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Form **990-PF**

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

OMB No 1545-0052

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.

20	1	2	
Open to pul	olic în	spectic	ú

For	calendar year 2012 or tax year beginning		, and ending		
Na	me of foundation			A Employer identification	number
G	IFTS AND GRACE, INC.			20-3195749	
Nu	mber and street (or P O box number if mail is not delivered to street	address)	Room/suite	B Telephone number	
_	051 CARDINAL STREET			205 661-44	00
	y or town, state, and ZIP code			C if exemption application is p	ending, check here
	RUSSVILLE, AL 35173			<u> </u>	
G	Check all that apply: Initial return Final return	Initial return of a forn	ner public charity	D 1. Foreign organizations	s, check here
	Address change	Amended return Name change		2 Foreign organizations me check here and attach co	eting the 85% test,
ш (Check type of organization: X Section 501(c)(3) ex			1	
Ï,		Other taxable private foundation	on	E If private foundation state under section 507(b)(1)	[]
l Fa	air market value of all assets at end of year J Accounting		Accrual	F If the foundation is in a (
	rom Part II, col. (c), line 16)	her (specify)		under section 507(b)(1)	- 1 1
▶	\$ 1,772,584. (Part I, colu	mn (d) must be on cash ba	sis)		
Pa	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)
	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check X if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	64 221	CA 021		7
	4 Dividends and interest from securities	64,231.	64,231.		STATEMENT 1
	5a Gross rents b Net rental income or (loss)	· · · · · · · · · · · · · · · · · · ·			
_	62 Net gain or (loss) from sale of assets not on line 10	19,019.			
nue	b Gross sales price for all 916,646.				
Revenue	7 Capital gain net income (from Part IV, line 2)		19,019.		
Œ	8 Net short-term capital gain				
	9 Income modifications Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	83,250.	83,250.		
_	12 Total Add lines 1 through 11 13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages		<u> </u>		
	15 Pension plans, employee benefits				
Ëxpenses	16a Legal fees				
реп	b Accounting fees				
Ä					
dministrative	17 Interest STMT 2	2,291.	791.		0.
stra	18 Taxes STMT 2 19 Deprepation and depletion	2,2910			<u> </u>
i.	20 Occupancy				
A	Acayet conferences and meetings				
\ \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	22 Printing and publications				
ě	23 Other expenses STMT 3	15,710.	<u> 15,710.</u>	-	0.
ZZ.	24/Wotal operation and administrative	10 001	16 501		^
operating and	expenses, Add lines 13 through 23	18,001. 63,750.	16,501.		0. 63,750.
	25 Controllions, gifts, grants paid 26 Total expenses and disbursements.	03,750.	·		03,730.
	Add lines 24 and 25	81,751.	16,501.		63,750.
	27 Subtract line 26 from line 12:	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
	Excess of revenue over expenses and disbursements	1,499.			
	b Net investment income (If negative, enter -0-)		66,749.		
	C Adjusted net income (if negative, enter -0-)			N/A	

LHA For Paperwork Reduction Act Notice, see instructions.

