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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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation The Margetts Foundation		A Employer identification number 22-6041532	
Number and street (or P O box number if mail is not delivered to street address) PO Box 287		B Telephone number (see instructions)	
City or town, state, and ZIP code Newport, PA 17074		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 515,618		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8	8		
	4 Dividends and interest from securities.	15,932	15,932		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	29,971			
	b Gross sales price for all assets on line 6a 44,989				
	7 Capital gain net income (from Part IV , line 2)		29,971		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	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	45,911	45,911		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	1,985	992		993
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	232			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	105	105		
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	2,322	1,097		993
	25 Contributions, gifts, grants paid	45,275			45,275
	26 Total expenses and disbursements. Add lines 24 and 25	47,597	1,097		46,268
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-1,686			
	b Net investment income (if negative, enter -0-)		44,814		
	c Adjusted net income (if negative, enter -0-)				

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	5,690	19,021	9,054
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	130,030 <input checked="" type="checkbox"/>	115,013	506,564
	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)			
	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)	135,720	134,034	515,618

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 ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	135,720	134,034	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see page 17 of the instructions)	135,720	134,034	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	135,720	134,034	

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	135,720
2	Enter amount from Part I, line 27a	2	-1,686
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	134,034
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	134,034

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

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

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a See Additional Data Table			
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	29,971
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	64,588	501,742	000 128728
2010	45,450	498,223	000 091224
2009	41,792	469,240	000 089063
2008	43,338	521,961	000 083029
2007	35,418	623,323	000 056821

2 Total of line 1, column (d).	2	000 448865
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	000 089773
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	517,923
5 Multiply line 4 by line 3.	5	46,496
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	448
7 Add lines 5 and 6.	7	46,944
8 Enter qualifying distributions from Part XII, line 4.	8	46,268

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 VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	896
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	896
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	896
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a	370	
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	370
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	526
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	
11		Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/>	Refunded <input type="checkbox"/>	11	

Part VII-AStatements 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?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			No
	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.			
c	Did the foundation file Form 1120-POL for this year?.	1c		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?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
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	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> NJ _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		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 ▶W Thomas Margetts Telephone no ▶(973) 879-5343 Located at ▶PO Box 846 Boca Grande FL ZIP +4 ▶33921			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
See instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ▶				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. ▶ <input type="checkbox"/>	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?.	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?. <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		
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 2012 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	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))?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(3) Provide a grant to an individual for travel, study, or other similar purposes?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions).		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?		<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)?		5b		
Organizations relying on a current notice regarding disaster assistance check here.				
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If "Yes," attach the statement required by Regulations section 53.4945–5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		No
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<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).				
(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
W Thomas Margetts	President	0		
PO Box 846	005 00			
Boca Grande, FL 33921				
Donna D Margetts	Trustee	0		
PO Box 846	005 00			
Boca Grande, FL 33921				
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
Total number of other employees paid over \$50,000.				

Part VIII

(a) Name and address of each person paid more than \$50,000

(c) Compensation

Total number of others receiving over \$50,000 for professional services. ▶

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

3

4

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 page 24 of the 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	508,519
b	Average of monthly cash balances.	1b	17,291
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	525,810
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	525,810
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	7,887
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	517,923
6	Minimum investment return. Enter 5% of line 5.	6	25,896

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	25,896
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	896
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	896
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	25,000
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	25,000
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	25,000

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	46,268
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	46,268
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	46,268
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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				25,000
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007.				
b From 2008.	396			
c From 2009.	19,692			
d From 2010.	20,941			
e From 2011.	40,223			
f Total of lines 3a through e.	81,252			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 46,268				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).				
d Applied to 2012 distributable amount.				25,000
e Remaining amount distributed out of corpus	21,268			
5 Excess distributions carryover applied to 2012 (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:	102,520			
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 2011 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions). . .				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.	102,520			
10 Analysis of line 9				
a Excess from 2008. . . .	396			
b Excess from 2009. . . .	19,692			
c Excess from 2010. . . .	20,941			
d Excess from 2011. . . .	40,223			
e Excess from 2012. . . .	21,268			

Part XIVPrivate 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 2012, 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)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 XVSupplementary 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 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 Additional Data Table				
Total			3a	45,275
b Approved for future payment				
Total			3b	

