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Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning 07/01, 2013, and ending 06/30, 2014

Name of foundation: **GRACE FOUNDATION 210036**

Number and street (or P.O. box number if mail is not delivered to street address): **P.O. BOX 846**

Room/suite: _____

City or town, state or province, country, and ZIP or foreign postal code: **AMES, IA 50010**

A Employer identification number
23-7294779

B Telephone number (see instructions)
515-663-3035

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

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

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) **\$ 1,087,710.**

J Accounting method: Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis.)

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	36.	36.	36.	
	4 Dividends and interest from securities	31,510.	29,766.	29,766.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,027.			
	b Gross sales price for all assets on line 6a	102,487.			
	7 Capital gain net income (from Part IV, line 2)		1,027.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a 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	32,573.	30,829.	29,802.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages	2,474.	619.	619.	1,856.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	9,693.	9,056.	9,056.	637.
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,347.			209.
	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	13,514.	9,675.	9,675.	2,702.
	25 Contributions, gifts, grants paid	46,688.			46,688.
26 Total expenses and disbursements. Add lines 24 and 25	60,202.	9,675.	9,675.	49,390.	
27 Subtract line 26 from line 12	-27,629.				
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)		21,154.			
c Adjusted net income (if negative, enter -0-)			20,127.		

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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			
	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			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment, basis ▶			
	Less accumulated depreciation ▶ (attach schedule)				
12	Investments - mortgage loans				
13	Investments - other (attach schedule)	787,008.	757,664.	1,087,710.	
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)	787,008.	757,664.	1,087,710.	
Liabilities	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)			NONE	
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, . . . ▶ <input checked="" type="checkbox"/> check here and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	787,008.	757,664.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see instructions)	787,008.	757,664.		
31	Total liabilities and net assets/fund balances (see instructions)	787,008.	757,664.		

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)	1 787,008.
2	Enter amount from Part I, line 27a	2 -27,629.
3	Other increases not included in line 2 (itemize) ▶ RETURN OF CAPITAL	3 29.
4	Add lines 1, 2, and 3	4 759,408.
5	Decreases not included in line 2 (itemize) ▶ BOOK/TAX DIFFERENCE FOR MUTUAL FUND ADJ	5 1,744.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6 757,664.

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		
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 102,487.		101,460.	1,027.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV 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			1,027.
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	1,027.
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))
2012	48,387.	982,074.	0.049270
2011	43,760.	941,544.	0.046477
2010	41,906.	906,786.	0.046214
2009	41,818.	794,995.	0.052602
2008	37,195.	827,021.	0.044975

2 Total of line 1, column (d)	2	0.239538
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	0.047908
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	1,026,515.
5 Multiply line 4 by line 3	5	49,178.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	212.
7 Add lines 5 and 6	7	49,390.
8 Enter qualifying distributions from Part XII, line 4 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.	8	49,390.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

Table with 11 rows and 2 columns. Rows include: 1a Exempt operating foundations... 212.; 2 Tax under section 511... 0-; 3 Add lines 1 and 2... 212.; 4 Subtitle A (income) tax... NONE; 5 Tax based on investment income... 212.; 6 Credits/Payments... 929.; 7 Total credits and payments... 929.; 8 Enter any penalty... 0-; 9 Tax due... 0-; 10 Overpayment... 717.; 11 Enter the amount of line 10 to be Credited to 2014 estimated tax... 212. Refunded 505.

Part VII-A Statements Regarding Activities

Table with 10 rows and 3 columns (Yes, No, and an unlabeled column). Rows include: 1a During the tax year, did the foundation attempt to influence any national, state, or local legislation... X; 1b Did it spend more than \$100 during the year... X; 1c Did the foundation file Form 1120-POL for this year?... X; 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?... X; 3 Has the foundation made any changes, not previously reported to the IRS... X; 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?... X; 4b If "Yes," has it filed a tax return on Form 990-T for this year?... X; 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?... X; 6 Are the requirements of section 508(e) satisfied either... X; 7 Did the foundation have at least \$5,000 in assets at any time during the year?... X; 8a Enter the states to which the foundation reports or with which it is registered... IA; 8b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General... X; 9 Is the foundation claiming status as a private operating foundation... X; 10 Did any persons become substantial contributors during the tax year... X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 X
Website address N/A
14 The books are in care of SEE STATEMENT 3 Telephone no
Located at ZIP+4
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 2013, 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? 16 Yes No X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country

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

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

1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No X
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No X
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No X
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? X 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 X
(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 X
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)? 1b
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013? 1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? Yes No X
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) 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? Yes No X
b If "Yes," did it have excess business holdings in 2013 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 2013) 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013? 4b X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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
SEE STATEMENT 4				

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		NONE	NONE	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		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 NONE	

Total. Add lines 1 through 3	

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	1,025,088.
b	Average of monthly cash balances	1b	17,059.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	1,042,147.
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	NONE
3	Subtract line 2 from line 1d	3	1,042,147.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	15,632.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,026,515.
6	Minimum investment return. Enter 5% of line 5	6	51,326.