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				3195749 Page 2	
	art	II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of	-
<u></u>	<u>art</u>	column should be for end-of-year amounts only	(a) Book Value	(b) Book Value	(c) Fair Market Value
	1	Cash - non-interest-bearing	38,724.	93,474.	93,474.
	2	Savings and temporary cash investments			
	3	Accounts receivable >			
		Less: allowance for doubtful accounts			
	4	Pledges receivable ►			
		Less; allowance for doubtful accounts ▶		Ì	
	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 ▶			
s	8	Inventories for sale or use			,
Assets	1 -	Prepaid expenses and deferred charges			
As		Investments - U.S. and state government obligations			
		Investments - corporate stock			· · · · · · · · · · · · · · · · · · ·
		Investments - corporate bonds			·····
		Investments - land, buildings, and equipment basis			
	11				
	40	Less accumulated depreciation Investments - mortgage loans			
			1,666,754.	1,615,479.	1,679,110.
			1,000,754.	1,015,475.	1,0/3,110.
	14	Land, buildings, and equipment: basis			
	l	Less accumulated depreciation			· · · · · · · · · · · · · · · · · · ·
	15	Other assets (describe			
		The transfer of the transfer of the self-state o	1 705 470	1 700 052	1 770 504
_		Total assets (to be completed by all filers)	1,705,478.	1,708,953.	1,772,584.
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Liabilities	19	Deferred revenue			
Ĭ	20	Loans from officers, directors, trustees, and other disqualified persons			
Lial	21	Mortgages and other notes payable			
_	22	Other liabilities (describe)			
				_	
_	23	Total liabilities (add lines 17 through 22)	0.	0.	
		Foundations that follow SFAS 117, check here			
Ņ		and complete lines 24 through 26 and lines 30 and 31.	İ		
JCe	24	Unrestricted			
alar	25	Temporarily restricted			
Net Assets or Fund Balances	26	Permanently restricted			
Ĕ	1	Foundations that do not follow SFAS 117, check here			
느		and complete lines 27 through 31.			
ţş	27	Capital stock, trust principal, or current funds	2,000,100.	2,000,100.	
sse	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
Ϋ́	29	Retained earnings, accumulated income, endowment, or other funds	<294,622.>	<291,147.	>
Š	30	Total net assets or fund balances	1,705,478.	1,708,953.	
	Ì				
_	31	Total liabilities and net assets/fund balances	1,705,478.	1,708,953.	
P	art	Analysis of Changes in Net Assets or Fund B	alances		
_					
1		net assets or fund balances at beginning of year - Part II, column (a), line	30		4 505 450
		agree with end-of-year figure reported on prior year's return)		1	1,705,478.
		amount from Part I, line 27a		2	1,499.
		r increases not included in line 2 (itemize) PRIOR PERIO	D ADJUSTMENT	3	1,976.
		lines 1, 2, and 3		4	1,708,953.
-		eases not included in line 2 (itemize)	<u> </u>	5	0.
6	Total	net assets or fund balances at end of year (line 4 minus line 5) - Part II, co	olumn (b), line 30	6	1,708,953.
					FORM MMI I= P = (20112)

Form 990-PF (2012) 20-3195749 GIFTS AND GRACE INC Page 3 Capital Gains and Losses for Tax on Investment Income (b) How acquired (c) Date acquired (d) Date sold (a) List and describe the kind(s) of property sold (e.g., real estate, - Purchase 2-story brick warehouse; or common stock, 200 shs. MLC Co.) (mo., day, yr.) (mo , day, yr.) D - Donation 1a SHORT TERM G/L P **VARIOUS** VARIOUS b LONG TERM G/L P **VARIOUS VARIOUS** d e (g) Cost or other basis (f) Depreciation allowed (h) Gain or (loss) (e) Gross sales price (or allowable) plus expense of sale (e) plus (f) minus (g) 18,912 790,102 809,014 107,525 107,632 107. h d 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 (j) Adjusted basis (k) Excess of col. (i) Losses (from col. (h)) (i) F.M.V. as of 12/31/69 as of 12/31/69 over col. (j), if any 18,912. a 107 þ C d е If gain, also enter in Part I, line 7 19,019. 2 Capital gain net income or (net capital loss) 2 If (loss), enter -0- in Part I, line 7 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). N/A If (loss), enter -0- in Part I, line 8 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. Yes X No Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part Enter the appropriate amount in each column for each year; see the instructions before making any entries. (d)
Distribution ratio
(col. (b) divided by col. (c)) (a) Base period years (c) Adjusted qualifying distributions Net value of noncharitable-use assets Calendar year (or tax year beginning in) 84,177. 1,733,574 .048557 2011 76,950 1,702,422. .045200 2010 127,165 1,618,818 .078554 2009 1,941,205. .067355 130,750. 2008 50,000 2,203,683 .022689 2007 .262355 2 Total of line 1, column (d) 2 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 .052471 1,689,900. Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 5 88,671. Multiply line 4 by line 3 667. Enter 1% of net investment income (1% of Part I, line 27b) 6

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Add lines 5 and 6

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.

