



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

For calendar year 2012 or tax year beginning **April 1**, 2012, and **ending** **March 31**, 2013

Name of foundation Perfection and Grace		A Employer identification number 36-3816036
Number and street (or P O box number if mail is not delivered to street address) 5205 Grand Avenue		Room/suite 708-784-1613
City or town, state, and ZIP code Western Springs, Illinois 60558		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) ► \$ <i>(Part I, column (d) must be on cash basis)</i>		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 Check ► <input 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) 8 Net short-term capital gain 9 Income modifications 10a Gross sales less returns and allowances b Less Cost of goods sold c Gross profit or (loss) (attach schedule) 11 Other income (attach schedule) 12 Total. Add lines 1 through 11	7,000	6,458	38,402	12,938
		12,938	12,938	382	RECEIVED DEC 02 2013 KIOSK OGDEN, UT
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc 14 Other employee salaries and wages 15 Pension plans, employee benefits 16a Legal fees (attach schedule) b Accounting fees (attach schedule) c Other professional fees (attach schedule) 17 Interest 18 Taxes (attach schedule) (see instructions) 19 Depreciation (attach schedule) and depletion 20 Occupancy 21 Travel, conferences, and meetings 22 Printing and publications 23 Other expenses (attach schedule) 24 Total operating and administrative expenses. Add lines 13 through 23 25 Contributions, gifts, grants paid 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 b Net investment income (if negative, enter -0-) c Adjusted net income (if negative, enter -0-)	136	850	6,592	1,462
		9,115	8,054	75	1,061
		75,000	84,115	8,054	75,000
		(19,098)	49,964		76,061

160

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	190,560	25,867	25,867
	2	Savings and temporary cash investments		146,151	146,151
	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)	317,857	262,053	304,046
	c	Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11	Investments—land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	954,653	1,009,901	1,062,976
	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)	1,463,070	1,443,972	1,539,040
	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	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 type="checkbox"/>				
	and complete lines 27 through 31.				
	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	1,462,020	1,442,922	
	30	Total net assets or fund balances (see instructions)	1,463,070	1,443,972	
	31	Total liabilities and net assets/fund balances (see instructions)	1,463,070	1,443,972	
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	1,463,070
2	Enter amount from Part I, line 27a			2	(19,098)
3	Other increases not included in line 2 (itemize) ►			3	
4	Add lines 1, 2, and 3			4	1,443,972
5	Decreases not included in line 2 (itemize) ►			5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30			6	1,443,972

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 Publicly traded securities					
b Capital Gain distributions					
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 55,636		52,351	3,285		
b			9,450		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
a			12,938		
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	12,938	
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.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	56,357	1,468,363	0383
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
2 Total of line 1, column (d)			2111
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			0422
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			1,487,764
5 Multiply line 4 by line 3			62,783
6 Enter 1% of net investment income (1% of Part I, line 27b)			500
7 Add lines 5 and 6			63,283
8 Enter qualifying distributions from Part XII, line 4			76,061
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	500
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b).		500
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		0
3	Add lines 1 and 2		500
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	0	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	500	
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 1,000	
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 1,000	
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8 0	
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	10 500	
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►	500 Refunded 11 0	

Part VII-A Statements Regarding Activities

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	✓
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>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.</i>	1b	✓
1c	Did the foundation file Form 1120-POL for this year?	1c	✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	2	✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	✓
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	✓
8a	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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	8b	✓
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	✓
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	✓

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 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes No ✓

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	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 2012?	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 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 ► 20____, 20____, 20____, 20____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to		

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(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)?			5b	
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?			6b	✓
<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?			7b	

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, North Aurora II	President 4 hours	0	0	0
Robert Evans				
100 Overland Drive, North Aurora II	Secretary 4 hours	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				► none

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

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	1,279,097
b	Average of monthly cash balances	1b	231,319
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,510,416
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	1,510,416
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	22,656
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,487,760
6	Minimum investment return. Enter 5% of line 5	6	74,388

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	74,388
2a	Tax on investment income for 2012 from Part VI, line 5	2a	500
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	500
3	Distributable amount before adjustments Subtract line 2c from line 1	3	73,888
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	73,888
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	73,888

