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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn 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

, and ending

Name of foundation THE PACES FOUNDATION, INC.		A Employer identification number 58-1949667
Number and street (or P.O. box number if mail is not delivered to street address) 2730 CUMBERLAND BOULEVARD		B Telephone number 404-431-9696
City or town, state, and ZIP code SMYRNA, GA 30080		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 15,747,576.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

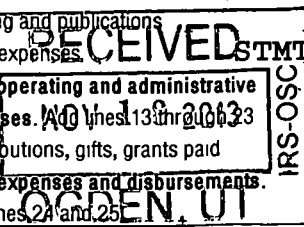
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	1,050,000.			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	45,435.	45,435.		STATEMENT 1
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
Operating and Administrative Expenses	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	1,714,215.	0.	1,714,215.	STATEMENT 2
	12 Total. Add lines 1 through 11	2,809,650.	45,435.	1,714,215.	
	13 Compensation of officers, directors, trustees, etc	353,396.	0.	353,396.	0.
	14 Other employee salaries and wages	216,814.	0.	216,814.	0.
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	13,781.	0.	13,781.	0.
b Accounting fees STMT 4	18,591.	0.	18,591.	0.	
c Other professional fees STMT 5	206,522.	0.	206,522.	0.	
17 Interest	41,576.	0.	41,576.	0.	
18 Taxes STMT 6	46,073.	0.	46,073.	0.	
19 Depreciation and depletion	31,130.	0.	31,130.		
20 Occupancy					
21 Travel, conferences, and meetings	39,487.	0.	39,487.	0.	
22 Printing and publications					
23 Other expenses STMT 7	246,041.	0.	246,042.	0.	
24 Total operating and administrative expenses. Add lines 13 through 23	1,213,411.	0.	1,213,412.	0.	
25 Contributions, gifts, grants paid	63,050.			63,050.	
26 Total expenses and disbursements. Add lines 24 and 25	1,276,461.	0.	1,213,412.	63,050.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1,533,189.				
b Net investment income (if negative, enter -0-)		45,435.			
c Adjusted net income (if negative, enter -0-)			500,803.		

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LHA For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2012)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	323,257.	284,537.	284,537.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ 18,000.			
	Less: allowance for doubtful accounts ▶	15,000.	18,000.	18,000.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 8	5,671,412.	6,174,694.	6,174,694.	
14 Land, buildings, and equipment basis ▶ 1,403,790.				
Less: accumulated depreciation STMT 9 ▶ 250,273.	1,168,625.	1,153,517.	1,153,517.	
15 Other assets (describe ▶ STATEMENT 10)	7,278,639.	8,116,828.	8,116,828.	
16 Total assets (to be completed by all filers)	14,456,933.	15,747,576.	15,747,576.	
Liabilities	17 Accounts payable and accrued expenses	18,728.	8,606.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable	899,849.	667,425.	
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	918,577.	676,031.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	13,538,356.	15,071,545.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> 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	13,538,356.	15,071,545.		
31 Total liabilities and net assets/fund balances	14,456,933.	15,747,576.		

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	13,538,356.
2 Enter amount from Part I, line 27a	2	1,533,189.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	15,071,545.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	15,071,545.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	NONE			
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).
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	2,490,337.	182,843.	13.620084
2010	1,286,494.	42,429.	30.321101
2009	505,975.	197,000.	2.568401
2008	192,550.	197,000.	.977411
2007	2,079,780.	24,625.	84.458071

2 Total of line 1, column (d) 2 131.945068

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 26.389014

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 4 299,339.

5 Multiply line 4 by line 3 5 7,899,261.

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 454.

7 Add lines 5 and 6 7 7,899,715.

8 Enter qualifying distributions from Part XII, line 4 8 566,333.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	909.
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	909.
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	909.
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
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		0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		10.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		919.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
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.		X
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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		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.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> <u>GA</u>		
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	X	
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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		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? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>MARK DU MAS</u> Telephone no. ► <u>770-431-9696</u> Located at ► <u>2730 CUMBERLAND BOULEVARD, SMYRNA, GA</u> ZIP+4 ► <u>30080</u>			
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 <u>N/A</u>			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?		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? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

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)?

☐ 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)?

N/A

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?

N/A

☐ 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

6b

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

If "Yes" to 6b, file Form 8870.

☐ Yes ☒ No

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

N/A

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 11		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
MARK DU MAS - 2730 CUMBERLAND BOULEVARD, SMYRNA, GA 30080	PRESIDENT	353,395.	0.	0.
GEORGE TULLOS - 2730 CUMBERLAND BOULEVARD, SMYRNA, GA 30080	VICE PRESIDENT	151,667.	0.	0.