Enter qualifying distributions from Part XII, line 4

89,338.

63,750.

Form	1990-PF (2012) GIFTS AND GRACE, INC.	20-	3195	<u>749</u>		Page 4
Pa	irt VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or	1948	- see ir	stru	ıctio	ns)
1a	Exempt operating foundations described in section 4940(d)(2), check here and enter "N/A" on line 1.					
	Date of ruling or determination letter: (attach copy of letter if necessary-see instructions)					
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here and enter 1%	1			1,3	<u>35.</u>
	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				0.
3	Add lines 1 and 2	3			<u>1,3</u>	
	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			<u>1,3</u>	35.
	Credits/Payments:					
	2012 estimated tax payments and 2011 overpayment credited to 2012 6a 26.	1				
b	Exempt foreign organizations - tax withheld at source 6b	4				
	Tax paid with application for extension of time to file (Form 8868)	1				
	Backup withholding erroneously withheld	4				
	Total credits and payments. Add lines 6a through 6d	7	ļ <u>-</u> .			<u> 26.</u>
8	Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached	8				30.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9			1,3	<u> 39.</u>
	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10				
_	Enter the amount of line 10 to be: Credited to 2013 estimated tax	111	<u> </u>			
	rt VII-A Statements Regarding Activities		Т		Vaa	NIA
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or interveni	e in			Yes	
	any political campaign?		ŀ	<u>1a</u>		X
D	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		}	<u>1b</u>		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials publish	ea or				
	distributed by the foundation in connection with the activities			1.		v
	Did the foundation file Form 1120-POL for this year?		}	<u>1c</u>		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:						
(1) On the foundation. ► \$ (2) On foundation managers. ► \$ 0 . e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation						
٦	managers. > \$					
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?						Х
If "Yes," attach a detailed description of the activities						
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation,	nr				
·	bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	••		3		X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		ļ	4a		X
	If "Yes," has it filed a tax return on Form 990-T for this year?	N	/A	4b		
	Was there a liquidation, termination, dissolution, or substantial contraction during the year?		•	5		Х
	If "Yes," attach the statement required by General Instruction T		Ī			
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 stat	e law				
	remain in the governing instrument?			6	Х	
7	Did the foundation have at least \$5,000 in assets at any time during the year?			7	X	
	If "Yes," complete Part II, col. (c), and Part XV.					
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)					
	AL					
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		Ļ	8b	X	
	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calc	ndar				
	year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		-	9		<u>X</u>
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses			10	DF .	<u>X</u>

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	n 990-PF (2012) GIFTS AND GRACE, INC. 20-319! art VII-A Statements Regarding Activities (continued)	<u>) / 4 J</u>		Page 5
11.	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of			
	section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges?			
	If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Х	
	Website address ► N/A			
14	The books are in care of ► THE FOUNDATION Telephone no. ► 205 66	<u> 1 - 4</u>	400	
	Located at ▶5051 CARDINAL STREET, TRUSSVILLE, AL ZIP+4 ▶35	173		
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	N	/A	
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank,		Yes	No
	securities, or other financial account in a foreign country?	16		<u>X</u>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign			
	country Countr	<u> </u>		
Pa	art 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
18	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? Yes X No Yes X 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 X 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 X No			
	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)? N/A	16		
	Organizations relying on a current notice regarding disaster assistance check here			
	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?	10		х
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)):			
2	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			
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	2b		
C	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.			
	>			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time			
	during the year?			!
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	3b		
	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		<u>X</u>
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that	1		
	had not been removed from leopardy before the first day of the tax year beginning in 2012?	4b		Х

