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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Department of the Treasury
Internal Revenue Service

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

2011

For calendar year 2011 or tax year beginning

APRIL 1

, 2011, and ending

MARCH 31

, 20 12

Name of foundation

PERFECTION & GRACE, LTD.

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

5205 GRAND AVE

A Employer identification number

36-3816036

B Telephone number (see instructions)

708 785-5210

City or town, state, and ZIP code

WESTERN SPRINGS, ILLINOIS 60558

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ **1,490,535** **J** Accounting method: Cash Accrual
 Other (specify) _____

C If exemption application is pending, check here ► **D** 1. Foreign organizations, check here ► 2. Foreign organizations meeting the 85% test, check here and attach computation ► **E** If private foundation status was terminated under section 507(b)(1)(A), check here ► **F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	2,500			
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	12,329	12,329		
	4 Dividends and interest from securities	33,090	33,090		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	(1,359)			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	1,503	1,503		
	12 Total. Add lines 1 through 11	48,063	46,922		
	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	359			359
	b Accounting fees (attach schedule)	900			900
	c Other professional fees (attach schedule)	6,159	6,159		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
<i>RECEIVED 2012</i>	21 Travel, conferences, and meetings	98			98
	22 Printing and publications				
	23 Other expenses (attach schedule)	7,518			1,357
	24 Total operating and administrative expenses. Add lines 13 through 23	55,000			55,000
	25 Contributions, gifts, grants paid	62,516			56,357
<i>OPEN UT</i>	26 Total expenses and disbursements. Add lines 24 and 25				
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	(14,453)			
<i>IRS-OSC</i>	b Net investment income (if negative, enter -0-)		40,763		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	557,828	190,560	190,560
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	298,522	317,857	322,536
	c	Investments—corporate bonds (attach schedule)	25,346	0	0
Liabilities	11	Investments—land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	595,827	954,653	977,439
	14	Land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ►)			
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,477,523	1,463,070	1,490,535
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Net Assets or Fund Balances	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)			
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 31.				
Part III Analysis of Changes in Net Assets or Fund Balances	27	Capital stock, trust principal, or current funds	1,000	1,000	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	50	50	
	29	Retained earnings, accumulated income, endowment, or other funds	1,476,473	1,462,020	
	30	Total net assets or fund balances (see instructions)	1,477,523	1,463,070	
	31	Total liabilities and net assets/fund balances (see instructions)	1,477,523	1,463,070	

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)	1,477,523
2	Enter amount from Part I, line 27a	(14,453)
3	Other increases not included in line 2 (itemize) ►	
4	Add lines 1, 2, and 3	1,463,070
5	Decreases not included in line 2 (itemize) ►	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	1,463,070

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					
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 61,182		62,541	(1,359)		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	(1,359)	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.				
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))	
2010	38,572	1,280,960	.0301	
2009	63,636	1,162,318	.0547	
2008	51,257	1,067,405	.0480	
2007	48,321	1,206,062	.0400	
2006	30,740	1,088,874	.0282	
2 Total of line 1, column (d)			2 .2010	
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 .0402	
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 1,468,363	
5 Multiply line 4 by line 3			5 59,028	
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 408	
7 Add lines 5 and 6			7 59,436	
8 Enter qualifying distributions from Part XII, line 4			8 56,357	
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)	1 2 3 4 5	815 815 815 815 815
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		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2 3 4 5	815 815 815 815
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	6a 6b 6c 6d	353 353 353 353
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:	7 8 9 10 11	353 462 Refunded
a	2011 estimated tax payments and 2010 overpayment credited to 2011		
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments. Add lines 6a through 6d		
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	7 8 9 10 11	353 462 Refunded
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►	7 8 9 10 11	353 462 Refunded
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ►		

Part VII-A Statements Regarding Activities

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

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?

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.

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?

1c Did the foundation file **Form 1120-POL** for this year?

2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____

3 Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____

4a 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

4b 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

5 Did the foundation have unrelated business gross income of \$1,000 or more during the year?

6 If "Yes," has it filed a tax return on **Form 990-T** for this year?

7 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T

8 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?

9 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

10 Enter the states to which the foundation reports or with which it is registered (see instructions) ►

Illinois

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

11 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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV

12 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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	✓
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	✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► NONE	13	✓
14	The books are in care of ► M. LENA PERONA Located at ► 5205 Grand Ave Western Springs, Illinois	Telephone no. ► 708 784-1613 ZIP+4 ► 60558	
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 2011, 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 ► None	16	Yes ✓ No

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.	Yes	No
1a	During the year did the foundation (either directly or indirectly).		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? □ Yes ✓ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? □ Yes ✓ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? □ Yes ✓ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? □ Yes ✓ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? □ Yes ✓ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) □ Yes ✓ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► □	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? □ Yes ✓ No	1c	✓
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? □ Yes ✓ No If "Yes," list the years ► 20 20 20 20	2a	
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.) □ Yes ✓ No	2b	✓
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 20 20 20	2c	
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? □ Yes ✓ No	3a	
b	If "Yes," did it have excess business holdings in 2011 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 2011.) □ Yes ✓ No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? □ Yes ✓ No	4a	✓
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 2011? □ Yes ✓ No	4b	✓

