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Return of Private Foundation

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

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

For calendar year 2014 or tax year beginning April 1, 2014, and ending March 31, 2015

Name of foundation		A Employer identification number 36-3816036	
Perfection and Grace		B Telephone number (see instructions) 608 784-1613	
Number and street (or P O box number if mail is not delivered to street address)		Room/suite	
5205 Grand Ave			
City or town, state or province, country and ZIP or foreign postal code			
Western Springs, Illinois 60558			
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 <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			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 1,764,953		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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)	135,000			
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,445	1,445		
	4 Dividends and interest from securities	55,901	55,901		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	22,960			
	b Gross sales price for all assets on line 6a	24			
	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)	17,197	17,197		
	12 Total. Add lines 1 through 11	232,503	97,503		
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)	241	0	241	
	b Accounting fees (attach schedule)	1,100	0	1,100	
	c Other professional fees (attach schedule)	6,825	6,825		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	2,784	0	0	
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	75	0	75	
	24 Total operating and administrative expenses. Add lines 13 through 23	11,025	6,825	1,416	
	25 Contributions, gifts, grants paid	50,000			50,000
	26 Total expenses and disbursements. Add lines 24 and 25	61,025	6,825		51,416
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	171,478			
	b Net investment income (if negative, enter -0-)		90,678		
	c Adjusted net income (if negative, enter -0-)				

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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	143,866	282,582	282,582
	2 Savings and temporary cash investments	34,487	136,830	136,830
	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)	226,687	171,767	206,326
	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)	1,098,186	1,083,525	1,139,215
	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)	1,503,226	1,674,704	1,764,953
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 ►)	0	0	0
	23 Total liabilities (add lines 17 through 22)	0	0	0
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	1,000
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	50	50	50
	29 Retained earnings, accumulated income, endowment, or other funds	1,502,176	1,673,654	1,674,704
	30 Total net assets or fund balances (see instructions)	1,503,226	1,674,704	1,674,704
	31 Total liabilities and net assets/fund balances (see instructions)	1,503,226	1,674,704	1,674,704
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	1,503,226	
2	Enter amount from Part I, line 27a	2	171,478	
3	Other increases not included in line 2 (itemize) ►	3		
4	Add lines 1, 2, and 3	4	1,674,704	
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	1,674,704	

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			P	various	various
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 129,758	0	106,798	22,960		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a			22,960		
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		22,960		
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?
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))
2013	61,169	1,546,522	0396
2012	75,561	1,487,760	0508
2011	56,357	1,468,363	0383
2010	38,572	1,280,960	0301
2009	63,636	1,162,318	0547
2 Total of line 1, column (d)			2135
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			0427
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			1,659,958
5 Multiply line 4 by line 3			70,880
6 Enter 1% of net investment income (1% of Part I, line 27b)			907
7 Add lines 5 and 6			71,787
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			51,416

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	1,813
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	3, 1,813
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	1,100
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d	7	1,100
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ► 9	9	713
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ► 10		
11	Enter the amount of line 10 to be Credited to 2015 estimated tax ► Refunded ► 11		

Part VII-A Statements Regarding Activities

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	Yes ✓
b	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>		
c	Did the foundation file Form 1120-POL for this year?		
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 ► \$ _____	1c	✓
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>		
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?		
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
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?		
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>		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► Illinois	6	✓
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>		
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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	7	✓
		8b	✓
		9	✓
		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		► <input type="checkbox"/>
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly 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	<p>During the year did the foundation (either directly or indirectly)</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(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</p>		
1b	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 ► <input type="checkbox"/>		
1c	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 2014? ► <input type="checkbox"/>		✓
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)).		
2a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years ► 20 _____, 20 _____, 20 _____, 20 _____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2b	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)		✓
2c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 _____, 20 _____, 20 _____, 20 _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
3b	If "Yes," did it have excess business holdings in 2014 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 2014)		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
4b	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 2014?		✓

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

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here			5b	
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? <i>If "Yes," to 6b, file Form 8870</i>			6b	✓
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, Illinois	President, 4 hours	0	0	0
Robert Evans 100 Overland Drive, North Aurora, Illinois	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				► 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
none		

Total number of others receiving over \$50,000 for professional services

1

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.		Expenses
1	none	
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see instructions)

Summary of Program-Related Investments (See instructions)		Amount
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		
1	none	
2		
All other program-related investments See instructions		
3		
Total. Add lines 1 through 3		

Form 990-PF (2014)

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 1,341,418
b	Average of monthly cash balances	1b 343,819
c	Fair market value of all other assets (see instructions)	1c 0
d	Total (add lines 1a, b, and c)	1d 1,685,237
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 0
3	Subtract line 2 from line 1d	3 1,685,237
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4 25,279
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 1,659,958
6	Minimum investment return. Enter 5% of line 5	6 82,998

