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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Amended

Note: *The organization may be able to use a copy of this return to satisfy state reporting requirements*

OMB No 1545-0052

2005 0603

For calendar year 2005, or tax year beginning 4/01, 2005, and ending 3/31, 2006

G Check all that apply ☐ Initial return ☐ Final return ☒ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

The KL Felicitas Foundation
P. O. Box A
Wayne, PA 19087

A Employer identification number: 77-0539366

B Telephone number (see instructions): 408-358-1788

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ► ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 10,477,678.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

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 (att sch)				
2 Ck ► ☒ if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	203,752.	203,752.	203,752.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	1,457,751.			
b Gross sales price for all assets on line 6a 10,172,875.				
7 Capital gain net income (from Part IV, line 2)		1,457,751.		
8 Net short-term capital gain			426,184.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less. Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule) See Statement 1	1,099.			
12 **Total.** Add lines 1 through 11	1,662,602.	1,661,503.	629,936.	
OPERATING AND ADMINISTRATIVE EXPENSES				
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See St 2	3,136.	1,568.		1,568.
b Accounting fees (attach sch) See St 3	4,088.	2,044.		2,044.
c Other prof fees (attach sch) See St 4	67,908.	38,292.		29,616.
17 Interest				
18 Taxes (attach schedule) See Stmt 5	11,385.	584.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	2,082.			2,082.
22 Printing and publications				
23 Other expenses (attach schedule) See Statement 6	30,868.	16,670.		14,198.
24 **Total operating and administrative expenses.** Add lines 13 through 23	119,467.	59,158.		49,508.
25 Contributions, gifts, grants paid Part XV	425,150.			425,150.
26 **Total expenses and disbursements.** Add lines 24 and 25	544,617.	59,158.	0.	474,658.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	1,117,985.			
b **Net investment income** (if negative, enter 0)		1,602,345.		
c **Adjusted net income** (if negative, enter -0-)			629,936.	

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Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	**(b)** Book Value	**(c)** Fair Market Value
Assets	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	947,446.	903,826.	903,826.
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ► 50,000.	Statement 7		
	Less allowance for doubtful accounts ►		50,000.	50,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) Statement 8	5,513,487.	4,007,793.	4,301,778.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) Statement 9	2,050,000.	4,665,593.	5,222,074.
	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 instructions. Also, see page 1, item I)	8,510,933.	9,627,212.	10,477,678.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	8,510,933.	9,627,212.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ► [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	8,510,933.	9,627,212.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	8,510,933.	9,627,212.	

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	8,510,933.
2	Enter amount from Part I, line 27a	2	1,117,985.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	9,628,918.
5	Decreases not included in line 2 (itemize) ► See Statement 10	5	1,706.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	9,627,212.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 11			
b			
c			
d			
e			

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

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 — **2** 1,457,751.

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** 426,184.

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

If 'Yes,' the organization 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 (column (b) divided by column (c))
2004	477,462.	9,718,036.	0.049132
2003	426,161.	8,678,178.	0.049107
2002	121,986.	8,077,317.	0.015102
2001	509,588.	9,236,362.	0.055172
2000	150,000.	6,012,347.	0.024949

2	**Total** of line 1, column (d)	2	0.193462
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	0.038692
4	Enter the net value of noncharitable-use assets for 2005 from Part X, line 5	4	10,132,756.
5	Multiply line 4 by line 3	5	392,057.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	16,023.
7	Add lines 5 and 6	7	408,080.
8	Enter qualifying distributions from Part XII, line 4	8	524,658.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► [ ] and enter 'N/A' on line 1. Date of ruling letter ________ (attach copy of ruling letter if necessary – see instructions)				
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here ► [X] and enter 1% of Part I, line 27b			1	16,023.
c All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3 Add lines 1 and 2			3	16,023.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	16,023.
6 Credits/Payments				
a 2005 estimated tax pmts and 2004 overpayment credited to 2005	6a	6,708.		
b Exempt foreign organizations – tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	6,708.
8 Enter any **penalty** for underpayment of estimated tax Check here [ ] if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►			9	9,315.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	
11 Enter the amount on line 10 to be: **Credited to 2006 estimated tax** ►		**Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*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 organization in connection with the activities.*			
c Did the organization file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization ► $ 0. (2) On organization managers ► $ 0.			
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers ► $ 0.			
2 Has the organization engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the organization have unrelated business gross income of $1,000 or more during the year?	4a	X	
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the organization have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► CA			
b If the answer is 'Yes' to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If 'No,' attach explanation*	8b	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2005 or the taxable year beginning in 2005 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*	10		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?	11	X	