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			14	8	
4	Dividends and interest from securities. . . .			14	15,932	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.					
6	Net rental income or (loss) from personal property					
7	Other investment income.					
8	Gain or (loss) from sales of assets other than inventory			18	29,971	
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). .				45,911	
13	Total. Add line 12, columns (b), (d), and (e).			13		45,911

[illegible]

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

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

* * * * *

2013-05-06

* * * * *

Signature of officer or trustee

Date

Title

May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ **Yes** ☐ **No**

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input checked="checked" type="checkbox"/>	PTIN
Gary M Kollet CPA	Gary M Kollet CPA	2013-05-06		
Firm's name	Kollet Tax and Accounting Services LLC		Firm's EIN	
	60 Hickory Corner Road			
Firm's address	Milford, NJ 088482030		Phone no (908) 899-1014	

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
150 shs ADP	P	1993-01-02	2012-01-27
150 shs ADP	P	1993-01-02	2012-07-10
200 shs ADP	P	1993-01-02	2012-11-15
Express Scripts - fractions	P	2003-08-20	2012-04-03
387 shs Broadridge Finl Solutions	P	1993-01-02	2012-01-27
Medco - Express Scripts merger	P	2003-08-20	2012-04-03
351 shs Orrstown Finacial Srvs	P	2005-07-15	2012-01-27
Valley Natl Bank fractions	P	1999-10-21	2012-05-25

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
8,145		844	7,301
8,138		844	7,294
10,734		1,125	9,609
55		7	48
9,082		932	8,150
6,221			6,221
2,607		11,266	-8,659
7			7

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			7,301
			7,294
			9,609
			48
			8,150
			6,221
			-8,659
			7


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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
ARTS COUNCIL OF MORRIS AREA 14 MAPLE AVE MORRISTOWN,NJ 07960	NONE	EXEMPT	ARTS	100
BLOOMFIELD COLLEGE FOUNDATION 229 LIBERTY STREET BLOOMFIELD,NJ 07003	NONE	EXEMPT	EDUCATION	350
BOCA GRANDE HEALTH CLINIC FOUNDATION P O BOX 2340 BOCA GRANDE,FL 33921	NONE	EXEMPT	MEDICAL	4,000
CHURCH OF THE NATIVITY SOUTH SECOND STREET NEWPORT,PA 17074	NONE	EXEMPT	RELIGIOUS	100
COMM FNDTN OF NJ-HARDING TWP-FUND FOR MARGETTS FIELD 35 KNOX HILL ROAD PO BOX 338 MORRISTOWN,NJ 079630338	NONE	EXEMPT	SERVICE	9,500
CCM FOUNDATIOON 214 CENTER GROVE ROAD RANDOLPH,NJ 07869	NONE	EXEMPT	EDUCATION	1,500
FAIRLEIGH DICKINSON UNIVERSITY - DIR OF ANNUAL GIVING 1000 RIVER ROAD H- DH3-12 TEANECK,NJ 07666	NONE	EXEMPT	EDUCATION	150
FRIENDS OF FLORHAM - FAIRLEIGH DICKINSON UNIVERSITY Madison Ave MADISON,NJ 07940	NONE	EXEMPT	SERVICE	400
FRIENDS OF THE GREAT SWAMP WILDLIFE REFUGE 241 PLEASANT PLAINS ROAD BASKING RIDGE,NJ 07920	NONE	EXEMPT	CONSERVATION	100
FROST VALLEY YMCA 200 FROSDT VALLEY ROAD CLARYVILLE,NY 12725	NONE	EXEMPT	SERVICE-YOUTH	4,000
GASPARILLA ISLAND CONSERVATION & IMPROVEMENT ASSOC PO BOX 446 BOCA GRANDE,FL 33921	NONE	EXEMPT	CONSERVATION	100
GREAT SWAMP WATERSHED ASSOCIATION P O BOX 300 NEW VERNON,NJ 07976	NONE	EXEMPT	CONSERVATION	100
GREATER MORRISTOWN YMCA 79 HORSEHILL ROAD CEDAR KNOLLS,NJ 07927	NONE	EXEMPT	SERVICE	100
HARDING LAND TRUST 110 HARTER ROAD MORRISTOWN,NJ 07960	NONE	EXEMPT	CONSERVATION	100
HURRICANE SANDY NJ RELIEF FUND PO BOX 95 MENDHAM,NJ 079450095	NONE	EXEMPT	SERVICE	2,500

