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

12/9

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation: The Paulits Foundation Inc

A Employer identification number: 23-3015108

Number and street (or P O box number if mail is not delivered to street address): 536 Westwind Drive

Room/suite:

B Telephone number (see instructions): (610)647-6355

City or town, state, and ZIP code: Berwyn, PA 19312-1156

C If exemption application is pending, check here ▶ ☐

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

D 1 Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 662,476

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

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

SCANNED JUN 26 2014

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)
1	Contributions, gifts, grants, etc , received (attach schedule)				
2	Check ▶ ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	27,961	27,961		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 STM139	17,415			
b	Gross sales price for all assets on line 6a 95,728				
7	Capital gain net income (from Part IV, line 2)				
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	45,376	27,961		
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) STM107	5,156			5,156
b	Accounting fees (attach schedule) STM108	6,075	6,075		
c	Other professional fees (attach schedule) STM109	5,893	5,893		
17	Interest				
18	Taxes (attach schedule) (see instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) STM103	1,500			1,500
24	**Total operating and administrative expenses.** Add lines 13 through 23	18,624	11,968		6,656
25	Contributions, gifts, grants paid	49,542			49,542
26	**Total expenses and disbursements.** Add lines 24 and 25	68,166	11,968		56,198
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	(22,790)			
b	**Net investment income** (if negative, enter -0-)		15,993		
c	**Adjusted net income** (if negative, enter -0-)			0	

Revenue

Operating and Administrative Expenses

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For Paperwork Reduction Act Notice, see instructions.

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Form **990-PF** (2012)

9-12-15

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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		208	208
	2	Savings and temporary cash investments	28,079	10,389	10,389
	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 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) STM137	502,711	469,939	488,557
	c	Investments - corporate bonds (attach schedule) STM138	137,864	157,542	163,022
	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 ▶ STM120)	300	300	300
	16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	668,954	638,378	662,476
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	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	668,954	638,378	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	668,954	638,378	
	31	**Total liabilities and net assets/fund balances** (see instructions)	668,954	638,378	

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	668,954
2	Enter amount from Part I, line 27a	2	(22,790)
3	Other increases not included in line 2 (itemize) ▶ STM115	3	68
4	Add lines 1, 2, and 3	4	646,232
5	Decreases not included in line 2 (itemize) ▶ STM116	5	7,854
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	638,378

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 (yr , mo , day)	(d) Date sold (yr , mo , day)
1a				
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) 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				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c) (see 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 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	86,528	698,635	0.123853
2010	91,302	718,523	0.127069
2009	98,175	827,680	0.118615
2008	87,846	842,595	0.104256
2007	78,264	1,073,807	0.072885

2	**Total** of line 1, column (d)	2	0.546678
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	0.109336
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	660,754
5	Multiply line 4 by line 3	5	72,244
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	160
7	Add lines 5 and 6	7	72,404
8	Enter qualifying distributions from Part XII, line 4	8	56,198

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b			1	320
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0
3	Add lines 1 and 2			3	320
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	320
6	Credits/Payments				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	68		
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	68
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	252
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** ▶ **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
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)?	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 foundation in connection with the activities			
c	Did the foundation 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 foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
	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		X
4a	Did the foundation 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		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
	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	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶			
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		
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		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ paulits.org

14 The books are in care of ▶ James Paulits Telephone no ▶ 610-647-6355

Located at ▶ 536 Westwind Drive Berwyn, PA ZIP+4 ▶ 19312-1156

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041-Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ 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 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) ☐ 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		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ▶ ______ , ______ , ______ , ______			
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 ▶ ______ , ______ , ______ , ______			
3a	Did the foundation 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 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see 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? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X

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? ☐ Yes ☒ 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
James Paulits 536 Westwind Drive, PA 19312-1156	President 2	0	0	0
John Hines 697 Tennis Ave Ambler, PA 19002	Treasurer 1	0	0	0
R David Sadoo 920 Valley Forge Road, PA 19460	Secretary 1	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 ▶ 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		
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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	655,117
b	Average of monthly cash balances	1b	15,399
c	Fair market value of all other assets (see instructions)	1c	300
d	**Total** (add lines 1a, b, and c)	1d	670,816
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	0
3	Subtract line 2 from line 1d	3	670,816
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	10,062
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	660,754
6	**Minimum investment return.** Enter 5% of line 5	6	33,038