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. 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

0

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 THE ORGANIZATION SPONSORS THE DEVELOPMENT AND OPERATION OF AFFORDABLE HOUSING FOR LOW INCOME INDIVIDUALS IN ORDER TO MEET THE HOUSING NEEDS OF THE LOW INCOME RESIDENTS.	1,208,971.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 SEE STATEMENT 12	503,283.
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	503,283.

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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 0.
b	Average of monthly cash balances	1b 303,897.
c	Fair market value of all other assets	1c
d	Total (add lines 1a, b, and c)	1d 303,897.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.
2	Acquisition indebtedness applicable to line 1 assets	2 0.
3	Subtract line 2 from line 1d	3 303,897.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4 4,558.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 299,339.
6	Minimum investment return. Enter 5% of line 5	6 14,967.

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 14,967.
2a	Tax on investment income for 2012 from Part VI, line 5	2a 909.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 909.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 14,058.
4	Recoveries of amounts treated as qualifying distributions	4 0.
5	Add lines 3 and 4	5 14,058.
6	Deduction from distributable amount (see instructions)	6 0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 14,058.

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 63,050.
b	Program-related investments - total from Part IX-B	1b 503,283.
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	4 566,333.
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	5 0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 566,333.

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				14,058.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	2,078,958.			
b From 2008	182,705.			
c From 2009	496,285.			
d From 2010	1,290,642.			
e From 2011	2,481,635.			
f Total of lines 3a through e	6,530,225.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ \$	566,333.			
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				14,058.
e Remaining amount distributed out of corpus	552,275.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	7,082,500.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	2,078,958.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	5,003,542.			
10 Analysis of line 9:				
a Excess from 2008	182,705.			
b Excess from 2009	496,285.			
c Excess from 2010	1,290,642.			
d Excess from 2011	2,481,635.			
e Excess from 2012	552,275.			

N/A

- ▶

☐ 4942(j)(3) or ☐ 4942(j)(5)

- (4) Gross investment income**

[illegible]Form **990-PF** (2012)

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				
CATHOLIC CHARITIES 2401 LAKE PARK DRIVE SE SMYRNA, GA 30080	NONE	EXEMPT ORGANIZATION	AFFORDABLE HOUSING	3,000.
POST POLIO HEALTH INTERNATIONAL 4207 LINDELL BOULEVARD #110 SAINT LOUIS, MO 63108	NONE	EXEMPT ORGANIZATION	EDUCATION	50.
CHASTAIN DEVELOPMENT CORP 2730 CUMBERLAND BLVD SMYRNA, GA 30080	AFFILIATE	EXEMPT ORGANIZATION	AFFORDABLE HOUSING	60,000.
Total			3a	63,050.
b Approved for future payment				
NONE				
Total			3b	0.

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. | | |

[illegible]

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

- b** If "Yes," complete the following schedule.

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

**Sign
Here**

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

Signature of officer or trustee

Date 11/14/13

PRESIDENT

May the IRS discuss this return with the preparer shown below (see instr. 1)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

ED D. DECK, CPA

Preparer's Signature

Preparer's signature

Date

Date 11/13/13

Check ☐ self-employed

PTIN

P00118028

Firm's name ► **HABIF, AROGETI, & WYNNE, L.L.P.**

Firm's EIN ► 57-1157523

Firm's address ► FIVE CONCOURSE PARKWAY, SUITE 1000
ATLANTA, GA 30328

Phone no. **404-892-9651**

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

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

OMB No 1545-0047

2012

Name of the organization

Employer identification number

THE PACES FOUNDATION, INC.**58-1949667**

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 foundationCheck 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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

THE PACES FOUNDATION, INC.**58-1949667****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	FEDERAL HOME LOAN BANK 1475 PEACHTREE STREET NE #400 ATLANTA, GA 30309	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	FEDERAL HOME LOAN BANK 1475 PEACHTREE STREET NE #400 ATLANTA, GA 30309	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS 60 EXECUTIVE PARK SOUTH, NE ATLANTA, GA 30329	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	ENTERPRISE SOCIAL INVESTMENT CORP 10 G STREET NE, SUITE 580 WASHINGTON, DC 20002	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Employer identification number

58-1949667

Part II

[illegible]

Name of organization

Employer identification number

THE PACES FOUNDATION, INC.**58-1949667**

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) ▶ \$

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
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee


Taxpayer: Highland Manor Services Corporation
EIN: 27-2820188
ADDRESS: 2730 Cumberland Boulevard
Smyrna, Georgia 30080

ELECTION PURSUANT TO I.R.C. SECTION 168(h)(6)(F)

(As governed by Temp Treas. Reg. §301.9100-7T)

Taxpayer is a "tax-exempt controlled entity" as defined pursuant to the provisions of Section 168(h)(6)(F)(iii) and hereby elects pursuant to Section 168(h)(6)(F)(ii) to be treated as a other than a "tax-exempt entity" effective as January 1, 2011, whereby any gain recognized by the shareholders of the Taxpayer (all Section 501(c)(3) organizations) from any disposition of their interests in the Taxpayer and on any dividend or interest received or accrued from the Taxpayer shall be treated as unrelated business taxable income for purposes of Section 511 of the Code.

Highland Manor Services Corporation

By: 
Mark M. duMas, President

To be filed by the due date for filing the Taxpayer's federal income tax return for 2011 (filed with that return).

A copy of this election shall also be attached to the Federal tax returns (*e.g.*, Form 990) of each of the tax-exempt shareholders or beneficiaries of the controlled entity. That entity is as follows:

The Paces Foundation, Inc. – EIN 58-1949667


Taxpayer: Las Brisas Manor Services Corporation
EIN: 80-0834126
ADDRESS: 2730 Cumberland Boulevard
Smyrna, Georgia 30080

ELECTION PURSUANT TO I.R.C. SECTION 168(h)(6)(F)

(As governed by Temp Treas. Reg. §301.9100-7T)

Taxpayer is a "tax-exempt controlled entity" as defined pursuant to the provisions of Section 168(h)(6)(F)(iii) and hereby elects pursuant to Section 168(h)(6)(F)(ii) to be treated as a other than a "tax-exempt entity" effective as January 1, 2012, whereby any gain recognized by the shareholders of the Taxpayer (all Section 501(c)(3) organizations) from any disposition of their interests in the Taxpayer and on any dividend or interest received or accrued from the Taxpayer shall be treated as unrelated business taxable income for purposes of Section 511 of the Code.

Las Brisas Manor Services Corporation

By: 
Mark M. duMas, President

To be filed by the due date for filing the Taxpayer's federal income tax return for 2012 (filed with that return).

A copy of this election shall also be attached to the Federal tax returns (e.g., Form 990) of each of the tax-exempt shareholders or beneficiaries of the controlled entity. That entity is as follows:

The Paces Foundation, Inc. – EIN 58-1949667

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME	45,435.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	45,435.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
AFFORDABLE HOUSING	1,714,215.	0.	1,714,215.
TOTAL TO FORM 990-PF, PART I, LINE 11	1,714,215.	0.	1,714,215.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL & PROFESSIONAL	13,781.	0.	13,781.	0.
TO FM 990-PF, PG 1, LN 16A	13,781.	0.	13,781.	0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING & ACCOUNTING	18,591.	0.	18,591.	0.
TO FORM 990-PF, PG 1, LN 16B	18,591.	0.	18,591.	0.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
DEVELOPMENT CONSULTING	206,522.	0.	206,522.	0.	
TO FORM 990-PF, PG 1, LN 16C	206,522.	0.	206,522.	0.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAXES	25,663.	0.	25,663.	0.	
OTHER TAXES	20,410.	0.	20,410.	0.	
TO FORM 990-PF, PG 1, LN 18	46,073.	0.	46,073.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE	8,063.	0.	8,063.	0.	
MEALS & ENTERTAINMENT	23,001.	0.	23,001.	0.	
TELEPHONE	14,208.	0.	14,208.	0.	
BANK CHARGES	5,419.	0.	5,419.	0.	
OFFICE EXPENSE	38,194.	0.	38,195.	0.	
EDUCATION & SEMINARS	3,502.	0.	3,502.	0.	
UTILITIES	38,101.	0.	38,101.	0.	
REPAIRS & MAINTENANCE	7,858.	0.	7,858.	0.	
POSTAGE & DELIVERY	6,252.	0.	6,252.	0.	
HEALTH INSURANCE	45,228.	0.	45,228.	0.	
DUES AND SUBSCRIPTIONS	17,339.	0.	17,339.	0.	
EQUIPMENT LEASING	1,633.	0.	1,633.	0.	
AUTO EXPENSES	14,006.	0.	14,006.	0.	
WEBSITE DESIGN & PROMOTION	5,424.	0.	5,424.	0.	
COMPUTER MAINTENANCE	10,103.	0.	10,103.	0.	
MISCELLANEOUS	7,710.	0.	7,710.	0.	
TO FORM 990-PF, PG 1, LN 23	246,041.	0.	246,042.	0.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
REAL ESTATE LIMITED PARTNERSHIP	COST	6,174,694.	6,174,694.
TOTAL TO FORM 990-PF, PART II, LINE 13		6,174,694.	6,174,694.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE EQUIPMENT	2,261.	2,261.	0.
OFFICE EQUIPMENT	538.	538.	0.
OFFICE EQUIPMENT	2,900.	2,900.	0.
OFFICE EQUIPMENT	1,337.	1,337.	0.
OFFICE EQUIPMENT	272.	272.	0.
OFFICE EQUIPMENT	350.	350.	0.
FURNITURE AND FIXTURES	500.	500.	0.
OFFICE EQUIPMENT	8,048.	8,048.	0.
OFFICE EQUIPMENT	2,018.	2,018.	0.
OFFICE FURNITURE	717.	717.	0.
OFFICE EQUIPMENT	516.	516.	0.
BUILDING	611,881.	121,624.	490,257.
OFFICE FURNITURE	55,350.	55,350.	0.
OFFICE EQUIPMENT	4,613.	4,613.	0.
COMPUTER	850.	850.	0.
COMPUTER EQUIPMENT	5,586.	5,027.	559.
HVAC EQUIPMENT	46,512.	28,795.	17,717.
TELEPHONE SYSTEM	14,038.	7,185.	6,853.
OFFICE FURNITURE	810.	232.	578.
XEROX PRINTER	13,885.	5,952.	7,933.
DELL COMPUTER T710	2,014.	840.	1,174.
XEROX PRINTER	1,006.	348.	658.
LAND	611,767.	0.	611,767.
COMPUTER	16,021.	0.	16,021.
TOTAL TO FM 990-PF, PART II, LN 14	1,403,790.	250,273.	1,153,517.

FORM 990-PF	OTHER ASSETS		STATEMENT 10
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ADVANCES TO AFFILIATES	1,262,551.	1,120,545.	1,120,545.
NOTES RECEIVABLE FROM AFFILIATES	6,016,088.	6,996,283.	6,996,283.
TO FORM 990-PF, PART II, LINE 15	7,278,639.	8,116,828.	8,116,828.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 11
-------------	---	--------------

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARK DU MAS 2257 NORBURY DRIVE SMYRNA, GA 30080	PRESIDENT 40.00	0.	0.	0.
HUNT DUNLAP 2964 PEACHTREE ROAD, SUITE 300 ATLANTA, GA 30305	SECRETARY 0.00	0.	0.	0.
MAGLELENA ESCOBAR 24 COUNTRY COVE DRIVE BRASELTON, GA 30517	BOARD MEMBER 0.00	0.	0.	0.
CAROLYN NEWNAN 17 EAST DRIVE ATLANTA, GA 30305	BOARD MEMBER 0.00	0.	0.	0.
DORIS SOURDIFFE 504 NANTAHALA LAND BLAIRSVILLE, GA 30512	BOARD MEMBER 0.00	0.	0.	0.
PAUL CABLES 2765 TALLULAH DRIVE ATLANTA, GA 30319	BOARD MEMBER 0.00	0.	0.	0.
JULIE B. SOUTHWORTH SEVEN PIEDMONT CENTER, SUITE 100 ALTANTA, GA 30305	BOARD MEMBER 0.00	0.	0.	0.

BETTY JONES
2335 SHELL ROAD
SAVANNAH, GA 31404

BOARD MEMBER
0.00

0.

0.

0.

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

0.

0.

0.

FORM 990-PF

SUMMARY OF PROGRAM-RELATED INVESTMENTS

STATEMENT 12

DESCRIPTION

THE ORGANIZATION SPONSORS THE DEVELOPMENT AND OPERATION OF AFFORDABLE HOUSING FOR LOW INCOME INDIVIDUALS IN ORDER TO MEET THE HOUSING NEEDS OF THE LOW INCOME RESIDENTS. DURING THE YEAR THE ORGANIZATION SPONSORED AND PROVIDED FUNDING FOR THE DEVELOPMENT AND CONSTRUCTION OF PANAMA COMMONS APARTMENTS FOR LOW INCOME PERSONS.

AMOUNT

TO FORM 990-PF, PART IX-B, LINE 1

503,283.