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
KENT SCHOOL PO BOX 2006 KENT,CT 06757	NONE	EXEMPT	EDUCATION	350
KESSLER FOUNDATION 300 EXECUTIVE DRIVE WEST ORANGE,NJ 07052	NONE	EXEMPT	SERVICE - MEDICAL	2,000
KIMBALL UNION ACADEMY PO BOX 188 MERIDAN,NH 03770	NONE	EXEMPT	EDUCATION	100
LAND CONSERVANCY OF NEW JERSEY 19 BOONTON AVENUE BOONTON,NJ 07005	NONE	EXEMPT	CONSERVATION	100
MACCULLOCH HALL 45 MACCULLOCH STREET MORRISTOWN,NJ 07960	NONE	EXEMPT	HISTORICAL	100
MILLERSBURG FERRY BOAT ASSOCIATION POBOX 93 MILLERSBURG,PA 17061	NONE	EXEMPT	SERVICE	100
MORRISTOWN MEMORIAL HEALTH FOUNDATION 100 MADISON AVENUE MORRISTOWN,NJ 07960	NONE	EXEMPT	SERVICE-MEDICAL	250
NATIONAL CIVIL WAR MUSEUM 1 LINCOLN CIRCLE AT RESERVOIR PARK HARRISBURG,PA 17103	NONE	EXEMPT	HISTORICAL	250
NED SMITHCENTER FOR NATURE AND ART 177 WATERCO ROAD PO BOX 33 MILLERSBURG,PA 17061	NONE	EXEMPT	EDUCATION	250
NEWARK ACADEMY 91 SOUTH ORANGE AVENUE LIVINGSTON,NJ 07039	NONE	EXEMPT	EDUCATION	100
NEW JERSEY CONSERVATION ASSOCIATION BAMBOO ROAD FAR HILLS,NJ 07931	NONE	EXEMPT	ENVIRONMENTAL	250
NEWPORT CITIZENS FIRE COMPANY 301 MULBERRY STREET NEWPORT,PA 17074	NONE	EXEMPT	SERVICE	100
NEWPORT PUBLIC LIBRARY 316 NORTH FOURTH STREET NEWPORT,PA 17074	NONE	EXEMPT	SERVICE-EDUCATION	850
NEWORT REVITALIZATION AND PRESERVATION SOCIETY PO BOX 13 NEWPORT,PA 17074	NONE	EXEMPT	SERVICE	500
NEWPORT VETERANS MEMORIAL PARK PROJECT - ATTN FRANK CAMPBELL 231 MARKET STREET NEWPORT,PA 17074	NONE	EXEMPT	SERVICE	500