Web site address ► N/A

12 The books are in care of ► Gregory Snow, CPA Telephone no ► 408-354-8500

Located at ► 250 N. Santa Cruz Ave., Los Gatos, CA, ZIP + 4 ► 95030-7228

13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► [ ]

and enter the amount of tax-exempt interest received or accrued during the year ► 13 N/A

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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
1 a During the year did the organization (either directly or indirectly)				
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		**1b**	N/A	
Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c Did the organization 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 2005?		**1c**		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a At the end of tax year 2005, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005?	☐ Yes ☒ No			
If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .				
b Are there any years listed in 2a for which the organization 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**	N/A	
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 organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b If 'Yes,' did it have excess business holdings in 2005 as a result of (1) any purchase by the organization 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 organization had excess business holdings in 2005)*		**3b**	N/A	
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		**4a**		X
b Did the organization 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 2005?		**4b**		X
5a During the year did the organization pay or incur any amount to				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?		**5b**	N/A	
Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c If the answer is 'Yes' to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No			
If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)				
6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**		X
If you answered 'Yes' to 6b, also file Form 8870				

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 12		0.	0.	0.

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

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(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 N/A	
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 See Statement 13	50,000.
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ►	50,000.

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	10,287,062.
b Average of monthly cash balances		1b	
c Fair market value of all other assets (see instructions)		1c	
d **Total** (add lines 1a, b and c)		1d	10,287,062.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2 Acquisition indebtedness applicable to line 1 assets		2	0.
3 Subtract line 2 from line 1d		3	10,287,062.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	154,306.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	10,132,756.
6 **Minimum investment return.** Enter 5% of line 5		6	506,638.

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.)

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1 Minimum investment return from Part X, line 6		1	506,638.
2a Tax on investment income for 2005 from Part VI, line 5	2a 16,023.		
b Income tax for 2005. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	16,023.
3 Distributable amount before adjustments. Subtract line 2c from line 1		3	490,615.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	490,615.
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	490,615.

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	474,658.
b Program-related investments — total from Part IX-B	1b	50,000.
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	524,658.
5 Organizations 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	16,023.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	508,635.

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 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				490,615.
2 Undistributed income, if any, as of the end of 2004				
a Enter amount for 2004 only			345,807.	
b Total for prior years. 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2005				
a From 2000				
b From 2001				
c From 2002				
d From 2003				
e From 2004				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2005 from Part XII, line 4. ► $ 524,658.				
a Applied to 2004, but not more than line 2a			345,807.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2005 distributable amount				178,851.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2005 (*If an amount appears in column (d), the same amount must be shown in column (a).*)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2004 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2005 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006				311,764.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2000 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2006.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2001				
b Excess from 2002				
c Excess from 2003				
d Excess from 2004				
e Excess from 2005				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2005, 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			
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
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					

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

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))

See Statement 14

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

None

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

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

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

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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Statement 15				
Total			► **3a**	425,150.
b *Approved for future payment*				
Total			► **3b**	

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Part XVI-A Analysis of Income-Producing Activities

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			3	203,752.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income		1,049.			
8 Gain or (loss) from sales of assets other than inventory			3	1,457,751.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a Income Tax Refund			3	50.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		[illegible]9.		1,661,553.	
13 Total. Add line 12, columns (b), (d), and (e)				13	1,662,602.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). (See instructions.)
N/A	

