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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 PALMER FOUNDATION

A Employer identification number
36-3700897

Number and street (or P O box number if mail is not delivered to street address) Room/suite
1201 CONNECTICUT AVE NW SUITE 300

B Telephone number (see instructions)
(202) 595-1020

City or town, state, and ZIP code
WASHINGTON, DC 20036

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 14,380,061

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

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

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

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))*

	Line	Description	(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)	200,000			
	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	377,649	377,649		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	918,938			
	b	Gross sales price for all assets on line 6a 7,280,484				
	7	Capital gain net income (from Part IV, line 2)		978,894		
	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	1,496,587	1,356,543		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	1,745			1,745
	b	Accounting fees (attach schedule)	14,350			14,350
	c	Other professional fees (attach schedule)	139,408	41,408		98,000
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	2,368	4,364		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	32,885			32,885
	22	Printing and publications				
	23	Other expenses (attach schedule)	8,519			7,926
	24	**Total operating and administrative expenses.** Add lines 13 through 23	199,275	45,772		154,906
	25	Contributions, gifts, grants paid	498,000			498,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	697,275	45,772		652,906
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	799,312			
	b	**Net investment income** (if negative, enter -0-)		1,310,771		
	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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	781,282	656,247	656,247
	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)	7,070,730	7,171,218	8,999,929
	c	Investments—corporate bonds (attach schedule)	2,923,736	3,713,958	3,679,319
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,089,328	1,118,881	1,044,566
	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)	11,865,076	12,660,304	14,380,061
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	11,865,076	12,660,304	
	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)	11,865,076	12,660,304	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	11,865,076	12,660,304	

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	11,865,076
2	Enter amount from Part I, line 27a	2	799,312
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	12,664,388
5	Decreases not included in line 2 (itemize) ▶	5	4,084
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,660,304

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a				
b	Capital Gain Dividends			
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				18,015
b				
c				
d				
e				

	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	
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	978,894
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	656,191	13,005,250	0 05046
2010	571,917	12,448,205	0 04594
2009	558,069	11,329,901	0 04926
2008	633,688	12,680,180	0 04998
2007	743,202	14,717,694	0 05050

2	**Total** of line 1, column (d).	2	0 24613
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 04923
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	13,848,565
5	Multiply line 4 by line 3.	5	681,709
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	13,108
7	Add lines 5 and 6.	7	694,817
8	Enter qualifying distributions from Part XII, line 4.	8	652,906

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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	26,215
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	26,215
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	26,215
6	Credits/Payments			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 8,000		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 25,600		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	33,600
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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	7,385
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 7,385	**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		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)?	1b		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 ▶ $ ________ **(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? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *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		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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) ▶ IL			
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)*

		Line	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		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 ▶THEPALMERFOUNDATION ORG

14 The books are in care of ▶ARABELLA ADVISORS Telephone no ▶(202) 595-1020

Located at ▶1201 CONNECTICUT AVE NW 300 WASHINGTON DC ZIP +4 ▶20036

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 |

		Line	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		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.

		Line	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 page 20 of the instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___, 20___, 20___, 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		No
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20___, 20___, 20___, 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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))? ☐ **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**		**No**
	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**		**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? ☐ **Yes** ☑ **No**			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		**No**

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

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

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

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 ▶				

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
ARABELLA ADVISORS 1201 CONNECTICUT AVE NW SUITE 300 WASHINGTON, DC 20036	CONSULTING SERVICES	98,000
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 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	13,483,114
b	Average of monthly cash balances	1b	576,343
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	14,059,457
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	14,059,457
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	210,892
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	13,848,565
6	**Minimum investment return.** Enter 5% of line 5	6	692,428

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	692,428
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 26,215		
b	Income tax for 2012 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	26,215
3	Distributable amount before adjustments Subtract line 2c from line 1	3	666,213
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	666,213
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	666,213

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	652,906
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	652,906
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	652,906

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				666,213
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.				
c From 2009.				
d From 2010.				
e From 2011. 4,867				
f Total of lines 3a through e.	4,867			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 652,906				
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).	0			
d Applied to 2012 distributable amount.				652,906
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	4,867			4,867
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount —see instructions				
e Undistributed income for 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				8,440
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				
10 Analysis of line 9				
a Excess from 2008. . . .				
b Excess from 2009. . . .				
c Excess from 2010. . . .				
d Excess from 2011. . . .				
e Excess from 2012. . . .				