Form 990-PF (2012) GIFTS AND GRACE, INC.			20-31957	49	Page 6
Part VII-B Statements Regarding Activities for Which F	orm 4720 May Be I	Required (contin	ued)		
5a During the year did the foundation pay or incur any amount to:					
(1) Carry on propaganda, or otherwise attempt to influence legislation (section			es X No		
(2) Influence the outcome of any specific public election (see section 4955); o	r to carry on, directly or indire				
any voter registration drive?			es X No		
(3) Provide a grant to an individual for travel, study, or other similar purposes		Ye	es X No		
(4) Provide a grant to an organization other than a charitable, etc., organization	n described in section				
509(a)(1), (2), or (3), or section 4940(d)(2)?					ľ
(5) Provide for any purpose other than religious, charitable, scientific, literary,	or educational purposes, or t				
the prevention of cruelty to children or animals?			es X No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify und		in Regulations	(-		
section 53.4945 or in a current notice regarding disaster assistance (see instru	·		N/A	5b	
Organizations relying on a current notice regarding disaster assistance check h			┍╙		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption fr					
expenditure responsibility for the grant?		I/A	es L No		
If "Yes," attach the statement required by Regulations section 53 4945					
6a Did the foundation, during the year, receive any funds, directly or indirectly, to p	oay premiums on		es X No		ľ
a personal benefit contract?		Y6	es LAJ NO	CF	v
b Did the foundation, during the year, pay premiums, directly or indirectly, on a p	ersonal denetit contract?		-	6b	<u> </u>
If "Yes" to 6b, file Form 8870	haltar transaction O		es X No		
7a At any time during the tax year, was the foundation a party to a prohibited tax s		Y €	 	7b	
b if Yes, did the foundation receive any proceeds or have any net income attribution. Port VIII Information About Officers, Directors, Trusto		nagore Highly		70	
Part VIII Paid Employees, and Contractors	ees, i oundation ma	magers, mgm	,		
1 List all officers, directors, trustees, foundation managers and their	compensation.				
	(b) Title, and average	(c) Compensation	(d) Contributions to	(e)	Expense
(a) Name and address	hòurs per week devoted to position	(If not paid, enter -0-)	employee benefit plans and deferred compensation		ount, other owances
SEE STATEMENT 5		0.	0.		0.
			1		
2 Compensation of five highest-paid employees (other than those inc		enter "NONE."	(d) Contributions to	1	F
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week	(c) Compensation	(d) Contributions to employee benefit plans and deferred	(e)	Expense ount, other
	devoted to position	(-, ,	compensation	all	owances
NONE					
		1		-	
			·		
Total number of other employees paid over \$50,000		l		1	0
runar monuse di unisi sindiuvsea ngu uvci MJU.UUU					U

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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	
Fotal number of others receiving over \$50,000 for professional services Part IX-A Summary of Direct Charitable Activities	▶ 0
	
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
PLEASE NOTE, THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT	
CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT BY CONTRIBUTIONS, OTHER ORGANIZATIONS EXEMPT UNDER INTERNAL	0
REVENUE CODE SECTION 501(C)(3).	0.
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
	0.
B	
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
N/A	
	0.
All other program-related investments. See instructions.	
Fotal. Add lines 1 through 3 ▶	0.
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P	Art X Minimum Investment Return (All domestic foundations must complete this part. Foreign fou	ndations	s, see instructions.)
1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
·	Average monthly fair market value of securities	1a	0.
b	Average of monthly cash balances	1b	34,920.
C	Fair market value of all other assets	1c	1,680,715.
d	Total (add lines 1a, b, and c)	1d	1,715,635.
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	1,715,635.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	25,735.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,689,900.
6	Minimum investment return. Enter 5% of line 5	6	84,495.
	art XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations are	nd certain	
<u>:</u>	foreign organizations check here and do not complete this part.)		
1	Minimum investment return from Part X, line 6	1	84,495.
2a			
b	Income tax for 2012. (This does not include the tax from Part VI.)		
C	Add lines 2a and 2b	2c	1,335.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	83,160.
4	Recoveries of amounts treated as qualifying distributions	4	<u> </u>
5	Add lines 3 and 4	5	83,160.
6	Deduction from distributable amount (see instructions)	6	<u> </u>
7_	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	83,160.
P	art XII Qualifying Distributions (see instructions)		
1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		-
а	Expenses, contributions, gifts, etc total from Part I, column (d), line 26	1a	<u>63,750.</u>
b	Program-related investments - total from Part IX-B	1b	0.
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:		
а	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	63,750.
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	63,750.
	Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation (4940(e) reduction of tax in those years.	qualifies f	or the section