Form **4562**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Depreciation and Amortization 990-PF
(Including Information on Listed Property)

▶ See separate instructions.

▶ Attach to your tax return.

OMB No 1545-0172

2012Attachment
Sequence No 179**THE PACES FOUNDATION, INC.****FORM 990-PF PAGE 1****58-1949667****Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	31,130.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27 5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	31,130.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%				S/L		
		%				S/L		
		%				S/L		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year:					
43 Amortization of costs that began before your 2012 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Asset Number	Description of property							
	Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	BUILDINGS							
12	BUILDING							
	030105	SL	40.00	16	611,881.		106,327.	15,297.
	* 990-PF PG 1 TOTAL BUILDINGS							
					611,881.	0.	106,327.	15,297.
	MACHINERY & EQUIPMENT							
1	OFFICE EQUIPMENT							
	112095	SL	7.00	16	2,261.		2,261.	0.
2	OFFICE EQUIPMENT							
	010198	SL	7.00	16	538.		538.	0.
3	OFFICE EQUIPMENT							
	081298	SL	7.00	16	2,900.		2,900.	0.
4	OFFICE EQUIPMENT							
	012500	SL	7.00	16	1,337.		1,337.	0.
5	OFFICE EQUIPMENT							
	091100	SL	7.00	16	272.		272.	0.
6	OFFICE EQUIPMENT							
	030201	SL	7.00	16	350.		350.	0.
7	FURNITURE AND FIXTURES							
	082500	SL	7.00	16	500.		500.	0.
8	OFFICE EQUIPMENT							
	100101	SL	7.00	16	8,048.		8,048.	0.
9	OFFICE EQUIPMENT							
	022703	SL	7.00	16	2,018.		2,018.	0.
10	OFFICE FURNITURE							
	013103	SL	7.00	16	717.		717.	0.
11	OFFICE EQUIPMENT							
	110103	SL	7.00	16	516.		516.	0.
13	OFFICE FURNITURE							
	061505	SL	7.00	16	55,350.		52,054.	3,296.
14	OFFICE EQUIPMENT							
	091505	SL	7.00	16	4,613.		4,502.	111.
17	COMPUTER							
	092607	SL	5.00	16	850.		723.	127.
18	COMPUTER EQUIPMENT							
	070108	SL	5.00	16	5,586.		3,910.	1,117.
19	HVAC EQUIPMENT							
	090108	SL	7.00	16	46,512.		22,150.	6,645.
20	TELEPHONE SYSTEM							
	060509	SL	7.00	16	14,038.		5,180.	2,005.
21	OFFICE FURNITURE							
	010410	SL	7.00	16	810.		116.	116.
22	XEROX PRINTER							
	010410	SL	7.00	16	13,885.		3,968.	1,984.
23	DELL COMPUTER T710							
	012710	SL	7.00	16	2,014.		552.	288.
24	XEROX PRINTER							
	072310	SL	7.00	16	1,006.		204.	144.
26	COMPUTER							
	123112	SL	7.00	16	16,021.			0.
	* 990-PF PG 1 TOTAL MACHINERY & EQUIPMENT							
					180,142.	0.	112,816.	15,833.

Asset Number	Description of property							
	Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	OTHER							
25	LAND							
	030105L				611,767.			0.
	* 990-PF PG 1 TOTAL OTHER							
					611,767.	0.	0.	0.
	* GRAND TOTAL 990-PF PG 1 DEPR							
					1,403,790.	0.	219,143.	31,130.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions	
Type or print Name of exempt organization or other filer, see instructions THE PACES FOUNDATION, INC.	Employer identification number (EIN) or 58-1949667
File by the due date for filing your return. See instructions. Number, street, and room or suite no. If a P.O. box, see instructions. 2730 CUMBERLAND BOULEVARD	Social security number (SSN)
City, town or post office, state, and ZIP code. For a foreign address, see instructions. SMYRNA, GA 30080	

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

04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

MARK DU MAS

- The books are in the care of **2730 CUMBERLAND BOULEVARD - SMYRNA, GA 30080**

Telephone No. **770-431-9696**

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.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2013.**

5 For calendar year **2012**, or other tax year beginning , and ending .

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

THE ORGANIZATION IS REQUESTING ADDITIONAL TIME TO FILE IN ORDER TO OBTAIN CERTAIN INFORMATION THAT IS NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a 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.	8a	\$	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 and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Title **PRESIDENT**

Date

Form 8868 (Rev. 1-2013)