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 organization 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 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))

MARY P ENROTH

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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Additional Data Table				
Total . . . . ▶ **3a**				498,000
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					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	377,649	
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	918,938	
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). .				1,296,587	

13 Total. Add line 12, columns (b), (d), and (e). **13** 1,296,587

(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)		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

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

****** | 2013-06-11 | ******

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶☐	PTIN
CHARLES E GIERL CPA	CHARLES E GIERL CPA			P00072768

Firm's name ▶ Seymour & Associates SC

Firm's EIN ▶

Firm's address ▶ 600 52nd Street Suite 210 Kenosha, WI 531403424

Phone no

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(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
CARL ENROTH 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	DIRECTOR 0 00	0		
SUSAN L ENROTH 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	DIRECTOR 0 00	0		
KAREN E LISCHICK 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	President 0 00	0		
JAY L OWEN 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	SEC /TREAS 0 00	0		
MATTHEW LISCHICK 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	Director 0 00	0		
MARY P ENROTH 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	Chairman 0 00	0		

Form 990PF Part XV Line 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*				
FOTOKIDS PO BOX 661447 MIAMI, FL 33266	NONE	PUBLIC	GENERAL	3,500
TANNER'S TOTES 10400 STANYAN STREET ALPHARETTA, GA 30022	NONE	PUBLIC	GENERAL	5,000
NADAR POR VIDA 6718 CAPSTAN DRIVE ANNANDALE, VA 22003	NONE	PUBLIC	GENERAL	8,000
TEMPLE KOL AMI 15030 N 64TH STREET SCOTTSDALE, AZ 85254	NONE	PUBLIC	GENERAL	1,000
LIVING WATER INTERNATIONAL 4001 GREENBRIAR DRIVE STAFFORD, TX 77477	NONE	PUBLIC	GENERAL	10,000
FACE CHILDREN 300 MOSS HILL LANE SALISBURY, MD 21804	NONE	PUBLIC	GENERAL	7,000
CAMP NUEVO 3009 ELLIS STREET BERKELEY, CA 94703	NONE	PUBLIC	GENERAL	2,500
SPROUT THERAPEUTIC RIDING EDUC CTR 40685 JOHN MOSBY HIGHWAY ALDIE, VA 20105	NONE	PUBLIC	GENERAL	10,000
ROOM TO READ 111 SUTTER STREET 16TH FLOOR SAN FRANCISCO, CA 94101	NONE	PUBLIC	GENERAL	30,000
ARTS INSTITUTE GALLERY 212 W MAIN STREET SUITE 101 SALISBURY, MD 21801	NONE	PUBLIC	GENERAL	5,000
MASSAGE THERAPY FOUNDATION 500 DAVIS STREET SUITE 900 EVANSTON, IL 60201	NONE	PUBLIC	GENERAL	35,000
INTERNATIONAL ACTION 808 L STREET SE WASHINGTON, DC 20003	NONE	PUBLIC	GENERAL	30,000
HABITAT FOR HUMANITY OF THE NC SAND 2268 N 5 HIGHWAY ABERDEEN, NC 28315	NONE	PUBLIC	GENERAL	35,000
COASTAL HOSPICE PALLIATIVE CARE PO BOX 1733 SALISBURY, MD 21802	NONE	PUBLIC	GENERAL	15,000
CAROLINA PHILHARMONIC 460 MIDLAND ROAD PINEHURST, NC 28374	NONE	PUBLIC	GENERAL	60,000

Form 990PF Part XV Line 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*				
BIRCH CREEK MUSIC PERFORMANCE CENTE 3821 COUNTY HIGHWAY E EGG HARBOR, WI 54209	NONE	PUBLIC	GENERAL	30,000
ACADEMY OF MOORE COUNTY 12588 HWY 15-501 SOUTH ABERDEEN, NC 28374	NONE	PUBLIC	GENERAL	18,000
INTEGRATIVE HEALTH INITIATIVE INC 4201 WILSON BLVD 110-341 ARLINGTON, VA 22204	NONE	PUBLIC	GENERAL	9,000
BEHRHORST PARTNERS FOR DEVELOPMENT 2411 S SUPERIOR STREET MILWAUKEE, WI 53207	NONE	PUBLIC	GENERAL	26,000
SANDHILLS COMMUNITY COLLEGE FDN INC 3395 AIRPORT ROAD PINEHURST, NC 28374	NONE	PUBLIC	GENERAL	20,000
POTOMAC MASSAGE TRAINING INSTITUTE 8601 GEORGIA AVENUE SUITE 612 SILVER SPRING, MD 20910	NONE	PUBLIC	GENERAL	10,000
PARTNER FOR SURGERY INC 6804 MELROSE DRIVE MCLEAN, VA 22101	NONE	PUBLIC	GENERAL	30,000
LAKE FOREST SYMPHONY INC 900 NORTH SHORE DRIVE SUITE 109A LAKE BLUFF, IL 60044	NONE	PUBLIC	GENERAL	5,000
DOORWAYS FOR WOMEN AND FAMILIES INC PO BOX 100185 ARLINGTON, VA 22210	NONE	PUBLIC	GENERAL	30,000
RAGDALE FOUNDATION 1260 NORTH GREEN BAY ROAD LAKE FOREST, IL 60045	NONE	PUBLIC	GENERAL	32,000
KEMPER CENTER INC 6501 3RD AVENUE KENOSHA, WI 53143	NONE	PUBLIC	GENERAL	12,000
HOFFMAN INSTITUTE FOUNDATION 1299 FOURTH STREET STE 600 SAN RAFAEL, CA 94901	NONE	PUBLIC	GENERAL	19,000
Total . . . . ▶ **3a**				498,000