Form **990-PF** (2012)

10162061

Part XIII Undistributed Income (see instructions)

			<u> </u>	
	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI,	05.725	Total o prior to 20 Tr		
line 7				83,160.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			31,232.	
ь Total for prior years:				
3 Excess distributions carryover, if any, to 2012:		0.		
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from				
Part XII, line 4: ► \$63,750.				
a Applied to 2011, but not more than line 2a			31,232.	
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				32,518.
e Remaining amount distributed out of corpus	0.			
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	0.			
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				50,642.
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	.	į		
not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:	0.			
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				
				Farm 000 DE (0010)

Form 990-PF (2012) GIFTS A Part XIV Private Operating F	ND GRACE, I		II A guestion (I)		195749 Page 10
			II-A, question 9)	N/A	
1 a If the foundation has received a ruling of		· · · · · ·			
foundation, and the ruling is effective fo b Check box to indicate whether the found			un caction	4942(j)(3) or 4	942(j)(5)
	Tax year	ing loundation described	Prior 3 years	4342(<u>])(3)</u> 014	1342())(3)
2 a Enter the lesser of the adjusted net	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
income from Part I or the minimum	(4) 20 12	(6) 2011	(0) 2010	(4) 2000	(0) 10.21
investment return from Part X for					
each year listed					
b 85% of line 2a			+		
c Qualifying distributions from Part XII,	1				
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		<u>.</u>			1
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			1		
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 Info	rmation (Comple	to this part only	if the foundation	n had \$5 000 or m	ore in assets
at any time during t	, ,	•	ii die loundade	π παα ψο,οοο οι πι	ore in assets
1 Information Regarding Foundation					
a List any managers of the foundation wh	_	than 2% of the total con	tributions received by t	he foundation before the clo	ose of any tax
year (but only if they have contributed n			and and received by t	no roundation pororo the on	oo or any tan
CHARLES K. MCPHERSON	, SR.				
b List any managers of the foundation wh	o own 10% or more of th		(or an equally large po	rtion of the ownership of a p	partnership or
other entity) of which the foundation has	s a 10% or greater intere	st.			
NONE					
2 Information Regarding Contributi			_		
Check here ► X If the foundation o	•	•	-	-	
the foundation makes gifts, grants, etc.		-		complete items za, b, c, an	U U.
a The name, address, and telephone num	ber or e-mail of the perso	on to whom applications	should be addressed:		
b The form in which applications should b	e submitted and informa	tion and materials they s	hould include.		
					
c Any submission deadlines:					
d Any restrictions or limitations on awards	s, such as by geographic	al areas, charitable fields	, kınds of ınstitutions, c	or other factors:	
223601 12-05-12					Form 990-PF (2012)
12 00 12					(2012)

