>	<u>116,108</u>	

G.A.G. Charitable Corporation

Schedule 1

December 31, 2014

	Shares	Book Value	Market Value
Telecommunication Services			
205 Vgd Telecom ETF	11,501	11,501	17,368
			<u>17,368</u>
Utilities			
110 SPDR Utilities ETF	3,152	3,152	5,194
167 Vgd Utility ETF	13,447	13,447	17,092
		<u>16,599</u>	<u>22,286</u>
Miscellaneous			
8,000 Babson Capital Corporate Invest	97,153	97,153	127,120
			<u>127,120</u>
<u>STOCK FUNDS (US Small-Medium)</u>			
338.323 AQR Sm Momentum	5,105	5,105	6,966
1,114.153 DFA US Sm Cap Value	40,730	40,730	38,962
2,189.848 DFA US Micro Cap	17,248	17,248	42,417
1,274.892 DFA US Small Cap	18,022	18,022	39,713
45,000 S&P 600/Growth ETF	1,995	1,995	5,507
317.951 Vangd Extd Mkt Sig	11,318	11,318	21,179
562.856 Vangd Sm Gr Ind	12,450	12,450	24,912
601.139 Vangd Sm Val Ind Adm	15,334	15,334	27,304
		<u>122,202</u>	<u>206,960</u>
<u>STOCK FUNDS (Foreign)</u>			
1,196.172 DFA Emerg Core Eq	25,030	25,030	22,632
937.530 DFA Emerging Mkts	23,933	23,933	23,476
3,431.537 DFA Int'l Large Cap	71,522	71,522	71,101
2,007.594 DFA Int'l Lg Cap Val	38,434	38,434	35,434
832.871 DFA Int'l Sm Cap Val	15,030	15,030	15,491
2,372.258 DFA Int'l Small Cap	36,641	36,641	40,281
1,521.704 DFA Intl Lg Cap Grwth	16,840	16,840	17,074
556.366 Dodge & Cox Intl	22,050	22,050	23,429
429.000 iShares MSCI Gr ETF	28,215	28,215	28,232
1,604.019 Vand Total Intl Sig Adm	39,281	39,281	41,704
		<u>316,976</u>	<u>318,854</u>
<u>REAL ESTATE SECURITIES</u>			
3,789.453 DFA Intl REIT	18,700	18,700	19,857
2,393.295 DFA Real Estate	61,474	61,474	79,146
450.000 Vgd Intl exUS RE ETF	27,795	27,795	24,084
		<u>107,969</u>	<u>123,087</u>
<u>TOTAL STOCKS</u>		<u><u>\$ 972,979</u></u>	<u><u>\$ 1,383,200</u></u>

G.A.G. Charitable Corporation
Schedule 1
December 31, 2014

Investments - Part II, Line 10c

BOND FUNDS

6,860.823	DFA 1 Yr Fixed Inc.	69,957	70,666
3,630.905	PIMCo Hi Yld Instl	24,029	33,186
3,866.091	Vangd Bond Index Adm	41,046	42,024
1,473.949	Vangd Infl Prot Adm	38,160	38,131
12,402.189	Vangd ST Bond Adm	129,820	129,975
13,399.499	Vangd ST Inv Grd Adm	138,916	142,839
3,719.018	Vanguard GNMA Adm	39,139	40,240
1,599.360	Vngd St Infl Prt Adm	40,030	38,721
		<hr/> 521,097	<hr/> 535,782

FOREIGN BOND FUNDS

4,000.000	DFA Two-year Global	40,030	39,600
3,808.967	DFA World Ex US Govt	39,224	39,385
7,817.372	PIMCo EM Full Spect	70,260	63,633
3,365.262	PIMCo GI Adv Strat	38,376	35,773
		<hr/> 187,890	<hr/> 178,391

TOTAL BONDS

<u>\$ 708,987</u>	<u>\$ 714,173</u>
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G.A.G. Charitable Corporation
Schedule 1
December 31, 2014

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G.A.G. CHARITABLE CORPORATION

YEAR ENDED 12/31/2014

95-2568756

Name & Address	Relationship & Status	Purpose of Contribution	Amount
	"	"	\$
American Friends Service Committee 1501 Cherry St. Philadelphia, PA 19102	"	"	\$ 1,000
Americares Foundation 88 Hamilton Ave Stamford, CT 06902	"	"	700
Applegate ACCESS %ACCESS, Inc 3630 Aviation Way Medford, OR 97501	"	"	2,000
Camelot Theatre P.O. Box 780 Talent, OR 97540	"	"	500
Claremont-McKenna College Bauer Center, Room 322 500 E Ninth St Claremont, CA 91711	"	"	2,000
Community Resource Center 650 2nd Street Encinitas, CA 92024	"	"	1,000
Farm School Sentinel Elm Farm Moore Hill Road Athol, MA 01331	"	"	500
Feeding America San Diego 9455 Waples St. #135 San Diego, CA 92121	"	"	1,000
Fort Bragg Food Bank 910 N. Franklin St. Fort Bragg, CA 95437	"	"	1,000
Grand Canyon Trust 2601 N. Fort Valley Rd. Flagstaff, AZ 86001	"	"	1,000