The KL Felicitas Foundation 77-0539366

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

[signature] 10.12.09 PRESIDENT

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

		Date	Check if self-employed ☐	Preparer's SSN or PTIN (See Signature on page 28 of the instructions.)
Preparer's signature	[signature]	10/11/09		P00734922
Firm's name (or yours if self-employed), address, and ZIP code	EBERT & ASSOCIATES, LLC 707 GRANT ST. SUITE 1140, PITTSBURGH, PA 15219		EIN	26-4017188
			Phone no.	(412) 258-2258

Post Office Box 37
Los Gatos, California
95031-0037 USA

TEL (408) 358-1788
FAX (408) 356-5387

KL Felicitas Foundation

Expenditure Responsibility Grants
Prospective grantees are asked by the Foundation to furnish information concerning their status as exempt organizations under the Internal Revenue Code.

Prospective grantees with respect to whom the Foundation is required to exercise "expenditure responsibility" are informed by letter, before payment is made on a grant, of the responsibilities imposed upon the Foundation and its grantees by the Internal Revenue Code of 1986, as amended. Each grantee must agree in writing to those terms and conditions, including the obligation to provide financial and substantive reports n how Foundation grant funds are expended. The reports that are received are reviewed for general accuracy, sufficiency and compliance with the terms and conditions of the grant. Additional information is requested from grantees in instances where reports are considered inadequate. Where the Foundation has not received financial or substantive reports form a grantee when expected, Foundation principals follow up in several ways, including reminders that are sent at regular intervals after reports are expected and personal follow-up through telephone, mail and e-mail.

The following schedules list grants with respect to which the Foundation is believed to have "expenditure responsibility" obligations. Grantee Organizations requiring this additional information are marked with a "*".

<u>Instituto Terra</u>
Caixa Postal 005, CEP 35200000
Aimores, Minas Gerais, Brazil
Reforestation and community redevelopment project in Brazil's Mat Atlantico Rain Forest. Grant is for general support.

Project Grant: $35,000
Grantee has provided accounting for grant monies with a detailed report.

<u>Aspira</u>
18-173 Dabare Mw
Colombo
Sri Lanka 00500
Sustainable biomass electrification based on Dendro for rural communities in Southern Sri Lanka.

Project Grant: $45,000.00
Grantee has provided accounting for grant monies with a detailed report.

<u>Katholisher Familienverband</u>
Riedgasse 9, 6020 Innsbruck
Austria
Community development project in Tyrol, Austria addressing children, women and family issues through empowerment and education

Project Grant. $5,000
Grantee has provided accounting for grant monies with a detailed report.

Statement 1
Form 990-PF, Part I, Line 11
Other Income

Income Tax Refund		$ 50.
Other Investment Income		1,049.
	Total	$ 1,099.

Statement 2
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Ferrari, Ottoboni, LLP - Legal Service	$ 3,136.	$ 1,568.		$ 1,568.
Total	$ 3,136.	$ 1,568.	$ 0.	$ 1,568.

Statement 3
Form 990-PF, Part I, Line 16b
Accounting Fees

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	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Ferrari, Ottoboni, LLP - Tax Planning	$ 413.	$ 207.		$ 206.
Snow, Bittleston & Co.- Tax Preparation	3,675.	1,837.		1,838.
Total	$ 4,088.	$ 2,044.	$ 0.	$ 2,044.

Statement 4
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Deutsche Bank-Management Fees	$ 680.	$ 680.		
Guggenheim-Management Fees	37,612.	37,612.		
Project Resource Group-Fundraising	29,616.			$ 29,616.
Total	$ 67,908.	$ 38,292.	$ 0.	$ 29,616.