3 · Grants and Contributions Paid During the Ye	ear or Approved for Future	Payment	1 -	
Recipient	If recipient is an individual, show any relationship to any foundation manager	Foundation status of	Purpose of grant or contribution	Amount
Name and address (home or business)	or substantial contributor	recipient	Contribution	
a Paid during the year				
BIG OAK RANCH		PUBLIC CHARITY	GENERAL OPERATING	
PO BOX 507 SPRINGVILLE, AL 35146			BUDGET	1,000.
SERINGVILLE, AL 33140				1,000.
CAMP SMILE A MILE		PUBLIC CHARITY	GENERAL OPERATING	
PO BOX 550155			BUDGET	
BIRMINGHAM, AL 35255				1,000.
CHILDREN'S HOSPITAL OF ALABAMA		PUBLIC CHARITY	GENERAL OPERATING	1
1600 7TH AVE. S			BUDGET	2 200
BIRMINGHAM, AL 35233				3,000.
GREATER BIRMINGHAM HUMANE SOCIETY		PUBLIC CHARITY	GENERAL OPERATING	
300 SNOW DRIVE BIRMINGHAM, AL 35209			BUDGET	1,000,
BININGIAM, AL 33205				1,000,
GREENS CHAPEL CUMBERLAND PRESBYTERIAN		PUBLIC CHARITY	GENERAL OPERATING	
CHURCH			BUDGET	
811 GREENS CHAPEL ROAD	i			
CLEVELAND AL 35049	MINITARION CHE	2m / C \	N 0-	1,000.
total SEE CON b Approved for future payment	TINUATION SHEE	rr(s)	▶ 3a	63,750.
NONE				
Tabl				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelate	d business income		ded by section 512, 513, or 514	(e)
zmor gross amounto amos other mas malautos.	_ (a)	(b)	(c) Exclu-	(d)	Related or exempt
1 Program service revenue:	Business code	Amount	sion	Amount	function income
	0000			-	
a b					
			1		
d					
e		•			
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	64,232.	
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	1				
7 Other investment income					
8 Gain or (loss) from sales of assets other					
than inventory			18	19,018.	
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	•	83,250.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	83,250.
(See worksheet in line 13 instructions to verify calculations.)					

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
223621 12-05-12	Form 990-PF (2012)

Form 99	0-PF (2	012) GIFTS	AND GRA	CE, INC	•		20-31	95749) Pa	ige 13
Part		Information Re	egarding Tra		and Transactions	and Relation				
•		Exempt Organ	izations						,	
		* -		-	ng with any other organizati		ction 501(c) of		Yes	No
					27, relating to political orga	nizations?			1	
a Tr	ansfers	from the reporting found	ation to a nonchari	table exempt or	ganization of:				į	
(1) Cash							1a(1)	<u> </u>	X
(2) Other	assets						1a(2)		X
		sactions:								ľ
•	•	of assets to a noncharita	• -					1b(1)		X
•	•	nases of assets from a no		t organization				1b(2)		X
		al of facilities, equipment,						1b(3)	<u> </u>	X
•		bursement arrangements						1b(4)		X
•		s or loan guarantees						1b(5)	-	X
		rmance of services or me						1b(6)	 	X
	_	f facilities, equipment, ma			iployees edule. Column (b) should a	lwaya ahaw tha fau	r market value of the age	1c	L	
					red less than fair market val				5615,	
		i) the value of the goods,			eu iess man ian market vai	de ili aliy ti alisacti	on or snaring arrangemen	11, SHOW III		
(a) Line i		(b) Amount involved			e exempt organization	(d) Descripti	ion of transfers, transactions,	and sharing a	rangeme	ents
		<u> </u>		N/A						
		· · · · · · · · · · · · · · · · · · ·								
					•					
									_	
	\perp									
					-					
	_									
					or more tax-exempt organ	iizations described			77] No
		501(c) of the Code (other		c)(3)) or in sec	tion 52/7			Yes	LA	_ NO
וו פ	res, co	omplete the following sch (a) Name of org			(b) Type of organization		(c) Description of relation	nshin		
		N/A	amzanon		(b) Type of organization		(v) Boodisphon of folding	элотр		
		M/A								
		_				<u> </u>				
		1	7							
	Under	'''			ng accompanying schedules and			May the IRS	discuss	this
Sign	11	itief, it is true, corlect, Andloo	piede Declaration of p	preparer (diliter tha	n taxpayer) is based on all inform	mation of which prepa	rei rias any knowledge	return with the shown below		
Here	<u>P</u>		TXXXX		15/14/13	PRESI	DENT	X Yes	; L	J No
	Sign	ature in officer of the lee	<u> </u>		Date	Title	Chook To 4 To 5			
		Print/Type preparer's na	ime *	Preparer's s	· /. . •	Date	Check if PT	IN		
Paid		733756 5	'A MG 037	Jawa		05/12/12	self- employed	.00004	724	
Prep	arer	JAMES A. W			A. WATSON	05/13/13		27326		
ep	a	rumsname ► SEL	TURO KIC	UHKUSUN	HOLMAN & WE	POI, PPL	Firm's EIN ► 26-	41340	11	

Form **990-PF** (2012)

205-278-0001

Phone no.