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

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	56,198
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	56,198
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	56,198

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					
2 Undistributed income, if any, as of the end of 2012					
a Enter amount for 2011 only					
b Total for prior years ______, ______, ______					
3 Excess distributions carryover, if any, to 2012					
a From 2007	25,676				
b From 2008					
c From 2009	57,080				
d From 2010	52,176				
e From 2011	86,528				
f **Total** of lines 3a through e		221,460			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 56,198					
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					
e Remaining amount distributed out of corpus		56,198			
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:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		277,658			
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					
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)		25,676			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		251,982			
10 Analysis of line 9					
a Excess from 2008					
b Excess from 2009	57,080				
c Excess from 2010	52,176				
d Excess from 2011	86,528				
e Excess from 2012	56,198				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities .					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . .					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . .					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income . . .					

Part XV Supplementary Information (Complete this part only if the foundation 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))

None,

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

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

990APP

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				
Arc of Delaware County 740 S Chester Road Swarthmore PA 19081	None	501(c)(3)	Rights for intellectually disabled	7,500
Bournelyf Special Camp 1066 South New Street West Chester PA 19382	None	501(c)(3)	A camp for youth with special needs	1,500
Chester County SPCA 1212 Phoenixville Pike West Chester PA 19380	None	501(c)(3)	Promotes welfare and humane treatment of	1,500
Darby Presbyterian Church 400 Main Street Darby PA 19023	None	501(c)(3)	Assistance for the needy	1,000
Del Cty Down Syndrome Int Grp PO Box 226 Springfield PA 19064	None	501(c)(3)	Supportive of & aid people with Down Syndrome &	2,000
Delaware Cty Special Olympics 307 Lenox Road Havertown PA 19083	None	501(c)(3)	Athletic development of the disabled	5,000
Elwyn Institute 1100 Elwyn Road Media PA 19063	None	501(c)(3)	Supports individuals with diverse	7,405
Final Farewell 93 Old York Road Jenkintown PA 19046	None	501(c)(3)	Helps needy through the hardship of loss	5,000
Total ▶ 3a				
b Approved for future payment				
Total ▶ 3b				

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				
LaSalle College High School 8605 Cheltenham Ave Glenside PA 19038	None	501(c)(3)	Annual development fund	3,500
Leukemia and Lymphoma 1311 Mamaroneck Avenue 310 White Plains NY 10605	None	501(c)(3)	Cure leukemia lymphoma Hodgiins disease &	25
PA Crime Prevention 100 Duportail Road Berwyn PA 19312	None	501(c)(3)	Serves members of the police association	3,000
RFC PO Box 338 Philadelphia PA 19142	None	501(c)(3)	Head and neck cancer research	10,000
Salvation Army 701 N Broad St Philadelphia PA 19123	None	501(c)(30	Help for the needy	12
Special Needs Active People De 43 S Thomton Road Glen Mills PA 19342	None	501(c)(3)	Provides physical activities for mentally disabled	2,000
The Am Heart Association 7272 Greenville Ave Dallas TX 75231	None	501(c)(3)	To build healthe lives free of cardovascular	100
Total ▶ 3a				49,542
b Approved for future payment				
Total ▶ 3b				

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 None					
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					
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	523000		14		
8 Gain or (loss) from sales of assets other than inventory	523000		18		
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)					

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . 13 ______

(See worksheet in line 13 instructions to verify calculations)

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 foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

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

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) is based on all information of which preparer has any knowledge

X

Signature of officer or trustee

Date: 4-23

Title: President

May the IRS discuss this return with the preparer shown below (see inst)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
Robert Hornick		04-17-2014		P00841782

Firm's name ▶ Hornick & Assocs LLC

Firm's EIN ▶

Firm's address ▶ 1515 Market Street /Suite 1510
Philadelphia PA 19102

Phone no 215-568-1955

Federal Supporting Statements **2012** PG 01

Name(s) as shown on return: The Paulits Foundation Inc

Your Social Security Number: 23-3015108

Form 990PF, Part XV, Line 2
Application Submission Information

990APP

Grant Program
Paulits Foundation

Applicant Name
James Paulits

Address
536 Westwind Drive Berwyn PA 19312

Telephone
610-647-6355

Email Address

Form & Content
Identity and contact information of the applicant. For organizations- the demographics of the area served. The particular focus of the organization. Exactly how they plan to make use of the funds if the grant is approved. Budgets when applicable. For individuals, a detailed reason for the request. Exactly how they plan the use the funds if the grant is approved. Documents that verify all the information is asserted in the grant request.

