

Form **990-PF**
 Department of the Treasury
 Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation
 ▶ Do not enter social security numbers on this form as it may be made public.
 ▶ Information about Form 990-PF and its instructions is at www.irs.gov/form990pf.

OMB No 1545-0052
2016
Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

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	Room/suite	B Telephone number (see instructions) (404) 431-9696
City or town, state or province, country, and ZIP or foreign postal 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"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <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) ▶ \$ 18,239,080	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i>		(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)	1,975				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
	3 Interest on savings and temporary cash investments					
	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					
	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)	2,173,129		0	2,173,129		
12 Total. Add lines 1 through 11	2,175,104		0	2,173,129		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	540,000		0	540,000	0
	14 Other employee salaries and wages	285,452		0	285,452	0
	15 Pension plans, employee benefits					
	16a Legal fees (attach schedule)	5,615		0	5,615	0
	b Accounting fees (attach schedule)	271		0	271	0
	c Other professional fees (attach schedule)					
	17 Interest	27,921		0	27,921	0
	18 Taxes (attach schedule) (see instructions)	53,775		0	53,775	0
	19 Depreciation (attach schedule) and depletion	21,216		0	21,216	
	20 Occupancy					
	21 Travel, conferences, and meetings	19,934		0	19,934	0
	22 Printing and publications					
	23 Other expenses (attach schedule)	1,156,157		0	1,176,157	0
	24 Total operating and administrative expenses. Add lines 13 through 23	2,110,341		0	2,130,341	0
	25 Contributions, gifts, grants paid	250				250
26 Total expenses and disbursements. Add lines 24 and 25	2,110,591		0	2,130,341	250	
27 Subtract line 26 from line 12						
a Excess of revenue over expenses and disbursements	64,513					
b Net investment income (if negative, enter -0-)			0			
c Adjusted net income (if negative, enter -0-)				42,788		

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	1,016,883	1,039,436	1,039,436
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ <u>22,723</u>			
	Less allowance for doubtful accounts ▶ _____	15,000	22,723	22,723
	4 Pledges receivable ▶ _____			
	Less allowance for doubtful accounts ▶ _____			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ _____			
	Less allowance for doubtful accounts ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)			
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ _____			
Less accumulated depreciation (attach schedule) ▶ _____				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	6,816,306	7,143,526	7,143,526	
14 Land, buildings, and equipment basis ▶ <u>1,405,632</u>				
Less accumulated depreciation (attach schedule) ▶ <u>356,288</u>	1,070,560	1,049,344	1,049,344	
15 Other assets (describe ▶ _____)	8,313,231	8,984,051	8,984,051	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	17,231,980	18,239,080	18,239,080	
Liabilities	17 Accounts payable and accrued expenses	4,221	4,221	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)	847,500	1,790,087	
	22 Other liabilities (describe ▶ _____)			
	23 Total liabilities (add lines 17 through 22)	851,721	1,794,308	
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	16,380,259	16,444,772	
	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 (see instructions)	16,380,259	16,444,772		
31 Total liabilities and net assets/fund balances (see instructions) .	17,231,980	18,239,080		

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	16,380,259
2 Enter amount from Part I, line 27a	2	64,513
3 Other increases not included in line 2 (itemize) ▶ _____	3	0
4 Add lines 1, 2, and 3	4	16,444,772
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	16,444,772

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			

(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			(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)	2	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	3	
{ If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 }		

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 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))
2015	349,320	1,018,469	0.342985
2014	373,818	2,055,950	0.181823
2013	127,565	495,547	0.257423
2012	566,333	299,339	1.891945
2011	2,490,337	182,843	13.620084

2 Total of line 1, column (d)	2	16.294260
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	3.258852
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	995,208
5 Multiply line 4 by line 3	5	3,243,236
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7 Add lines 5 and 6	7	3,243,236
8 Enter qualifying distributions from Part XII, line 4	8	327,470

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	0
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	0
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	0
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	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	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	0
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 2017 estimated tax ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		No
b		No
c		No
d		
e		
2		No
3		No
4a		No
b		
5		No
6		No
7	Yes	
8a		
b	Yes	
9		No
10		No

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of MARK DU MAS Telephone no (770) 431-9696
Located at 2730 CUMBERLAND BOULEVARD SMYRNA GA ZIP+4 30080
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
16 At any time during calendar year 2016, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) 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.
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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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).
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.
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 2016?
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? 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)
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?
b If "Yes," did it have excess business holdings in 2016 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 2016).
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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 2016?