Use Only

Firm's address ► 216 SUMMIT BOULEVARD, STE 300 BIRMINGHAM, AL 35243

Part XV **Supplementary Information** Grants and Contributions Paid During the Year (Continuation) If recipient is an individual, Recipient show any relationship to Foundation Purpose of grant or Amount status of contribution any foundation manager Name and address (home or business) or substantial contributor recipient PUBLIC CHARITY SUPPORT RELIGIOUS MOUNT FLAT CHURCH 2165 CO ROAD 21 PROGRAMS 1.000. CROSSVILLE AL 35962 SHELBY COUNTY HUMANE SOCIETY PUBLIC CHARITY GENERAL OPERATING BUDGET 381 MCDOW ROAD COLUMBIANA, AL 35051 1,000. PUBLIC CHARITY GENERAL OPERATING THE FOUNDRY 1800 4TH AVE NORTH BUDGET 1,000, BESSEMER, AL 35020 THE HOUSE OF REFUGE PUBLIC CHARITY GENERAL OPERATING BUDGET PO BOX 698 200, JACKSONVILLE, AL 36265 THE LOVELADY CENTER PUBLIC CHARITY GENERAL OPERATING 7916 2ND AVE SOUTH BUDGET BIRMINGHAM, AL 35206 1,000. THE PRESCOTT HOUSE PUBLIC CHARITY GENERAL OPERATING BUDGET PO BOX 55892 1,000, BIRMINGHAM AL 35255 PUBLIC CHARITY SCHOLARSHIPS THE UNIVERSITY OF ALABAMA 203 ROSE ADMIN BUILDING BOX 870100 TUSCALOOSA, AL 35487 25,000, UNITED WAY OF ALABAMA PUBLIC CHARITY GENERAL OPERATING PO BOX 320189 BUDGET BIRMINGHAM, AL 35232 10,000, VESTAVIA HILLS UNITED METHODIST PUBLIC CHARITY SUPPORT RELIGOUS CHURCH PROGRAMS 2061 KENTUCKY AVENUE 8,000. VESTAVIA HILLS, AL 35216 PUBLIC CHARITY GENERAL OPERATING ADAPTIVE AQUATICS BUDGET 1472 PARADISE COVE LANE 5,000. WILSONVILLE AL 35186 56,750 Total from continuation sheets

GIFTS AND GRACE, INC.

Part XV Supplementary Information Grants and Contributions Paid During the Year (Continuation) If recipient is an individual, Recipient Foundation Purpose of grant or show any relationship to Amount contribution any foundation manager status of Name and address (home or business) or substantial contributor recipient PUBLIC CHARITY MEMORIAL MOBILE CHRISTIAN SCHOOL 5900 COTTAGE HILL ROAD 1,000. MOBILE AL 36609 PUBLIC CHARITY GENERAL OPERATING CYSTIC FIBROSIS FOUNDATION 200 CAHABA PARK CIRCLE BUDGET 500, BIRMINGHAM AL 35242 PARKISON ASSOCIATION OF ALABAMA PUBLIC CHARITY GENERAL OPERATING BUDGET PO BOX 590146 500. BIRMINGHAM, AL 35259 LESTER MEMORIAL UNITED METHODIST PUBLIC CHARITY SUPPORT RELIGIOUS CHURCH PROGRAMS PO BOX 626 ONEONTA, AL 35121 250. ARTHRITIS FOUNDATION- JUVENILE PUBLIC CHARITY GENERAL OPERATING BUDGET 2700 HWY 280 E STE 180 1,000. BIRMINGHAM, AL 35223 PUBLIC CHARITY GENERAL OPERATING CURE JM FOUNDATION BUDGET 836 LYNWOOD DRIVE 300. ENCINTAS, CA 92024 Total from continuation sheets