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	
2a	Tax on investment income for 2013 from Part VI, line 5	2a	NONE
2b	Income tax for 2013. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	NONE
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	NONE
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	NONE

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	49,390.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	49,390.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	212.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	49,178.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e				
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ _____				
a Applied to 2012, 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 2013 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 . (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
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 2012 Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				
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 2008 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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 2013, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	20,127.	23,074.	25,362.	24,519.	93,082.
b 85% of line 2a	17,108.	19,613.	21,558.	20,841.	79,120.
c Qualifying distributions from Part XII, line 4 for each year listed	49,390.	48,387.	43,760.	41,906.	183,443.
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	49,390.	48,387.	43,760.	41,906.	183,443.
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets	1,087,710.	1,034,357.	990,298.	961,591.	4,073,956.
(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	34,217.	32,736.	31,385.	30,226.	128,564.
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization.					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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))

N/A

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.

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed.

SEE STATEMENT 6

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines:

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SEE ATTACHED SCHEDULE				46,688.
Total ▶ 3a				46,688.
b <i>Approved for future payment</i>				
Total ▶ 3b				

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?
a Transfers from the reporting foundation to a noncharitable exempt organization of:
(1) Cash
(2) Other assets
b Other transactions:
(1) Sales of assets to a noncharitable exempt organization
(2) Purchases of assets from a noncharitable exempt organization
(3) Rental of facilities, equipment, or other assets
(4) Reimbursement arrangements
(5) Loans or loan guarantees
(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.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements

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

Table with 3 columns: (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. Signature of officer or trustee, Date, Title, May the IRS discuss this return with the preparer shown below?

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check self-employed if FTIN, Firm's name, Firm's address, Firm's EIN, Phone no.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES
 =====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
CUSTODIAN & MANAGEMENT FEES (A TAX PREPARATION FEE (NON-ALLOC	9,056. 637.	9,056.	9,056.	637.
TOTALS	9,693.	9,056.	9,056.	637.

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	CHARITABLE PURPOSES -----
OTHER TAXES	209.	209.
FEDERAL TAX PAYMENT - PRIOR YE	222.	
FEDERAL ESTIMATES - INCOME	916.	
TOTALS	----- 1,347. =====	----- 209. =====

GRACE.FOUNDATION 210036

23-7294779

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: TRUST DEPT, FIRST NATIONAL BANK, AMES, IA

ADDRESS: 405 5TH ST
AMES, IA 50010-0846

TELEPHONE NUMBER: (515)663-3035

STATEMENT 3

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
=====

OFFICER NAME:
CHRISTINA CHAN
ADDRESS:
250 Winchester St., Apt 2
Brookline, MA 02446
TITLE:
TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:
GEORGE CHAN
ADDRESS:
530 S. LINCOLN LN
ARLINGTON HEIGHTS, IL 60005
TITLE:
TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:
WILLIAM E. BLODGETT
ADDRESS:
103 Yaupon Lane
Georgetown, TX 78633
TITLE:
TREASURER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 3

OFFICER NAME:
REV. PAUL L. YEUN
ADDRESS:
128 BUCKINGHAM DR.
CHAMBERSBURG, PA 17201
TITLE:
CHAIRMAN
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

ABIGAIL HAWKINS

ADDRESS:

2951 GREENWILLOW DR NE

ATLANTA, GA 30345

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:

TREY HAWKINS

ADDRESS:

2951 GREENWILLOW DR NE

ATLANTA, GA 30345

TITLE:

SECRETARY

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 2

GRACE FOUNDATION 210036
FORM 990PF, PART XV - LINES 2a - 2d
=====

23-7294779

RECIPIENT NAME:

LEAH AKERS BELL, GRACE FOUNDATION

ADDRESS:

355 EL DORADO AVENUE
PALO ALTO, CA 94306

FORM, INFORMATION AND MATERIALS:

PERSONAL LETTER, TRANSCRIPT & RECOMMENDATIONS

SUBMISSION DEADLINES:

APPLICANTS MAY REQUEST APPLICATION INFORMATION BROCHURE SEPT 1 TO OCT
31, 4 MONTHS IN ADVANCE OF FEB 1ST SUBMISSION DEADLINE

RESTRICTIONS OR LIMITATIONS ON AWARDS:

AWARDS ARE EDUCATIONAL GRANTS FOR STUDENTS FROM CHINA AND SOUTHEAST
ASIAN COUNTRIES ONLY

**SCHEDULE D
(Form 1041)**

Capital Gains and Losses

OMB No 1545-0092

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1041, Form 5227, or Form 990-T.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.
▶ Information about Schedule D and its separate instructions is at www.irs.gov/form1041

2013

Name of estate or trust

Employer identification number

GRACE FOUNDATION 210036

23-7294779

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2012 Capital Loss Carryover Worksheet				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on the back ▶				7

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	101,630.	101,460.		170.
11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts				12
13 Capital gain distributions				13 857.
14 Gain from Form 4797, Part I				14
15 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2012 Capital Loss Carryover Worksheet				15 ()
16 Net long-term capital gain or (loss). Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on the back ▶				16 1,027.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2013

JSA
3F1210 1 000

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
17 Net short-term gain or (loss)	17			
18 Net long-term gain or (loss):				
a Total for year	18a			1,027.
b Unrecaptured section 1250 gain (see line 18 of the wrksht.)	18b			
c 28% rate gain	18c			
19 Total net gain or (loss). Combine lines 17 and 18a	19			1,027.

Note: If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 18a and 19, column (2), are net gains, go to Part V, and do not complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary

Part IV Capital Loss Limitation		20
20 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:		()
a The loss on line 19, column (3) or b \$3,000		

Note: If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part only if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

21 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	21		
22 Enter the smaller of line 18a or 19 in column (2) but not less than zero	22		
23 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	23		
24 Add lines 22 and 23	24		
25 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0-	25		
26 Subtract line 25 from line 24. If zero or less, enter -0-	26		
27 Subtract line 26 from line 21. If zero or less, enter -0-	27		
28 Enter the smaller of the amount on line 21 or \$2,450	28		
29 Enter the smaller of the amount on line 27 or line 28	29		
30 Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0%	30		
31 Enter the smaller of line 21 or line 26	31		
32 Subtract line 30 from line 26	32		
33 Enter the smaller of line 21 or \$11,950	33		
34 Add lines 27 and 30	34		
35 Subtract line 34 from line 33. If zero or less, enter -0-	35		
36 Enter the smaller of line 32 or line 35	36		
37 Multiply line 36 by 15%	37		
38 Enter the amount from line 31	38		
39 Add lines 30 and 36	39		
40 Subtract line 39 from line 38. If zero or less, enter -0-	40		
41 Multiply line 40 by 20%	41		
42 Figure the tax on the amount on line 27 Use the 2013 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	42		
43 Add lines 37, 41, and 42	43		
44 Figure the tax on the amount on line 21. Use the 2013 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	44		
45 Tax on all taxable income. Enter the smaller of line 43 or line 44 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	45		

Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
FULLER THEOLOGICAL SEMINARY OFFICE OF FINANCE AND ACCOUNTING 135 NORTH OAKLAND AVENUE, PASADENA, CA 91182	NONE	PC	PROGRAM SUPPORT	\$ 3,000.00
UNION THEOLOGICAL SEMINARY PHILIPPINES LIDA EMPERAD, FINANCIAL AID OFFICER PCU-UTS, PALAPALA 4114	NONE	PC	PROGRAM SUPPORT	\$ 1,800.00
DALLAS THEOLOGICAL SEMINARY BETH BUTLER, FINANCIAL OFFICER 3909 SWISS AVENUE, DALLAS, TX 75204	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
AMERICAN CHINESE EVANGELICAL SEMINARY CHANG LING LUK, FINANCIAL AID OFFICER 850 STEWART DRIVE, SUNNYVALE, CA 94085	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
AMERICAN CHINESE EVANGELICAL SEMINARY CHANG LING LUK, FINANCIAL AID OFFICER 850 STEWART DRIVE, SUNNYVALE, CA 94085	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
SOUTHERN BAPTIST THEOLOGICAL SEMINARY MRS. ERIN JOINER, FINANCIAL AID OFFICER 2825 LEXINGTON RD., LOUISVILLE, KY 40280	NONE	PC	PROGRAM SUPPORT	\$ 3,000.00
THE UNIVERSITY OF EDINBURGH MS. KAROLINE MCLEAN, POSTGRAD ADMIN & RESEARCH OFFICER NEW COLLEGE MOUND PLACE, EDINBURGE EH12LX UNITED KINGDOM	NONE	PC	PROGRAM SUPPORT	\$ 4,000.00
ASIA-PACIFIC NAZARENE THEOLOGICAL SEMINARY ATTN: ELMER GUTIERREZ ORTIGAS AVENUE EXTENSION KAYTIKLING, TAYTAYM 1920 RIZAL, PHILIPPINES	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
ASBURY THEOLOGICAL SEMINARY MS. JENNY NEWMAN, FINANCIAL AID OFFICER 204 NORTH LEXINGTON AVENUE, WILMORE, KY 40390	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
AMERICAN CHINESE EVANGELICAL SEMINARY CHANG LING LUK, FINANCIAL AID OFFICER 850 STEWART DRIVE, SUNNYVALE, CA 94085	NONE	PC	PROGRAM SUPPORT	\$ 3,000.00
SOUTHWESTERN BAPTIST THEOLOGICAL SEMINARY MR. KENT SANDERS, FINANCIAL AID OFFICER BUSINESS OFFICE, PO BOX 22480, FORT WORTH, TX 76122-0480	NONE	PC	PROGRAM SUPPORT	\$ 3,000.00
UNION THEOLOGICAL SEMINARY PHILIPPINES LIDA EMPERAD, FINANCIAL AID OFFICER PCU-UTS, PALAPALA 4114	NONE	PC	PROGRAM SUPPORT	\$ 1,050.00
UNION THEOLOGICAL SEMINARY PHILIPPINES LIDA EMPERAD, FINANCIAL AID OFFICER PCU-UTS, PALAPALA 4114	NONE	PC	PROGRAM SUPPORT	\$ 1,138.00
PALO ALTO UNIVERSITY BUSINESS OFFICE MEGAN O'MAHONY DIRECTOR OF ADVANCEMENT 1791 Arastradero Road, Palo Alto, CA 94304	NONE	PC	PROGRAM SUPPORT	\$ 7,000.00
YALE DIVINITY SCHOOL MRS DOREEN M GENEROSO FINANCIAL AID OFFICE 409 Prospect Street, New Haven, CT 06511	NONE	PC	PROGRAM SUPPORT	\$ 2,000.00
PHILIPPINES CHRISTIAN UNIVERSITY Eva Francisco, Financial Aid Officer 1648 Taft Avenue, Cor Pedro Gil Street, Manila, Philippines	NONE	PC	PROGRAM SUPPORT	\$ 1,800.00

PHILIPPINES CHRISTIAN UNIVERSITY Eva Francisco, Financial Aid Officer 1648 Taft Avenue, Cor Pedro Gil Street, Manila, Philippines	NONE	PC	PROGRAM SUPPORT	\$ 1,900.00
PHILIPPINES CHRISTIAN UNIVERSITY Eva Francisco, Financial Aid Officer 1648 Taft Avenue, Cor Pedro Gil Street, Manila, Philippines	NONE	PC	PROGRAM SUPPORT	\$ 2,500.00
PHILIPPINES CHRISTIAN UNIVERSITY Eva Francisco, Financial Aid Officer 1648 Taft Avenue, Cor Pedro Gil Street, Manila, Philippines	NONE	PC	PROGRAM SUPPORT	\$ 1,500.00
Total				\$ 46,688.00