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

5a	During the year did the foundation pay or incur any amount to:				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	<i>If "Yes" to 6b, file Form 8870.</i>				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DEBORAH EVANS 100 OVERLAND DRIVE, AURORA, ILLINOIS	President 4hrs	0	0	0
ROBERT EVANS 100 OVERLAND DRIVE, AURORA, ILLINOIS	Secretary 4hrs	0	0	0
.....
.....
.....
.....
2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE
.....
.....
.....
.....
Total number of other employees paid over \$50,000

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	►	NONE

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 NONE	
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 NONE	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	► NONE

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	1,262,547
b	Average of monthly cash balances	1b	343,596
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,490,724
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,490,724
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	22,361
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,468,363
6	Minimum investment return. Enter 5% of line 5	6	73,418

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	73,418
2a	Tax on investment income for 2011 from Part VI, line 5	2a	815
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	815
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	72,603
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	72,603
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	72,603

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	56,357
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the:	3b	
a	Suitability test (prior IRS approval required)	4	56,357
b	Cash distribution test (attach the required schedule)	5	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	56,357
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)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				72,603
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only				
b Total for prior years 20 20 20				
3 Excess distributions carryover, if any, to 2011:				
a From 2006	0			
b From 2007	0			
c From 2008	0			
d From 2009	6,280			
e From 2010	0			
f Total of lines 3a through e	6,280			
4 Qualifying distributions for 2011 from Part XII, line 4. ► \$ 56,357				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				56,357
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)				6,280
6 Enter the net total of each column as indicated below:	0			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				9,966
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2007	0			
b Excess from 2008	0			
c Excess from 2009	0			
d Excess from 2010	0			
e Excess from 2011	0			

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 2011, enter the date of the ruling ►			
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 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		
	(a) 2011	(b) 2010	(c) 2009	(d) 2008
				(e) Total
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 $\frac{2}{3}$ 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)(ii)			
	(3) Largest amount of support from an exempt organization			
	(4) Gross investment income			

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

DEBORAH AND ROBERT EVANS

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

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

a The name, address, and telephone number of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
SEE ATTACHED STATEMENT				
Total				► 3a
<i>b Approved for future payment</i>				
NONE				
Total				► 3b NONE

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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:					(e) Related or exempt function income (See instructions.)
a						
b					<th data-kind="ghost"></th>	
c					<th data-kind="ghost"></th>	
d					<th data-kind="ghost"></th>	
e					<th data-kind="ghost"></th>	
f					<th data-kind="ghost"></th>	
g	Fees and contracts from government agencies				<th data-kind="ghost"></th>	
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				<th data-kind="ghost"></th>	
6	Net rental income or (loss) from personal property				<th data-kind="ghost"></th>	
7	Other investment income				<th data-kind="ghost"></th>	
8	Gain or (loss) from sales of assets other than inventory				<th data-kind="ghost"></th>	
9	Net income or (loss) from special events				<th data-kind="ghost"></th>	
10	Gross profit or (loss) from sales of inventory				<th data-kind="ghost"></th>	
11	Other revenue: a				<th data-kind="ghost"></th>	
b					<th data-kind="ghost"></th>	
c					<th data-kind="ghost"></th>	
d					<th data-kind="ghost"></th>	
e					<th data-kind="ghost"></th>	
12	Subtotal Add columns (b), (d), and (e)				44,060	
13	Total. Add line 12, columns (b), (d), and (e)					40,060

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

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)	✓
(2) Other assets	1a(2)	✓
b Other transactions		
(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
(3) Rental of facilities, equipment, or other assets	1b(3)	✓
(4) Reimbursement arrangements	1b(4)	✓
(5) Loans or loan guarantees	1b(5)	✓
(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
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.		

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 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

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

Paid Preparer Use Only	Print/Type preparer's name <i>Thomas Perona</i>	Preparer's signature <i>Thomas Perona</i>	Date 9-26-12	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► MLK PARTNERS	Firm's EIN ► 30-0070784			
Firm's address ► 5205 Grand Ave Western Springs, Illinois 60558	Phone no 708 785-5210				

Perfection & Grace, Inc.

36-3816036

Form 990-PF, Year ended March 31, 2012**Part I, Line 16a - Legal Fees**

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
Appel & Kelly, Ltd	359			359

Part I, Line 16b - Accounting Fees

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
M Lena Perona	900			900

Part I, Line 16c - other prof fees

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
Investment & advisory management fees	6,159	6,159		

Part I, Line 23 - Other expenses

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
Secretary of State	25			25
Illinois Charity Bureau Fund fee	15			15
Postage	58			58
Total	98			98