FORM 990-PF DIVIDENI	OS AND	INTER	EST FROM	SECUE	RITIES	STATEMENT	1	
SOURCE		GROSS AMOUNT 11,654. 52,577.		CAPITAL GAINS DIVIDENDS 0. 0.		COLUMN (A) AMOUNT 11,654. 52,577.		
DIVIDENDS INTEREST	_							
TOTAL TO FM 990-PF, PART I, LN 4			64,231.		0.	64,231.		
FORM 990-PF		TAX	ES			STATEMENT	2	
DESCRIPTION	EXPE	A) NSES BOOKS	(B) NET INVE MENT INC		(C) ADJUSTED NET INCOM			
FOREIGN TAXES IRS		791. 1,500.		791.			0.	
-					•			
TO FORM 990-PF, PG 1, LN 18 =		2,291.		791.			0.	
=			XPENSES	791.		STATEMENT	3	
TO FORM 990-PF, PG 1, LN 18 FORM 990-PF DESCRIPTION	O'.	THER E	XPENSES (B) NET INVENT INC	EST-	(C) ADJUSTED NET INCOM	(D) CHARITAI	3 	
FORM 990-PF DESCRIPTION	O'. (1 EXPER PER I	THER E.	(B) NET INVE MENT INC	EST-	ADJUSTED	(D) CHARITAI	3 	
FORM 990-PF	O'. (A EXPEN PER II	THER E	(B) NET INVENT INC	EST- COME	ADJUSTED	(D) CHARITAI	3 BLE	
FORM 990-PF DESCRIPTION BROKER FEES TO FORM 990-PF, PG 1, LN 23	OTEXPENDED IN 15	THER E NSES BOOKS 5,710.	(B) NET INVENT INC	EST- COME 710.	ADJUSTED	(D) CHARITAI	3 BLE ES	
FORM 990-PF DESCRIPTION BROKER FEES	OTEXPENDED IN 15	THER EAN NSES BOOKS 5,710.	(B) NET INVENT INC	710.	ADJUSTED	(D) CHARITAI E PURPOSI	3 BLE ES 0. 0.	
FORM 990-PF DESCRIPTION BROKER FEES TO FORM 990-PF, PG 1, LN 23 FORM 990-PF	OTEXPENDED IN 15	THER E. A) NSES BOOKS 5,710. THER E. A) THER E. A THER E. A) THER	(B) NET INVENT INCOMENT INCOMENT INCOMENT INCOMENTS ESTMENTS LUATION	EST- COME 710.	ADJUSTED NET INCOM	(D) CHARITAI E PURPOSI STATEMENT FAIR MARKE	3 BLE ES 0. 0.	

	T OF OFFICERS, DI FOUNDATION MANAG		STATI	EMENT 5
NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	
CHARLES K. MCPHERSON, SR. 5051 CARDINAL STREET BIRMIGHAM, AL 35173	PRESIDENT/SEC./	TREAS.	0.	0.
CHARLES K. MCPHERSON, JR. 5051 CARDINAL STREET BIRMIGHAM, AL 35173	VICE PRESIDENT 0.00	0.	0.	0.
JOHN T. MCPHERSON 5051 CARDINAL STREET BIRMIGHAM, AL 35173	VICE PRESIDENT 0.00	0.	0.	0.
GREG ABRAMSON 5051 CARDINAL STREET BIRMIGHAM, AL 35173	DIRECTOR 0.00	0.	0.	0.
DEBBIE CLOWDUS 5051 CARDINAL STREET BIRMIGHAM, AL 35173	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6	, PART VIII	0.	0.	0.