Statement 5
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
2004 Federal Income Tax	$ 4,093.			
2005 Federal Estimated Taxes	6,708.			
Foreign Taxes	541.	$ 541.		
Foreign Taxes-K-1	43.	43.		
Total	$ 11,385.	$ 584.	$ 0.	$ 0.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Council on Foundations-Membership	$ 870.			$ 870.
Deluxe Business Checks	348.	$ 174.		174.
Department of Justice	150.	75.		75.
Franchise Tax Board-Annual Filing Fee	10.	5.		5.
K-1 Charitable Contribution	398.			398.
K-1 Expense-Legacy Venture	5,084.	5,084.		
K-1 Expense-Microvest	11,322.	11,322.		
Patricia Holland Design-Graphic Design	12,666.			12,666.
Secretary of State	20.	10.		10.
Total	$ 30,868.	$ 16,670.	$ 0.	$ 14,198.

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Statement 7
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Notes and Loans Reported Separately		Book Value	Fair Market Value	Doubtful Accounts Allowance
Borrower's Name:	Microvest I, LP			
Borrower's Title:				
Date of Note:	3/31/2006			
Maturity Date:	3/31/2009			
Repayment Terms:	Lumpsum on 3/31/09			
Interest Rate:	5.08%			
Security Provided:				
Purpose of Loan:	See PartIX-B			
Borrower Relationship:				
Consideration:	Cash-$50,000			
Consideration FMV:	$ 50,000.			
Original Amount:	$ 50,000.			
Balance Due:		$ 50,000.	$ 50,000.	
Doubtful Acct. Allow.:				$ 0.

Statement 7 (continued)
Form 990-PF, Part II, Line 7
Other Notes and Loans Receivable

Total	$ 50,000.	$ 50,000.	

Allowance for Doubtful Accounts	$ 0.
Net Other Notes/Loans Rec. - Book Value	$ 50,000.

Statement 8
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
Corporate Stocks-Deutsche Bank	Cost	$ 0.	$ 0.
4,750 Shares of Ishares Trust MSCI Emerg	Cost	385,000.	470,250.
Mutual Funds-Guggenheim	Cost	3,622,793.	3,831,528.
	Total	$ 4,007,793.	$ 4,301,778.

Statement 9
Form 990-PF, Part II, Line 13
Investments - Other

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Other Investments	Valuation Method	Value	Fair Market Value
Aurora Offshore Fund Ltd II, Class A	Cost	$ 2,000,000.	$ 2,492,984.
Legacy Venture III, LLC	Cost	69,838.	69,838.
Covexity Capital	Cost	1,500,000.	1,500,000.
Microvest I, LP	Cost	95,755.	95,755.
Guggenheim Partners Equity Opp. Fund	Cost	1,000,000.	1,063,497.
	Total	$ 4,665,593.	$ 5,222,074.

Statement 10
Form 990-PF, Part III, Line 5
Other Decreases

Book/Tax Difference	$ 1,706.
Total	$ 1,706.

Statement 11
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	Vanguard Specialized Protfolios REIT	Purchased	3/24/2005	4/01/2005
2	Professionally Managed Portfolios	Purchased	12/15/2004	4/01/2005
3	Wt Mut Fd CRM Small Cap Value	Purchased	12/16/2004	4/01/2005
4	Artisan Fds Inc	Purchased	11/18/2004	4/04/2005
5	National Fund Inc	Purchased	12/29/2004	4/04/2005
6	Vanguard Specialized Profolios REIT	Purchased	12/24/2003	4/01/2005
7	Professionally Managed Portfolios	Purchased	12/19/2003	4/01/2005
8	Wt Mut Fd CRM Small Cap Value	Purchased	12/18/2002	4/01/2005
9	Artisan Fds Inc	Purchased	11/13/2003	4/04/2005
10	Nations Fund Inc	Purchased	12/29/2003	4/04/2005
11	ABN AMRO Fds Veredus Aggressive Growth	Purchased	4/25/2002	4/05/2005
12	Conocophillips Com	Purchased	2/03/2005	4/06/2005
13	J P Morgan Chase & Co	Purchased	10/24/2002	4/01/2005
14	J P Morgan Chase & Co	Purchased	10/24/2002	4/04/2005
15	Devon Energy Corp	Purchased	12/10/2003	4/06/2005
16	See Attch A	Purchased	Various	Various
17	See Attch A	Purchased	Various	Various
18	See Attch B	Purchased	Various	Various
19	Cash in Lieu	Purchased	Various	Various