Submission Deadline
Thirty days

Restrictions on Award
Upon approval of the grant, the funds provided must by used specifically for the purpose in the grant request or returned to the Foundation.

STM115

Name(s) as shown on return
The Paulits Foundation Inc

FEIN
23-3015108

Form 990PF, Part III, Line 3
Other Increases Schedule

Statement #115

Foreign tax paid	68
Total	68

STM116

PG 01

Form 990PF, Part III, Line 5
Other Decreases Schedule

Statement #116

Federal taxes	5,090
Book vs form 1099 income	2,764
Total	7,854

STM120

PG 01

Form 990PF, Part II, Line 15
Other Assets Schedule

Statement #120

Description	BOY Book	EOY Book	FMV
Exchange	300	300	300
Total	300	300	300

STM137

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return
The Paulits Foundation Inc

FEIN
23-3015108

Form 990PF, Part II, Line 10(b)
Investments: Corporate Stock Schedule

Statement #137

Category	BOY	Book Value	EOY FMV
Pioneer Equity Income Fd Cl A	42,452	43,062	45,727
American Fds Growth Fd of Am	35,415	32,381	39,238
American Fds Euro Pacific Fd	17,220	27,971	30,461
Gateway Fund Class A	62,058	52,059	53,974
Mednax Inc		10,005	11,925
PIMCO Total Return Fd CL A	116,384	114,688	121,433
Pimco Commodity Real Rtn Stgy	12,739	18,786	17,365
Lomis Sayles Strategic Inc Fd	98,402	96,668	114,934
LB 100% PPN-ABS RRTN BAR S&P 5		24,319	3,500
Copart Inc	17,042		
Conoco Phillips	4,528		
Surpress Products LLC	50,000	50,000	50,000
Mednax Inc	10,005		
Zimmer Holdings Inc	9,691		
LB 100% PPN-ABS RRTN BARS&P500	26,775		
Totals	502,711	469,939	488,557

STM138

PG 01

Form 990PF, Part II, Line 10(c)
Investments: Corporate Bond Schedule

Statement #138

Category	BOY	Book Value	EOY FMV
Blackrock High Yield Bond A	19,713	39,309	42,065
JP Morgan Core Bond Fd Cl A	118,151	118,233	120,957
Totals	137,864	157,542	163,022

Federal Supporting Statements 2012 PG 01

Name(s) as shown on return
The Paulits Foundation Inc

FEIN
23-3015108

Form 990PF, Part I, Line 6(a)
Gain(Loss) from Sale of Other Assets Schedule

Statement #139

Name	Blackrock High Yield Bond A
Date Acquired	2011-12
How Acquired	purchase
Date Sold	2012-11
Purchaser	Marketable security
Gross Sales	$ 3,250
Basis	$ 3,009
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 241

Name	Gateway Fund class A
Date Acquired	2011-12
How Acquired	purchase
Date Sold	2012-10
Purchaser	Marketable security
Gross Sales	$ 11,387
Basis	$ 10,966
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 421

Name	JP Morgan Core Bond Fund CL A
Date Acquired	2011-12
How Acquired	purchase
Date Sold	2012-11
Purchaser	Marketable security
Gross Sales	$ 2,622
Basis	$ 2,550
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 72

Name	Pimco Commodity Real Rtn Stgy
Date Acquired	2011-12
How Acquired	purchase
Date Sold	2012-10
Purchaser	Marektable security
Gross Sales	$ 1,271
Basis	$ 1,407
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ (136)

Federal Supporting Statements 2012 PG 02

Name(s) as shown on return	FEIN
The Paulits Foundation Inc	23-3015108

Form 990PF, Part I, Line 6(a)
Gain(Loss) from Sale of Other Assets Schedule

Statement #139

Name	Pioneer Equity Income Fd Cl A
Date Acquired	2011-12
How Acquired	purchase
Date Sold	2012-10
Purchaser	Marketable security
Gross Sales	$ 2,817
Basis	$ 2,641
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 176