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 82,998
2a	Tax on investment income for 2014 from Part VI, line 5	2a 1,813
b	Income tax for 2014 (This does not include the tax from Part VI)	2b 0
c	Add lines 2a and 2b	2c 1,813
3	Distributable amount before adjustments Subtract line 2c from line 1	3 81,185
4	Recoveries of amounts treated as qualifying distributions	4 0
5	Add lines 3 and 4	5 81,185
6	Deduction from distributable amount (see instructions)	6 0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 81,185

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 51,416
b	Program-related investments—total from Part IX-B	1b 0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2 0
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a 0
b	Cash distribution test (attach the required schedule)	3b 0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 51,416
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5 0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 51,416

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				81,185
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			22,856	
b Total for prior years 20 20 20		0		
3 Excess distributions carryover, if any, to 2014				
a From 2009 0				
b From 2010 0				
c From 2011 0				
d From 2012 0				
e From 2013 0				
f Total of lines 3a through e 0				
4 Qualifying distributions for 2014 from Part XII, line 4 ► \$ 51,416				
a Applied to 2013, but not more than line 2a 22,856				
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 2014 distributable amount 28,560				
e Remaining amount distributed out of corpus 0				
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a)) 0				0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 0				
b Prior years' undistributed income Subtract line 4b from line 2b 0				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed 0				
d Subtract line 6c from line 6b Taxable amount—see instructions 0				
e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount—see instructions 0				
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015. 0				52,625
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions) 0				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) 0				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a 0				
10 Analysis of line 9				
a Excess from 2010 0				
b Excess from 2011 0				
c Excess from 2012 0				
d Excess from 2013 0				
e Excess from 2014 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 2014, 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 $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed . . .			
c	"Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii) (3) Largest amount of support from an exempt organization (4) Gross investment income			

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

1 Information Regarding Foundation Managers:

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

Deborah and Robert Evans

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

none

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

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

- a The name, address, and telephone number or e-mail address 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 50,000
b Approved for future payment				
none				
Total				► 3b 0

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	1,445	
4	Dividends and interest from securities			14	55,901	
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			18	36,649	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a <u>miscellaneous</u>			14	3,176	
b	<u>capital gain distribution</u>			18	332	
c						
d						
e						
12	Subtotal Add columns (b), (d), and (e)				97,503	
13	Total. Add line 12, columns (b), (d), and (e)					97,503

(See worksheet in line 13 instructions to verify calculations)

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)	✓	
	(2) Other assets	1a(2)	✓	
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓	
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓	
	(3) Rental of facilities, equipment, or other assets	1b(3)	✓	
	(4) Reimbursement arrangements	1b(4)	✓	
	(5) Loans or loan guarantees	1b(5)	✓	
	(6) Performance of services or membership or fundraising solicitations	1b(6)	✓	
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓	
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? _____.

Yes No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

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

Signature of filer or trustee		Date	Date		
Paid Preparer Use Only	Print/Type preparer's name <i>Thomas Peirona</i>	Preparer's signature <i>Thomas Peirona</i>	Date <i>8-6-15</i>	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ► MLK Partners			Firm's EIN ►	30-0070784
	Firm's address ► 5205 Grand Ave, Western Springs, Illinois 60558			Phone no	

Schedule B
 (Form 990, 990-EZ,
 or 990-PF)
 Department of the Treasury
 Internal Revenue Service

Schedule of Contributors

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.
 ► Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

2014

Name of the organization Perfection and Grace	Employer identification number 36-3816036
Organization type (check one)	

Filers of: Section:

Form 990 or 990-EZ	<input type="checkbox"/> 501(c)() (enter number) organization
	<input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	<input type="checkbox"/> 527 political organization
Form 990-PF	<input checked="" type="checkbox"/> 501(c)(3) exempt private foundation
	<input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation
	<input type="checkbox"/> 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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions exclusively for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$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 its Form 990-PF, Part I, line 2, 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	Deborah and Robert Evans 100 Overland Drive North Aurora, Illinois	\$ 135,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Perfection & Grace, Inc.
 36-3816036
 Form 990-PF, Year ended March 31, 2015