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 4945(d)(4)(A)? (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)? Yes 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? Yes 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? Yes 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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) 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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
RENEE SANDELL 1014 CHESTERFIELD PLACE MARIETTA, GA 30064	VICE PRESIDENT 40 00	115,047	0	0
LORI T MCCLURE 1086 WOODCROFT CHASE MARIETTA, GA 30064	DIRECTOR OF ASSETS 40 00	90,000	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 (see instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services. ▶		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	0
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 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 CONSTRUCTION AND OPERATIONS OF THE AFFORDABLE APARTMENT FACILITIES	327,220
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	327,220

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	1,010,363
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,010,363
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	1,010,363
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	15,155
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	995,208
6	Minimum investment return. Enter 5% of line 5.	6	49,760

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	49,760
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	0
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	49,760
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	49,760
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	49,760

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	250
b	Program-related investments—total from Part IX-B.	1b	327,220
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	327,470
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	327,470

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				49,760
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.	2,481,635			
b From 2012.	552,275			
c From 2013.	103,030			
d From 2014.	102,547			
e From 2015.	298,397			
f Total of lines 3a through e.	3,537,884			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>327,470</u>				
a Applied to 2015, 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 2016 distributable amount.				49,760
e Remaining amount distributed out of corpus	277,710			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))				0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,815,594			
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 2015 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).		0		
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions).	2,481,635			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	1,333,959			
10 Analysis of line 9				
a Excess from 2012.	552,275			
b Excess from 2013.	103,030			
c Excess from 2014.	102,547			
d Excess from 2015.	298,397			
e Excess from 2016.	277,710			

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 2016, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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))

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 or e-mail address of the person to whom applications should be addressed

MARK DU MAS
2730 CUMBERLAND BOULEVARD
SMYRNA, GA 30080
(770) 431-9696
MARK@PACESFOUNDATION.ORG

b The form in which applications should be submitted and information and materials they should include

N/A

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

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 <i>Paid during the year</i> FACING HOMELESSNESS FOUNDATION 2730 CUMBERLAND BOULEVARD ATLANTA, GA 30080	NONE	EXEMPT ORGANIZATION	HOMELESSNESS	250
Total			▶ 3a	250
b <i>Approved for future payment</i>				
Total			▶ 3b	0

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 AFFORDABLE HOUSING					2,173,129
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.					
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory					
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).		0		0	2,173,129
13 Total. Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations)			13		2,173,129

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)
1A	THE FOUNDATION'S TAX EXEMPT PURPOSE IS TO FURTHER THE DEVELOPMNET AND OPERATION OF AFFORDABLE HOUSING FOR LOW-INCOME INDIVIDUALS THE ORGANIZATION HAS SPONSORED THE DEVELOPMENT AND CONSTRUCTION OF SEVERAL PROJECTS THE FOUNDATION OVERSEES THE OPERATION OF THESE PROJECTS AND PROVIDES CERTAIN SUPPORTIVE SERVICES TO THE RESIDENTS OF THE FACILITIES THE FOUNDATION HAS RECEIVED FUNDS FROM EACH OF THESE PROJECTS DEVELOPMENTS TO COVER ITS EXPENSES AND TO PROVIDE CERTAIN SERVICES

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

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

	Yes	No
--	-----	----
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
 - (1)** Cash. **1a(1)**

	Yes	No
--	-----	----

No
 - (2)** Other assets. **1a(2)**

	Yes	No
--	-----	----

No
- b** Other transactions
 - (1)** Sales of assets to a noncharitable exempt organization. **1b(1)**

	Yes	No
--	-----	----

No
 - (2)** Purchases of assets from a noncharitable exempt organization. **1b(2)**

	Yes	No
--	-----	----

No
 - (3)** Rental of facilities, equipment, or other assets. **1b(3)**

	Yes	No
--	-----	----

No
 - (4)** Reimbursement arrangements. **1b(4)**

	Yes	No
--	-----	----

No
 - (5)** Loans or loan guarantees. **1b(5)**

	Yes	No
--	-----	----

No
 - (6)** Performance of services or membership or fundraising solicitations. **1b(6)**

	Yes	No
--	-----	----

No
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees. **1c**

	Yes	No
--	-----	----

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

*****	2017-11-15	*****
Signature of officer or trustee	Date	Title

May the IRS discuss this return with the preparer shown below (see instr)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	ED D DECK CPA		2017-11-15		P00118028
	Firm's name ▶ HAW APRIO LLP				Firm's EIN ▶ 57-1157523
Firm's address ▶ FIVE CONCOURSE PARKWAY SUITE 1000 ATLANTA, GA 30328					Phone no (404) 892-9651

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
MARK DU MAS 2730 CUMBERLAND BOULEVARD SMYRNA, GA 30080	PRESIDENT 40 00	540,000	0	0
HUNT DUNLAP 2964 PEACHTREE ROAD SUITE 30 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 NEWMAN 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 TALLUAH DRIVE ATLANTA, GA 30319	BOARD MEMBER 0 00	0	0	0
JULIE B SOUTHWORTH SEVEN PIEDMONT CENTER ATLANTA, GA 30305	BOARD MEMBER 0 00	0	0	0
BETTY JONES 2335 SHELL ROAD SAVANNAH, GA 31404	BOARD MEMBER 0 00	0	0	0

TY 2016 Accounting Fees Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BOOKKEEPING & ACCOUNTING	271	0	271	0