Name	Zimmer Holdings Inc
Date Acquired	2011-01
How Acquired	purchase
Date Sold	2012-04
Purchaser	Marketable security
Gross Sales	$ 11,346
Basis	$ 9,690
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 1,656

Name	American Fds EuroPacific F-1
Date Acquired	2010-05
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable security
Gross Sales	$ 2,508
Basis	$ 2,310
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 198

Name	American Fds Growth Fd of Amer
Date Acquired	2010-05
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable security
Gross Sales	$ 4,871
Basis	$ 4,164
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 707

Federal Supporting Statements **2012** PG 03

Name(s) as shown on return
The Paulits Foundation Inc

FEIN
23-3015108

Form 990PF, Part I, Line 6(a)
Gain(Loss) from Sale of Other Assets Schedule

Statement #139

Name	Blackrock High Yield Bond A
Date Acquired	2011-12
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable security
Gross Sales	$ 971
Basis	$ 885
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 86

Name	ConocoPhillips
Date Acquired	2009-05
How Acquired	Purchase
Date Sold	2012-04
Purchaser	Marketable security
Gross Sales	$ 7,299
Basis	$ 4,528
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 2,771

Name	Copart Inc
Date Acquired	2008-10
How Acquired	Purchase
Date Sold	2012-03
Purchaser	Marketable security
Gross Sales	$ 24,744
Basis	$ 17,042
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 7,702

Name	JP Morgan Core Bond Fd CL A
Date Acquired	2011-12
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable security
Gross Sales	$ 2,151
Basis	$ 2,087
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 64

Federal Supporting Statements

2012 PG 04

Name(s) as shown on return

The Paulits Foundation Inc

FEIN

23-3015108

Form 990PF, Part I, Line 6(a)
Gain(Loss) from Sale of Other Assets Schedule

Statement #139

Name	Loomis Sayles Strategic Inc FD
Date Acquired	2009-06
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable securities
Gross Sales	$ 10,140
Basis	$ 7,800
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 2,340

Name	Pimco Total Rtn FD CL A
Date Acquired	2008-05
How Acquired	Purchase
Date Sold	2012-12
Purchaser	Marketable securities
Gross Sales	$ 10,351
Basis	$ 9,234
Accumulated Depreciation	$
Sales Expense	$
Total Net	$ 1,117

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return: The Paulits Foundation Inc

Your Social Security Number: 23-3015108

Form 990PF, Part I, Line 23 - Other Expenses Schedule

Statement #103

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Administration/bookkeeping	1,500	0	0	1,500
Totals	1,500	0	0	1,500

PG 01

Form 990PF, Part I, Line 16(a) - Legal Fees Schedule

Statement #107

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Legal fees	5,156	0	0	5,156
Totals	5,156	0	0	5,156

PG 01

Form 990PF, Part I, Line 16(b) - Accounting Fees Schedule

Statement #108

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Accounting & tax preparation	6,075	6,075	0	0
Totals	6,075	6,075	0	0

Federal Supporting Statements

2012 PG 01

Name(s) as shown on return

The Paulits Foundation Inc

Your Social Security Number

23-3015108

Form 990PF, Part I, Line 16(c) - Other Professional Fees Schedule

Statement #109

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Investment management fees	5,893	5,893	0	0
Totals	5,893	5,893	0	0

Form **8868**
(Rev January 2013)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit www irs gov/efile and click on e-file for Charities & Nonprofits

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions The Paulits Foundation Inc	Employer identification number (EIN) or 23-3015108
	Number, street, and room or suite no If a P O box, see instructions 536 Westwind Drive	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions Berwyn, PA 19312-1156	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	**Return Code**	**Application Is For**	**Return Code**
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

4160 Posted

- The books are in the care of ▶ James Paulits 536 Westwind Drive, PA 19312-1156

Telephone No ▶ 610-647-6355 FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ If this is for the whole group, check this box ▶ ☐ If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08-15 , 20 13 , to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ ☒ calendar year 20 12 or

▶ ☐ tax year beginning ____, 20 __, and ending ____, 20 __

2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**3a**	$ 0
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	**3b**	$ 0
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	**3c**	$ 0

Caution If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.