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	9,099.		8,998.	101.				$ 101.
2	18,382.		18,192.	190.				190.
3	67,274.		68,461.	-1,187.				-1,187.
4	1,739.		1,676.	63.				63.
5	44,696.		44,687.	9.				9.
6	778,181.		584,160.	194,021.				194,021.
7	357,225.		278,150.	79,075.				79,075.
8	755,236.		665,253.	89,983.				89,983.
9	297,925.		256,186.	41,739.				41,739.
10	900,617.		672,003.	228,614.				228,614.
11	318,868.		292,206.	26,662.				26,662.
12	12,039.		10,469.	1,570.				1,570.
13	27,384.		16,542.	10,842.				10,842.
14	53,482.		32,816.	20,666.				20,666.
15	32,224.		17,799.	14,425.				14,425.
16	1822709.		1497169.	325,540.				325,540.
17	3800441.		3495175.	305,266.				305,266.
18	875,219.		755,182.	120,037.				120,037.
19	135.		0.	135.				135.
							Total	$ 1457751.

Statement 12
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
Karl Kleissner P. O. Box A Wayne, PA 19087	Secretary 10	$ 0.	$ 0.	$ 0.
Lisa Kleissner P. O. Box A Wayne, PA 19087	President & CEO 10	0.	0.	0.
Alex Kleissner P. O. Box A Wayne, PA 19087	Vice President 5	0.	0.	0.
	Total	$ 0.	$ 0.	$ 0.

Statement 13
Form 990-PF, Part IX-B, Line 1
Summary of Program-Related Investments

Loan made at a below-market interest rate to fund Microvest I, LP's Micro Finance Portfolio for the purpose of maximizing the number of loans made available to self-reliant, social-minded entrepreneurs. They provide financial services to low-income based enterprises that are profitable, growth-oriented, and well-managed.

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Statement 14
Form 990-PF, Part XV, Line 1a
Foundation Managers - 2% or More Contributors

Karl Kleissner
Lisa Kleissner

Statement 15
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Rockefeller Philanthropy Adv. 437 Madison Avenue New York, NY 10022		501c3	General Support	$ 72,000.

Statement 15 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
World Affairs Council 312 Sutter Street, #200 San Francisco, CA 94108		501c3	General Support	$ 10,000.
Instituto Terra Caixa Postal 005,CEP 35200000 Aimores, Minas Gerais, Brazil		*	General Support *Expenditure responsibility performed.	35,000.
The Tech Museum 201 South Market Street San Jose, CA 95113		501c3	General Support	2,000.
Acumen Fund, Inc. 74 Trinity Place, 9th Floor New York, NY 10006		501c3	General Support	50,000.
Aspira 18-173 Dabare Mw Colombo, Sri Lanka , 00500		*	General Support *Expenditure responsiblity performed.	45,000.
Santa Clara University 500 El Camino Real Santa Clara, CA 95053		501c3	General Support	10,000.
Esalen Institute 55000 Highway One Big Sur, CA 93920		501c3	General Support	15,150.
Big Sur Health Center 46896 Highway One Big Sur, CA 93920		501c3	Multi year grant with 1 year remaining: 9/06 $30,000. Grant is for their Endowment.	30,000.
Katholischer Familienverband Riedgasse 9, 6020 Innsbruck Austria,		*	General Support *Expenditure responsibility performed.	5,000.
The Bridge Fund 3727 Buchanan Street, #202 San Francisco, CA 94123		501c3	General Support	3,000.
Castilleja School Foundation 1310 Bryant Street Palo Alto, CA 94301		501c3	Multi year grant with 1 payment remaining: 6/30/06 $82,000. Grant is for their Endowment.	148,000.
			Total	$ 425,150.

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