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes	1a	76,061
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1b	0
b	Program-related investments—total from Part IX-B	2	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	3a	0
3	Amounts set aside for specific charitable projects that satisfy the	3b	0
a	Suitability test (prior IRS approval required)	4	76,061
b	Cash distribution test (attach the required schedule)	5	500
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	75,561
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 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				73,888
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			0	
b	Total for prior years: 20____,20____,20____				
3	Excess distributions carryover, if any, to 2012				
a	From 2007	0			
b	From 2008	0			
c	From 2009	0			
d	From 2010	0			
e	From 2011	0			
f	Total of lines 3a through e	0			
4	Qualifying distributions for 2012 from Part XII, line 4 ► \$	76,061			
a	Applied to 2011, but not more than line 2a				9,966
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				66,095
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				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see instructions				
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions				
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				7,793
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0			
9	Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0			
10	Analysis of line 9.				
a	Excess from 2008	0			
b	Excess from 2009	0			
c	Excess from 2010	0			
d	Excess from 2011	0			
e	Excess from 2012	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 2012, 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			
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)(ii)			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			
(e) Total				

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 or e-mail 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)				
a Paid during the year				
See attached statement				
Total			► 3a	75,000
b Approved for future payment				
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					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	6,458	
4	Dividends and interest from securities			14	38,402	
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			14	12,938	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a				220	
b						
c						
d						
e						
12	Subtotal Add columns (b), (d), and (e)					
13	Total. Add line 12, columns (b), (d), and (e)			13	58,018	

(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

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

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

Signature of officer or trustee

11.15.13

10

Title

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 Pirona</i>	Preparer's signature <i>Thomas Pirona</i>	Date <i>11-15-13</i>	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► MLK Partners		Firm's EIN ► 30-0700784		
	Firm's address ► 5205 Grand Ave, Western Springs, Illinois 60558		Phone no		

Name of the organization	Employer identification number
Perfection and Grace	36-3816036

Organization type (check one)

Filers of: **Section:**

Form 990 or 990-EZ 501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF 501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions

General Rule

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

Special Rules

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

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

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

► \$

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

Name of organization Perfection and Grace	Employer identification number 36-3816036
--	--

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Robert and Deborah Evans 100 Overland Drive North Aurora, Illinois	\$ 7,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Perfection & Grace, Inc.
36-3816036
Form 990-PF, Year ended March 31, 2013

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>
Part I, Line 16a - Legal Fees				
Appel & Kelly, Ltd		136		136
Part I, Line 16b - Accounting Fees				
M Lena Perona		850		850
Part I, Line 16c - other prof fees				
Investment & advisory management fees	6,592	6,592		
Part I, Line 23 - Other expenses				
Illinois Charity Bureau Fund fee	15			15
Postage	60			60
Total	75			75
Part II, Line 10b - Corporate Stock				
Common stock:				
AT&T	200	108471	4,866	7,338
Adobe Systems Inc	157	108471	6,801	6,832
Arthur Gallagher	177	108471	6,449	7,312
Bristol Myers Squibb Co	349	108471	7,790	14,375
CenturyLink Inc	200	108471	6,558	7,026
Duke Energy Corp	423	108471	6,860	10,235
Enterprise Prods Partners LP	170	108471	4,502	10,249
Frontier Communications Corp	48	108471	323	192
GNC Holdings	230	108471	8,953	9,034
Goldman Sachs Group Inc	71	108471	9,443	10,448
Google Inc	18	108471	9,351	14,295
HCC Insurance Holdings Inc	229	108471	6,847	9,625
Honeywell Intl Inc	116	108471	6,300	8,741
Intel Corp	340	108471	7,939	7,424
International Game Technology	189	108471	7,509	3,118
Johnson & Johnson	122	108471	7,977	9,947
Medtronic	145	108471	5,356	6,809
Microchip Technology Inc	257	108471	5,622	9,450
NCR Corporation	323	108471	7,706	8,902
Omnicom Group Inc	166	108471	7,818	9,777
Oracle Corp	117	108471	3,785	3,783
Raytheon Company	103	108471	6,345	6,055
Republic Svcs Inc	202	108471	5,516	6,666
Stryker	183	108471	7,199	11,939
United Health Group Inc	94	108471	4,444	5,378
Vodafone Group PLC	354	108471	9,795	10,054
			172,053	215,004
Preferred Stock:				
Partnerre Ltd	800	110381	20,000	20,384
CitiGroup Funding Inc	5,000	110381	50,000	49,850
Royal Bank of Scotland	800	110381	20,000	18,808
			90,000	89,042
			262,053	304,046