Part II, Line 10b - Corporate Stock

	<u>(b)</u>	<u>(c)</u>
	<u>COST</u>	<u>MKT</u>
<u>Common stock</u>		
AT&T	200	4,866
Adobe Systems Inc	157	6,801
Ancestry.com	258	9,495
Bristol Myers Squibb Co	349	7,790
Duke Energy Corp	423	6,860
Enterprise Prods Partners LP	170	4,502
Frontier Communications Corp	48	354
Goldman Sachs Group Inc	71	9,443
Google Inc	18	9,351
HCC Insurance Holdings Inc	229	6,847
Honeywell Intl Inc	116	6,300
Intel Corp	340	7,939
International Game Technology	189	7,509
Johnson & Johnson	122	7,977
Medtronic	145	5,356
Microchip Technology Inc	257	6,160
Omnicom Group Inc	166	7,818
Oracle Corp	117	3,785
Qualcomm Inc	133	6,108
Raytheon Company	103	6,345
Republic Svcs Inc	202	5,516
Stryker	183	7,199
United Health Group Inc	94	4,444
Vodafone Group PLC	354	9,795
Walgreen Co	141	4,843
	163,401	180,252

Preferred Stock

Partnerre Ltd	800	20,000	20,040
Ambac Financial Group	400	10,000	1,500
Aon Capital	1,000	24,455	25,400
JP Morgan Chase	800	20,000	20,136
Morgan Stanley	800	20,000	19,856
Royal Bank of Scotland	800	20,000	14,920
Vornado Realty Trust	800	20,000	20,176
Wells Fargo Capital	800	20,000	20,256
	154,455	142,284	
	317,856	322,536	

Perfection & Grace, Inc.
36-3816036
Form 990-PF, Year ended March 31, 2012

Part II, Line 10c - Corporate Bonds

<u>(c)</u>	<u>(b)</u>
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Part II, Line 13 - Other:

Certificates of Deposit

Capital One Bank USA NA 04/09/12	25,000	25,022
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	25,000	25,022
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Unit Investment Trusts

UTS FTP, Corp Investmt	50	33,741	32,937
UTS FTP, Ser 7 Corp Investmt	50	29,476	27,744

	63,217	60,681
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Other Investments

CitiGroup Funding, 2 0% Min coupon	5000	50,000	48,600
JPMorgan Chase bk, MLD linked DJUBS	50000	50,000	54,765

	100,000	103,365
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Mutual Funds

Vanguard IP Sec Adm	12881 405	358,618	358,618
Invesco Floating Rate Fund CL Y	15750 335	121,594	120,963
AllianceBernstein Global Bond	9626 035	75,829	81,051
Lord Abbott Bond Debenture Fund CL A	10599 74	79,575	84,056
Schwartz Inv Tr/Ave Maria Catholic Values	7860 13	130,816	143,683

	766,432	788,371
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	954,649	977,439
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TOTAL	1,272,505	1,299,975
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Perfection & Grace, Inc.

36-3816036

Year Ended March 31, 2012

Attachment to Form 990-PF, Part IV, Line 1

LINE 1 - CAPITAL GAINS & LOSSES

<u>Description</u>	<u># Shares</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Gross Price</u>	<u>Cost</u>	<u>Gain (Loss)</u>
CALAMOS STRATEGIC TOTAL RETURN	827	04/09/08	11/29/11	6,741.90	9,747.32	(3,005.42)
BT GROUP PLC ADR	97	08/11/09	12/28/11	2,824.74	4,468.79	(1,644.05)
VANGUARD 7351	15,995	08/03/12	12/27/12	442.42		442.42
FORD MOTOR CREDIT	25000	03/08/05	01/23/12	25,000.00	26,130.00	(1,130.00)
MICRON TECHNOLOGY	796	12/18/09	02/08/12	6,471.43	6,960.22	(488.79)
CENTURYLINK INC	272	08/04/11	02/08/12	10,246.45	9,102.97	1,143.48
WATERS CORP	103	02/06/08	03/29/12	9,455.38	6,131.48	3,323.90
				<u>61,182.32</u>	<u>62,540.78</u>	<u>(1,358.46)</u>

Perfection & Grace, Inc.
36-3816036
Year Ended March 31, 2012

Attachment to Form 990-PF, Part XV, Line 3a

<u>Recipient</u>	<u>Relationship</u>	<u>Foundation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Elim Christian School 13020 S Central Ave Palos Heights, IL 60463	None	Pub Charity-509(a)(1)	Operating	10,000
Faith Church 100 81st Avenue Dyer, IN 46311	None	Pub Charity-509(a)(1)	Operating	5,000
Infant Welfare Society 3600 West Fullerton Avenue Chicago, IL 60647	None	Pub Charity-509(a)(1)	Operating	5,000
Moody Church 1635 N LaSalle Blvd Chicago IL 60614	None	Pub Charity-509(a)(1)	Operating	10,000
Pacific Garden Mission 1458 S Canal Street Chicago, IL 60607	None	Pub Charity-509(a)(1)	Operating	10,000
The Salvation Army 5040 N Pulaski Rd Chicago, IL 60630-2788	None	Pub Charity-509(a)(1)	Operating	10,000
PASS Network for Life 17214 Oak Park Ave Tinley Park IL 60477	None	Pub Charity-509(a)(1)	Operating	5,000
Total				<u>55,000</u>