Grace Foundation

Asset Holdings On 06/30/2014

	Shares	Cost	Market Value	Unit Price	Estimated Annual Income	Annual Yield
Cash						
Income Cash		3.59	3.59			
Principal Cash		0.00	0.00			
		<u>3.59</u>	<u>3.59</u>			
	Total Cash					
						% of Portfolio: 0.00%
Cash Equivalents						
Money Market - Taxable						
FNB Money Market Account - Income	17,745.060000	17,745.06	17,745.06	1.0000	35.49	0.20%
FNB Money Market Account - Principal	2,339.330000	2,339.33	2,339.33	1.0000	4.68	0.20%
		<u>20,084.390000</u>	<u>20,084.39</u>		<u>40.17</u>	<u>0.20%</u>
	Money Market - Taxable Total					
Equity						
Mutual Fd-Closed End/Exchg Traded						
						% of Portfolio: 7.36%
DNP Select Income Fund	4,190.000000	28,652.90	44,036.90	10.5100	3,268.20	7.42%
Financial Select Sector SPDR	400.000000	6,563.40	9,096.00	22.7400	172.52	1.90%
Technology Select Sector SPDR	700.000000	15,697.94	26,845.00	38.3500	572.26	2.13%
		<u>50,914.24</u>	<u>79,977.90</u>		<u>4,012.98</u>	<u>5.02%</u>
	Mutual Fd-Closed End/Exchg Traded Total					
						% of Portfolio: 51.06%
Stock - Common						
Aflac	325.000000	14,418.00	20,231.25	62.2500	481.00	2.38%
Automatic Data Processing	200.000000	7,693.94	15,856.00	79.2800	384.00	2.42%
Chevron	325.000000	2,458.89	42,428.75	130.5500	1,391.00	3.28%
Danaher	450.000000	14,578.75	35,428.50	78.7300	180.00	0.51%
Du Pont	350.000000	16,981.48	22,904.00	65.4400	630.00	2.75%

Grace Foundation

Asset Holdings On 06/30/2014

Equity	Shares	Cost	Market Value	Unit Price	Estimated Annual Income	Annual Yield
Stock - Common	% of Portfolio: 51.06%					
ExxonMobil	300.000000	1,006.60	30,204.00	100.6800	828.00	2.74%
General Dynamics	225.000000	13,970.14	26,223.75	116.5500	558.00	2.13%
Home Depot	400.000000	14,195.96	32,384.00	80.9600	752.00	2.32%
International Business Machines	230.000000	28,594.11	41,692.10	181.2700	1,012.00	2.43%
Johnson & Johnson	600.000000	31,875.00	62,772.00	104.6200	1,680.00	2.68%
Microsoft	800.000000	21,223.37	33,360.00	41.7000	896.00	2.69%
Nike Inc Cl B	300.000000	13,633.49	23,265.00	77.5500	288.00	1.24%
Pfizer	675.000000	13,086.90	20,034.00	29.6800	702.00	3.50%
Procter & Gamble	275.000000	12,134.37	21,612.25	78.5900	707.96	3.28%
The Travelers Companies Inc	300.000000	15,914.55	28,221.00	94.0700	660.00	2.34%
Verizon	350.000000	2,460.71	17,125.50	48.9300	742.00	4.33%
Wal-Mart	350.000000	10,812.81	26,274.50	75.0700	672.00	2.56%
Wells Fargo	1,050.000000	29,552.25	55,188.00	52.5600	1,470.00	2.66%
	Stock - Common Total	7,505.000000	264,591.32	555,204.60	14,033.96	2.53%
	Equity Total	12,795.000000	315,505.56	635,182.50	18,046.94	2.84%

Fixed

Mutual Fund - Bond

% of Portfolio: 30.31%

Vanguard GNMA Admiral Shares	3,300.000000	34,848.52	35,442.00	10.7400	912.81	2.58%
Vanguard Inflation-Protected Secs Adm	800.000000	19,823.00	21,376.00	26.7200	524.00	2.45%
Vanguard Short-Term Bond ETF	950.000000	76,531.85	76,323.00	80.3400	1,043.19	1.37%
Vanguard Short-Term Investment-Grade Admiral Shares	4,000.000000	40,407.00	43,080.00	10.7700	862.96	2.00%

Grace Foundation

Asset Holdings On: 06/30/2014

	Shares	Cost	Market Value	Unit Price	Estimated Annual Income	Annual Yield
Fixed						
Mutual Fund - Bond	% of Portfolio: 30.31%					
Vanguard Total Bond Market ETF	525.000000	40,008.15	43,165.50	82.2200	1,134.68	2.63%
iShares Core Total US Bond Market ETF	720.000000	77,202.67	78,768.00	109.4000	1,725.91	2.19%
iShares TIPS Bond ETF	275.000000	31,319.41	31,724.00	115.3600	463.29	1.46%
	Mutual Fund - Bond Total	320,140.60	329,878.50		6,666.84	2.02%
Preferred						
Stock - Preferred (Dividend)	% of Portfolio: 9.43%					
PowerShares Preferred	2,100.000000	29,889.55	30,723.00	14.6300	1,864.39	6.07%
iShares S&P US Preferred Stock Index Fund	1,800.000000	72,040.43	71,838.00	39.9100	4,669.56	6.50%
	Stock - Preferred (Dividend) Total	101,929.98	102,561.00		6,533.95	6.37%
	Grand Total	757,664.12	1,087,709.98		31,287.90	2.88%