	(a)	(b)	(c)	(d)
Part I, Line 11 – Other Income				
Capital Gain Distributions		17,197	17,197	
Part I, Line 16a – Legal Fees				
Appel Law Firm		241		241
Part I, Line 16b - Accounting Fees				
M Lena Perona		1,100		1,100
Part I, Line 16c - other prof fees				
Investment & advisory management fees		6,825	6,825	
Part I, Line 18 – Taxes				
US tax		2,784	-	-
Part I, Line 23 - Other expenses				
Supplies	15		15	
Postage and Shipping	60		60	
Total	75		75	
Part II, Line 10b - Corporate Stock				
	(b)	(c)		
	COST	MKT		
Common stock:				
American Airls Group	151	108471	5,460	7,970
American Express	66	108471	5,552	5,156
AT&T	200	108471	4,866	6,530
AMBAC Financial Group	357	110381	9,975	8,567
Bed Bath and Beyond	111	108471	7,775	8,522
Blackstone Group	225	108471	8,047	8,750
ConAgra Foods	308	108471	9,821	11,251
General Electric	226	108471	5,894	5,607
GNC Holdings	230	108471	8,953	11,286
Goldman Sachs Group Inc	71	108471	9,443	13,346
Intel Corp	350	108471	8,857	10,945
International Game Technology	189	108471	7,509	3,290
Kraft Foods	133	108471	7,678	11,586
Medtronic	145	108471	11,158	11,309
Microchip Technology Inc	250	108471	6,786	12,225
NCR Corporation	323	108471	7,706	9,532
Omnicom Group Inc	166	108471	7,818	12,945
Oracle Corp	117	108471	3,785	5,048
Republic Svcs Inc	235	108471	6,814	9,532
United Parcel Service	59	108471	5,807	5,719
United Therapeutics Corp	95	108471	7,800	16,381
Verizon Communications	93	108471	4,474	4,522
Vodafone Group PLC	193	108471	9,790	6,307
		171,767	206,326	

Perfection & Grace, Inc.
36-3816036
Form 990-PF, Year ended March 31, 2015

Part II, Line 10c - Corporate Bonds

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

Part II, Line 13 - Other:

<u>(c)</u>	<u>(b)</u>
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Other Investments

Mutual Funds

Western Asset Gov Reserves	1315	110381	1,315	1,315 x
Wellesley Income fund		vanguard	222,460	233,043 x
wellington Fund Admiral		vanguard	242,755	264,478 x
Invesco Floating Rate Fund CL Y	17330	115555	140,453	140,839 x
AllianceBernstein Global Bond	10260	115555	83,873	90,112 x
Lord Abbott Bond Debenture Fund CL A	12144	115555	99,444	105,719 x
Schwartz Inv Tr/Ave Maria Catholic Values	8590	115555	161,237	188,063 x
Doubleline Inc Solutions Fund	3000	110381	75,000	59,550 x
First Trust Preferred sec & inc I	2469	115555	56,988	56,096 x
			1,083,525	1,139,215
Total Other Investments			1,083,525	1,139,215

Perfection & Grace, Inc.

36-3816036

Year Ended March 31, 2015**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>
ALLIANCEBER GLOBAL BOND FUND	177		05/13/14	1,500 00	1,402 00	98 00
ROYAL BANK OF SCOTLAND	800	06/16/03	05/02/14	17,867 50	20,000 00	(2,132 50)
VERIZON INC	93	02/21/14	04/30/14	4,474 70	0 00	4,474 70
HONEYWELL INTERNATIONAL INC	116	06/20/08	04/09/14	10,808 93	6,300 20	4,508 73
MS CAPITAL TRUST	800	01/19/06	04/28/14	19,921 64	20,000 00	(78 36)
PARTNERRE LTD	800	11/09/04	04/24/14	19,961 13	20,000 00	(38 87)
MEDTRONIC	145	01/01/11	01/27/15	10,891 68	5,356 08	5,535 60
ASCENA RETAIL GROUP	205	05/14/14	12/31/14	2,424 07	3,675 94	(1,251 87)
ADVANCED TECHNOLOGIES INC	594	08/12/14	10/08/14	1,152 33	9,651 73	(8,499 40)
SKYWORKS SOLUTIONS	331	07/12/13	09/17/14	18,569 24	7,386 30	11,182 94
INVENSENCE INC	461	07/12/13	08/12/14	11,386 44	7,383 56	4,002 88
SOUTHWEST AIRLINES	25	04/23/13	06/27/15	675 05	330 75	344 30
SOUTHWEST AIRLINES	375	09/17/13	06/27/15	10,125 71	5,311 91	<u>4,813 80</u>
TOTAL						22,959 95
				<u>129,758 42</u>	<u>106,798 47</u>	<u>22,959 95</u>

Perfection & Grace, Inc.
36-3816036
Year Ended March 31, 2015

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	5,000
Infant Welfare Society 3600 West Fullerton Avenue Chicago, IL 60647	None	Pub Charity-509(a)(1)	Operating	5,000
Moody Bible Institute 1635 N LaSalle Blvd Chicago IL 60614	None	Pub Charity-509(a)(1)	Operating	5,000
Moody Church Media 1635 N LaSalle Blvd Chicago IL 60614	None	Pub Charity-509(a)(1)	Operating	10,000
Pacific Garden Mission 1458 S Canal Street Chicago, IL 60607	None	Pub Charity-509(a)(1)	Operating	10,000
The Salvation Army 5040 N Pulaski Rd Chicago, IL 60630-2788	None	Pub Charity-509(a)(1)	Operating	10,000
PASS Network for Life 17214 Oak Park Ave Tinley Park IL 60477	None	Pub Charity-509(a)(1)	Operating	5,000
Total				<u><u>50,000</u></u>