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
NEW VERNON VOLUNTEER FIRE DEPARTMENT VILLAGE ROAD NEW VERNON, NJ 07976	NONE	EXEMPT	SERVICE	150
PARTNERSHIP IN PHILANTHROPY-ATTN HEATHER ROBINSON 205 MAIN STREET CHATHAM, NJ 07928	NONE	EXEMPT	SERVICE	250
PERLMAN MUSIC PROGRAM SUNCOAST PO BOX 3407 SARASOTA, FL 34230	NONE	EXEMPT	SERVICE-YOUTH	1,250
PERRY COUNTY ARTS CUNCIL 232 MARKET STREET PO BOX 354 NEWPORT, PA 17074	NONE	EXEMPT	ARTS	5,000
PERRY COUNTY COMMUNITY FOUNDATION 200 N 3RD STREET PO BOX 678 HARRISBURG, PA 171080678	NONE	EXEMPT	SERVICE	2,000
PERRY COUNTY LITERACY COUNCIL 316 NORTH FOURTH STREET NEWPORT, PA 17074	NONE	EXEMPT	SERVICE-EDUCATION	1,000
ST ANDREWS EPISCOPAL CHURCH PO BOX 272 BOCA GRANDE, FL 33921	NONE	EXEMPT	RELIGIOUS	1,000
ST PETERS EPISCOPAL CHURCH MILLER ROAD MORRISTOWN, NJ 07960	NONE	EXEMPT	RELIGIOUS	1,000
SALVATION ARMY 95 SPRING STREET MORRISTOWN, NJ 07960	NONE	EXEMPT	SERVICE	200
SARASOTA OPERA 61 NORTH PINEAPPLE AVENUE SARASOTA, FL 34236	NONE	EXEMPT	CULTURAL	1,425
SCHUYLER-HAMILTON HOUSE 5 OLYPHANT PLACE MORRISTOWN, NJ 07960	NONE	EXEMPT	HISTORICAL	100
SPECIAL OLYMPICS - NJ PO BOX 175 PEAPACK, NJ 07877	NONE	EXEMPT	SERVICE-YOUTH	500
SPHINX FOUNDATION PO BOX 213 HANOVER, NH 03755	NONE	EXEMPT	SERVICE	250
UNIVERSITY OF VA LAWSCHOOL FOUNDATION PO BOX 400807 CHARLOTTESVILLE, VA 229044807	NONE	EXEMPT	EDUCATION	2,000
WASHINGTON ASSOCIATION OF NEW JERSEY PO BOX 1473 MORRISTOWN, NJ 079601473	NONE	EXEMPT	SERVICE	250
Total  3a				45,275

TY 2012 Accounting Fees Schedule**Name:** The Margetts Foundation**EIN:** 22-6041532**Software ID:** 12000057**Software Version:** 12.13.328.3

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Kollet Tax Accounting	1,985	992		993

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

TY 2012 Gain/Loss from Sale of Other Assets Schedule

Name: The Margetts Foundation

EIN: 22-6041532

Software ID: 12000057

Software Version: 12.13.328.3

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
150 shs ADP	1993-01	P	2012-01		8,145	844			7,301	
150 shs ADP	1993-01	P	2012-07		8,138	844			7,294	
200 shs ADP	1993-01	P	2012-11		10,734	1,125			9,609	
Express Scripts - fractions	2003-08	P	2012-04		55	7			48	
387 shs Broadridge Finl Solutions	1993-01	P	2012-01		9,082	932			8,150	
Medco - Express Scripts merger	2003-08	P	2012-04		6,221				6,221	
351 shs Orrstown Finacial Srvs	2005-07	P	2012-01		2,607	11,266			-8,659	
Valley Natl Bank fractions	1999-10	P	2012-05		7				7	

TY 2012 General Explanation Attachment

Name: The Margetts Foundation

EIN: 22-6041532

Software ID: 12000057

Software Version: 12.13.328.3

TY 2012 Investments Corporate Stock Schedule

Name: The Margetts Foundation

EIN: 22-6041532

Software ID: 12000057

Software Version: 12.13.328.3

Name of Stock	End of Year Book Value	End of Year Fair Market Value
1300 shares of Automatic Data Processing	7,310	74,009
1500 shares of Colgate-Palmolive	12,099	156,810
692 shares of Center Bancorp	6,343	8,013
100 shares of Home Depot	3,375	6,185
300 shares of Heinz HJ Co	5,329	17,304
500 shares of Johnson Johnson	11,093	35,050
2041 shares of Merck	21,664	83,559
1491 shares of Pfizer Inc	14,298	37,393
400 shares of Procter Gamble	7,649	27,156
54 shares of Smucker JM Co	3,138	4,657
100 shares of Abbott Laboratories	5,581	6,550
800 shares of UGI Corp New	4,008	26,168
100 shares of Verizon Communications	1,810	4,327
327 shares of Valley National Bancorp	3,712	3,041
24 shares of Frontier Communications	120	103
100 shares of Pepsico Incorporated	6,136	6,843
174 shares of Express Scripts	1,348	9,396

TY 2012 Other Expenses Schedule

Name: The Margetts Foundation

EIN: 22-6041532

Software ID: 12000057

Software Version: 12.13.328.3

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Check Printing	105	105		

TY 2012 Taxes Schedule**Name:** The Margetts Foundation**EIN:** 22-6041532**Software ID:** 12000057**Software Version:** 12.13.328.3

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Tax on investment income	232			