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Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2012

Name of the organization	**Employer identification number**
THE PALMER FOUNDATION	36-3700897

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not total to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization
THE PALMER FOUNDATION

Employer identification number
36-3700897

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MARY P ENROTH 1201 CONNECTICUT AVE NW 300 WASHINGTON, DC 20036	$ 200,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization
THE PALMER FOUNDATION

Employer identification number
36-3700897

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
THE PALMER FOUNDATION

Employer identification number
36-3700897

Part III *Exclusively* **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

TY 2012 Accounting Fees Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEES FOR TAX PREPARATION	14,350	0	0	14,350

TY 2012 Contractor Compensation Explanation

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Contractor	Explanation
ARABELLA ADVISORS	THE CONSULTANT WILL ASSIST THE FOUNDATION IN DEVELOPING A RENEWED STRATEGIC FRAMEWORK AND A SET OF OPERATING SYSTEMS AND PROCESSES TO SUPPORT THE FOUNDATIONS'S GIVING.

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TY 2012 Investments Corporate Bonds Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Name of Bond	End of Year Book Value	End of Year Fair Market Value
150000 TEVA PHARMA FIN 3.00 6/15/15	158,462	157,705
100000 BP CAPITAL MARKETS 3.2 3/11/16	107,041	106,672
150000 VERIZON COMMUNICATIONS 3.0 4/1/16	159,276	159,721
200000 TOYOTA MOTOR CR CORP 2.8 1/11/16	211,706	210,408
100000 SBC COMMUNICATIONS 5.625 6/15/16	116,070	114,778
100000 OCCIDENTAL PETRO CORP 2.5 2/1/16	105,600	105,045
250000 GENERAL ELEC CAP CORP 2.9 1/9/17	264,945	264,335
200000 DELL INC 3.1 4/1/16	213,500	210,054
100000 CATERPILLAR FINANCIAL 2.65 4/1/16	105,375	105,005
200000 BOTTLING GROUP LLC 4.125 6/15/15	219,450	216,878
250000 AFLAC INC 2.65 2/15/17	263,505	262,805
100000 TOTAL CAPITAL SA 3.125 10/2/15	104,575	106,436
200000 PROCTER & GAMBLE CO 3.5 2/15/15	210,351	212,350
100000 SHELL INTL FIN 4.00 03/21/14	108,240	104,401
160000 JPMORGAN CHASE & CO 4.75 5/01/13	171,184	162,309
200000 GOLDMAN SACHS GROUP 5.00 10/01/14	215,824	213,038
200000 DUPONT EI NEMOUR 4.875 04/30/14	218,456	211,290
250000 HEWLETT-PACKARD CO 4.50 3/01/13	252,175	251,332
250000 MORGAN STANLEY 5.30 3/01/13	251,460	251,365
250000 EMERSON ELECTRIC 4.50 5/01/13	256,763	253,392

TY 2012 Investments Corporate Stock Schedule

Name: THE PALMER FOUNDATION
EIN: 36-3700897
Software ID: 12000229
Software Version: 2012v2.0