G.A.G. CHARITABLE CORPORATION**YEAR ENDED 12/31/2014****95-2568756**

<u>Name & Address</u>	<u>Relationship & Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
	"	"	\$ 500
Halleck Creek Ranch P.O. Box 189 Inverness, CA 94937	"	"	\$ 500
Happy Trails Riding Academy P.O. Box 572 Visalia, CA 93279	"	"	500
Hospice By the Bay Foundation 17 East Sir Francis Drake Blvd Larkspur, CA 94939	"	"	250
International Crane Foundation E-11376 Shady Lane Rd, Box 447 Baraboo, WI 53913	"	"	200
Klamath-Siskiyou Wildlands Center P.O. Box 102 Ashland, OR 97520	"	"	4,000
Learning Ally, Inc. 20 Roszel Rd. Princeton, NJ 08540	"	"	250
Maslow Project 500 Monroe St. Medford, OR 97501	"	"	1,000
Medford Schools Foundation P.O. Box 1126 Medford, OR 97501	"	"	1,000
Mendocino Coast Botanical Gardens 18220 No. Highway 1 Fort Bragg, CA 95437	"	"	100
Mendocino Coast Dist Hosp, Hospice Program 700 River Drive Fort Bragg, CA 95437	"	"	500

G.A.G. CHARITABLE CORPORATION**YEAR ENDED 12/31/2014****95-2568756**

<u>Name & Address</u>	<u>Relationship & Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
	"	"	\$ 500
Mendocino Coast Jewish Community P.O. Box 291 Little River, CA 95456-0291	"	"	
Mendocino Film Festival P.O. Box 1843 Mendocino, CA 95460-1843	"	"	150
Mendocino Music Festival P.O. Box 1808 Mendocino, CA 95460	"	"	750
National Dance Institute 594 Broadway, Room 805 New York, NY 10012	"	"	5,000
O'Hanlon Center for the Arts 616 Throckmorton Ave. Mill Valley, CA 94941	"	"	500
Pacific Ridge School 6269 El Fuerte St. Carlsbad, CA 92009	"	"	1,500
Partnership Scholars Program P.O. Box 156 El Segundo, CA 90245-8405	"	"	500
Pesticide Action Network 965 Mission St., #514 San Francisco, CA 94103	"	"	1,000
Planned Parenthood Federation Of America 434 West 33rd St. New York, NY 10001	"	"	500
Planting Hope International 3310 Germann Dr. Manhattan, KS 66503	"	"	500

G.A.G. CHARITABLE CORPORATION

YEAR ENDED 12/31/2014

95-2568756

<u>Name & Address</u>	<u>Relationship & Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
	"	"	\$ 3,500
Public Citizen Foundation 1600 20th Street NW Washington, DC 20009	"	"	1,000
Public Radio , JPR Foundation 1250 Siskiyou Blvd. Ashland, OR 97520-5025	"	"	1,500
Public Radio & Television-KPBS 5200 Campanile Dr. San Diego State University San Diego, CA 92182-5400	"	"	3,000
Public Radio & Television, KQED 2601 Mariposa St. San Francisco, CA 94110-1400	"	"	2,000
Public Radio KZYX Mendocino County Public Broadcasting P.O. Box 1 Philo, CA 95466	"	"	250
Rogue Valley Youth Choruses 23 South Central Ave. Medford, OR 97501	"	"	1,000
Ruch Elementary School 156 Upper Applegate Rd. Jacksonville, OR 97530	"	"	500
San Diego Jr. Golf Assn. 2851 Camino Del Rio S #420 San Diego, CA 92108	"	"	1,750
San Elijo Lagoon Conservancy P.O. Box 230634 Encinitas, CA 92023			

G.A.G. CHARITABLE CORPORATION**YEAR ENDED 12/31/2014****95-2568756**

<u>Name & Address</u>	<u>Relationship & Status</u>	<u>Purpose of Contribution</u>	<u>Amount</u>
Santa Clara University 500 El Camino Real Santa Clara, CA 95053	"	"	\$ 1,000
Schepens Eye Research Institute Inc., The 20 Staniford St. Boston, MA 02114-2500	"	"	500
Schroon Lake Association Box 5 Schroon Lake, NY 12870	"	"	500
Seeds to the World P.O. Box 1847 Stockton, CA 95201	"	"	500
Southern Poverty Law Center P.O. Box 2087 Montgomery, AL 36102	"	"	2,000
T.H.R.I.V.E. 340 A Street, Suite 205 Ashland, OR 97520	"	"	500
Voices for Children, Inc. 2851 Meadow Lark Dr. San Diego, CA 92123	"	"	3,000
Williams College 880 Main St. Williamstown, MA 01267	"	"	1,000
			\$ <u><u>54,400</u></u>