Perfection & Grace, Inc.
36-3816036
Form 990-PF, Year ended March 31, 2013

Part II, Line 10c - Corporate Bonds

	<u>(c)</u>	<u>(b)</u>
	-	-
	-	-

Part II, Line 13 - Other:

	<u>(c)</u>	<u>(b)</u>
--	------------	------------

Unit Investment Trusts

UTS FTP, Corp Investmt	50	110381	12,929	11,183
UTS FTP, Ser 7 Corp Investmt	50	110381	4,999	2,635
			<u>17,928</u>	<u>13,818</u>

Other Investments

JP Chase Capital XI	800	110381	20,000	20,088
Morgan Stanley Capital Trust VI	800	110381	20,000	20,328
AMBAC Financial Group	400	110381	10,000	6,725
JPMorgan Chase bk, MLD linked DJUBS	50000	110381	50,000	52,650
			<u>100,000</u>	<u>99,791</u>

Mutual Funds

Western Asset Gov Reserves	1315	110381	1,315	1,315
Vanguard IP Sec Adm		vanguard	58,313	64,741
Wellesley Income fund		vanguard	202,551	205,798
wellington Fund Admiral		vanguard	150,942	154,702
Invesco Floating Rate Fund CL Y	16589	115555	128,113	132,046
AllianceBernstein Global Bond	9983	115555	78,893	86,260
Lord Abbott Bond Debenture Fund CL A	11265	115555	84,901	93,165
Schwartz Inv Tr/Ave Maria Catholic Values	8117	115555	135,300	158,684
First Trust Preferred sec & inc I	2335	115555	51,642	52,656
			<u>891,970</u>	<u>949,367</u>
Total Other Investments			<u>1,009,898</u>	<u>1,062,976</u>

Perfection & Grace, Inc.
36-3816036
Year Ended March 31, 2013

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>
WALGREENS	141	10/13/10	07/31/12	5,080 00	4,843 00	237 00
AON	1000	09/20/05	11/30/12	25,000 00	24,455 00	545 00
ANCESTRY COM	258	06/08/11	12/21/12	8,262 00	9,494 00	(1,232 00)
LOCKHEED MARTIN	68	05/14/12	12/20/12	6,282 00	5,795 00	487 00
QUALCOM	133	06/11/09	03/05/13	9,041 00	6,108 00	2,933 00
QUALCOM	29	05/31/12	03/05/12	1,971 00	1,656 00	315 00
MUTUAL FUNDS				0 00	0 00	9,653 00
				<u>55,636 00</u>	<u>52,351 00</u>	<u>12,938 00</u>

Perfection & Grace, Inc.
36-3816036
Year Ended March 31, 2013

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
Infant Welfare Society 3600 West Fullerton Avenue Chicago, IL 60647	None	Pub Charity-509(a)(1)	Operating	10,000
Moody Church 1635 N LaSalle Blvd Chicago IL 60614	None	Pub Charity-509(a)(1)	Operating	20,000
Pacific Garden Mission 1458 S Canal Street Chicago, IL 60607	None	Pub Charity-509(a)(1)	Operating	15,000
The Salvation Army 5040 N Pulaski Rd Chicago, IL 60630-2788	None	Pub Charity-509(a)(1)	Operating	15,000
PASS Network for Life 17214 Oak Park Ave Tinley Park IL 60477	None	Pub Charity-509(a)(1)	Operating	5,000
Total				<u><u>75,000</u></u>