Name of Stock	End of Year Book Value	End of Year Fair Market Value
19150 VANGUARD MSCI EMERGING MARKETS	813,359	852,749
2892 ENERGY XXI BERMUDA	107,462	93,036
3587 DELPHI AUTOMOTIVE PLC	123,442	137,203
2445 UNITED HEALTH GROUP INC	127,855	132,617
453 UNION PAC CORP	56,874	56,951
3220 TORO CO	121,313	138,396
1440 TIME WARNER CABLE INC	110,282	139,954
2432 TESORO CORP	58,183	107,130
3277 SYMANTEC CORPORATION	59,379	61,673
1130 PPG INDUSTRIES INC	116,427	152,946
7530 NV ENERGY INC	135,687	136,594
1450 MARATHON PETROLEUM CORP	58,899	91,350
1170 LOCKHEED MARTIN CORP	107,254	107,979
2485 INGREDION INC	120,943	160,108
1110 HARRIS CORP	56,843	54,346
1180 GARMIN INTERNATIONAL INDS	57,617	52,675
1062 GOLDMAN SACHS GROUP INC	135,284	135,469
1722 GAP INC	58,617	53,451
444 FRANKLIN RESOURCES INC	56,876	55,811
671 ENERGIZER HLDGS INC	52,546	53,667
731 EASTMAN CHEMICAL CO	40,601	49,744
4620 DISCOVER FINL SVCS	148,376	178,101
1094 CVS CAREMARK CORP	49,689	52,895
8222 CISCO SYSTEMS INC	151,120	161,557
926 CF INDUSTRIES HOLDINGS INC	171,399	188,126
1044 ALLIANCE DATA SYSTEMS CORP	146,572	151,129
3563 AFLAC INC	178,469	189,266
17171 AES CORP	223,006	183,730
770 VERIZON COMMUNICATIONS	28,706	33,318
2426 VALERO ENERGY CORP	49,511	82,775

Name of Stock	End of Year Book Value	End of Year Fair Market Value
4834 US BANCORP NEW	120,226	154,398
2710 PFIZER INC	48,617	67,965
5155 MICROSOFT CORP	137,957	137,688
3825 LILLY ELI & CO	145,592	188,649
5287 KROGER CO	126,817	137,568
4066 COMCAST CORP - CL A	101,540	151,906
1710 CHEVRON CORPORATION	188,216	184,919
2077 CBS CORPORATION CLASS B	45,735	79,030
2505 AMERIPRISE FINANCIAL INC	147,091	156,888
2497 TRAVELERS COMPANIES INC	126,497	179,335
3242 TJX COS INC	73,269	137,623
1503 PETSMART INC	47,378	102,715
4687 MACY'S INC	126,034	182,887
94 AUTOZONE INC	16,332	33,316
7565 ISHARES MSCI EAFE INDEX FUND	382,504	430,146
1809 MCKESSON CORP	116,031	175,401
4031 WELLS FARGO & CO	103,119	137,780
3424 WAL MART STORES INC	182,589	233,619
4000 SNAP ON INC	145,880	315,960
1795 RAYTHEON CO	57,218	103,320
7734 ORACLE CORP	106,111	257,697
1815 NORTHROP GRUMMAN CORP	105,909	122,658
990 INTERNATIONAL BUSINESS MACHINES	86,819	189,635
3596 EXXON MOBIL CORP	239,839	311,234
5729 COCA COLA ENTERPRISES INC	150,614	181,781
2849 ASTRAZENECA PLC	127,495	134,672
487 APPLE INC	59,139	259,168
2404 AMGEN INC	134,059	207,225

TY 2012 Investments - Other Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
97454.147 PIMCO COMM REALRETURN STRATEGY	AT COST	761,468	647,095
3712.472 WT MUT CRM MID CAP VALUE FUND	AT COST	94,779	114,270
9300.517 COLUMBIA ACORN FUND	AT COST	262,634	283,201

TY 2012 Legal Fees Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	1,745	0	0	1,745

TY 2012 Other Decreases Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Description	Amount
TAX DIFFERENCE ADJUSTMENT	4,084

TY 2012 Other Expenses Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SOFTWARE LICENSE FEES	2,225			2,225
OFFICE SUPPLIES & POSTAGE	269			269
MISCELLANOUS	144			144
MEMBERSHIP FEES	3,660			3,660
FILING AND REGISTRATION FEES	593			
DIRECTORS INSURANCE	1,628			1,628

TY 2012 Other Professional Fees Schedule

Name: THE PALMER FOUNDATION
EIN: 36-3700897
Software ID: 12000229
Software Version: 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXECUTIVE MANAGEMENT & CONSULTING FEES	98,000	0	0	98,000
BANK INVESTMENT MANAGEMENT FEES	41,408	41,408	0	0

TY 2012 Taxes Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 12000229

Software Version: 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX	4,364	4,364		
EXCISE TAX (REFUND)	1,996			