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

TY 2016 Depreciation Schedule

Name: THE PACES FOUNDATION INC

EIN: 58-1949667

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
OFFICE EQUIPMENT	1995-11-20	2,261	2,261	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	1998-01-01	538	538	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	1998-08-12	2,900	2,900	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2000-01-25	1,337	1,337	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2000-09-11	272	272	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2001-03-02	350	350	SL	7 000000000000	0	0	0	
FURNITURE & FIXTURES	2000-08-25	500	500	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2001-10-01	8,048	8,048	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2003-02-27	2,018	2,018	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2003-01-31	717	717	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2003-11-01	516	516	SL	7 000000000000	0	0	0	
BUILDING	2005-03-01	611,881	167,515	SL	40 000000000000	15,297	0	15,297	
OFFICE FURNITURE	2005-06-15	55,350	55,350	SL	7 000000000000	0	0	0	
OFFICE EQUIPMENT	2005-09-15	4,613	4,613	SL	7 000000000000	0	0	0	
COMPUTER	2007-09-26	850	850	SL	7 000000000000	0	0	0	
COMPUTER EQUIPMENT	2008-07-01	5,586	5,586	SL	5 000000000000	0	0	0	
HVAC EQUIPMENT	2008-09-01	46,512	46,512	SL	7 000000000000	0	0	0	
TELEPHONE SYSTEM	2009-06-05	14,038	13,200	SL	7 000000000000	838	0	838	
OFFICE FURNITURE	2010-01-04	810	580	SL	7 000000000000	116	0	116	
XEROX PRINTER	2010-01-04	13,885	11,904	SL	7 000000000000	1,981	0	1,981	

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
DELL COMPUTER T710	2010-01-27	2,014	1,704	SL	7 00000000000000	288	0	288	
XEROX PRINTER	2010-07-23	1,006	780	SL	7 00000000000000	144	0	144	
LAND	2005-03-01	611,767		L		0	0	0	
COMPUTER	2012-12-31	16,021	6,867	SL	7 00000000000000	2,289	0	2,289	
XEROX PRINTER	2015-05-28	1,842	154	SL	7 00000000000000	263	0	263	

TY 2016 Investments - Other Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
REAL ESTATE LIMITED PARTNERSHIPS	AT COST	7,143,526	7,143,526

**TY 2016 Land, Etc.
Schedule**

Name: THE PACES FOUNDATION INC

EIN: 58-1949667

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market 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 & FIXTURES	500	500	0	
OFFICE EQUIPMENT	8,048	8,048	0	
OFFICE EQUIPMENT	2,018	2,018	0	
OFFICE EQUIPMENT	717	717	0	
OFFICE EQUIPMENT	516	516	0	
BUILDING	611,881	182,812	429,069	
OFFICE FURNITURE	55,350	55,350	0	
OFFICE EQUIPMENT	4,613	4,613	0	
COMPUTER	850	850	0	
COMPUTER EQUIPMENT	5,586	5,586	0	
HVAC EQUIPMENT	46,512	46,512	0	
TELEPHONE SYSTEM	14,038	14,038	0	
OFFICE FURNITURE	810	696	114	
XEROX PRINTER	13,885	13,885	0	
DELL COMPUTER T710	2,014	1,992	22	
XEROX PRINTER	1,006	924	82	
LAND	611,767	0	611,767	
COMPUTER	16,021	9,156	6,865	
XEROX PRINTER	1,842	417	1,425	

TY 2016 Legal Fees Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL & PROFESSIONAL	5,615	0	5,615	0

TY 2016 Other Assets Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ADVANCES TO AFFILIATES	1,671,259	1,125,965	1,125,965
NOTES RECEIVABLE FROM AFFILIATES	6,641,972	6,641,972	6,641,972
CONSTRUCTION IN PROGRESS		1,216,114	1,216,114

TY 2016 Other Expenses Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DEVELOPMENT COSTS	946,811	0	966,811	0
LOSS ALLOCATIONS FROM PARTNERSHIPS	61,199	0	61,199	0
MEALS & ENTERTAINMENT	11,934	0	11,934	0
TELEPHONE	2,246	0	2,246	0
OFFICE EXPENSE	13,636	0	13,636	0
EDUCATION & SEMINARS	1,289	0	1,289	0
UTILITIES	17,387	0	17,387	0
REPAIRS & MAINTENANCE	5,486	0	5,486	0
POSTAGE & DELIVERY	3,439	0	3,439	0
HEALTH INSURANCE	18,057	0	18,057	0

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER INSURANCE	4,439	0	4,439	0
DUES & SUBSCRIPTIONS	3,821	0	3,821	0
AUTO EXPENSES	2,686	0	2,686	0
MARKETING & PROMOTIONS	26,122	0	26,122	0
COMPUTER MAINTENANCE	10,763	0	10,763	0
BANK CHARGES	2,001	0	2,001	0
MISCELLANEOUS	24,841	0	24,841	0

TY 2016 Other Income Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
AFFORDABLE HOUSING	2,173,129		2,173,129

TY 2016 Taxes Schedule**Name:** THE PACES FOUNDATION INC**EIN:** 58-1949667

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PAYROLL TAXES	33,488	0	33,488	0
OTHER TAXES	20,287	0	20,287	0