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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.

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning

, and ending

Name of foundation GRACE FOUNDATION		A Employer identification number 90-1035327
Number and street (or P O box number if mail is not delivered to street address) 18950 MAGENTA BAY	Room/suite	B Telephone number 612-396-4140
City or town, state or province, country, and ZIP or foreign postal code EDEN PRAIRIE, MN 55347		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,691,923. (Part I, column (d) must be on cash basis)	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(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	3,000.		N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	20,916.	20,916.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	53,533.			STATEMENT 1
	b Gross sales price for all assets on line 6a 691,232.				
	7 Capital gain net income (from Part IV, line 2)		147,286.		
	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)					
11 Other income					
12 Total. Add lines 1 through 11	77,449.	168,202.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	2,975.	1,488.		1,487.
	c Other professional fees STMT 4	15,927.	15,927.		0.
	17 Interest				
	18 Taxes STMT 5	5,433.	1,057.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	25.	0.		25.
	24 Total operating and administrative expenses. Add lines 13 through 23	24,360.	18,472.		1,512.
	25 Contributions, gifts, grants paid	367,500.			367,500.
26 Total expenses and disbursements. Add lines 24 and 25	391,860.	18,472.		369,012.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-314,411.				
b Net investment income (if negative, enter -0-)		149,730.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing					
	2 Savings and temporary cash investments			186,417.	150,292.	150,292.
	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					
	7 Other notes and loans receivable ▶ 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					
	b Investments - corporate stock	STMT 7		1,725,728.	1,447,443.	1,541,631.
	c Investments - corporate bonds					
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other					
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶					
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)			1,912,145.	1,597,735.	1,691,923.	
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					
22 Other liabilities (describe ▶)						
23 Total liabilities (add lines 17 through 22)			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 checked="" type="checkbox"/> and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			1,912,145.	1,597,735.	
30 Total net assets or fund balances			1,912,145.	1,597,735.		
31 Total liabilities and net assets/fund balances			1,912,145.	1,597,735.		

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	1,912,145.
2 Enter amount from Part I, line 27a	2	-314,411.
3 Other increases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT	3	1.
4 Add lines 1, 2, and 3	4	1,597,735.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,597,735.

Form 990-PF (2015)

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 BNY MELLON #0900			
b BNY MELLON #0940			
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 195,001.		102,642.	92,359.
b 496,231.		441,304.	54,927.
c			
d			
e			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			92,359.
b			54,927.
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	147,286.
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). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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))
2014	7,824.	1,804,837.	.004335
2013	0.	1,605,617.	.000000
2012			
2011			
2010			

2 Total of line 1, column (d)	2	.004335
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	.002168
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	1,776,954.
5 Multiply line 4 by line 3	5	3,852.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,497.
7 Add lines 5 and 6	7	5,349.
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	369,012.

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)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,497.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,497.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,497.
6 Credits/Payments:			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	2,200.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	2,200.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	703.
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax <input checked="" type="checkbox"/> 703. Refunded <input type="checkbox"/>		11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
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? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
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? If "Yes," attach the statement required by General Instruction T.		X
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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> MN		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Form 990-PF (2015)

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► THE FOUNDATION Telephone no. ► 612-396-4140 Located at ► 18950 MAGENTA BAY, EDEN PRAIRIE, MN ZIP+4 ► 55347		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year		N/A
16 At any time during calendar year 2015, 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. If "Yes," enter the name of the foreign country ►		X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here		N/A
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 2015?		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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)		N/A
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2015 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 2015.)		N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2015?		X

Form 990-PF (2015)

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 4945(d)(4)(A)? (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)?

N/A

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?

N/A

☐ 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

X

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?

N/A

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.

(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
ROBERT COUGHLIN 18950 MAGENTA BAY EDEN PRAIRIE, MN 55347	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
JENNIFER COUGHLIN 18950 MAGENTA BAY EDEN PRAIRIE, MN 55347	SECRETARY, TREASURER, DIRE 1.00	0.	0.	0.
EDWARD COUGHLIN 18950 MAGENTA BAY EDEN PRAIRIE, MN 55347	DIRECTOR 1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

Form 990-PF (2015)

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2015)

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	1,680,808.
b	Average of monthly cash balances	1b	123,206.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,804,014.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,804,014.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	27,060.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,776,954.
6	Minimum investment return. Enter 5% of line 5	6	88,848.

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	88,848.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	1,497.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,497.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	87,351.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	87,351.
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	87,351.

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	369,012.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	369,012.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,497.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	367,515.

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.

Form 990-PF (2015)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				87,351.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			78,506.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ 369,012.				
a Applied to 2014, but not more than line 2a			78,506.	
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 2015 distributable amount				87,351.
e Remaining amount distributed out of corpus	203,155.			
5 Excess distributions carryover applied to 2015 (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	203,155.			
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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				0.
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 2010 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	203,155.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015	203,155.			

N/A

053-6MU1

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 Paid during the year				
UNIVERSITY OF MINNESOTA FOUNDATION 200 OAK STREET SE, STE 500 MINNEAPOLIS, MN 55455	NONE	501(C)3	GENERAL	300,000.
CAMPUS CRUSADE FOR CHRIST 100 LAKE HART DRIVE ORLANDO, FL 32832	NONE	501(C)3	GENERAL	50,000.
BOLDER OPTIONS 2100 STEVENS AVE MINNEAPOLIS, MN 55404	NONE	501(C)3	GENERAL	5,000.
MANATEE YMCA 2520 MANATEE AVE. W, SUITE 210 BRADENTON, FL 34205	NONE	501(C)3	GENERAL	2,500.
STRATEGIC RENEWAL P.O. BOX 370233 DENVER, CO 80237	NONE	501(C)3	GENERAL	10,000.
Total			3a	367,500.
b Approved for future payment				
NONE				
Total			3b	0.

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

[illegible]

- 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
N/A		

**Sign
Here**

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

Signature of officer or trustee

Date _____

Title

May the IRS discuss this return with the preparer shown below (see instr. 1)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

SANDY YOUNG

Preparer's signature

Preparer's signature <i>Sandra M. Y. CPA</i>	Date 5/11/10
PARSONALLEN LLP	

Date

5/11/10

Check ☐ if
self-employed

PTIN

P00740218

Firm's name ► CLIFTON LARSON ALLEN LLP

Firm's EIN ► 41-0746749

Firm's address ► 220 SOUTH SIXTH STREET, SUITE 300
MINNEAPOLIS, MN 55402

Phone no. **612-376-4500**

Asset detail

Cash and cash equivalents

Description		Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
87,799.34	Dreyfus Cash Mgmt Instl Shs (Principal Holding)	\$ 87,799.34	\$ 87,799.34		\$ 122.92	0.1%	100.0%
	Principal Cash	-412.15					
	Income Cash	412.15					
Total cash and cash equivalents		\$ 87,799.34	\$ 87,799.34	\$ 0.00	\$ 122.92		100.0%
Total assets		\$ 87,799.34	\$ 87,799.34	\$ 0.00	\$ 122.92		100.0%



Asset detail

Cash and cash equivalents

Description	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
Principal Cash	\$ -1,435.44					
Income Cash	1,435.44					
Total cash and cash equivalents	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.0%	0.0%

Fixed income

Taxable

Pooled vehicle

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
8,615.113	Scout Unconstrained Bond Fund	\$ 11.1700	\$ 96,230.81	\$ 101,435.44	\$ -5,204.63	\$ 0.00	0.0%	100.0%
Total taxable pooled vehicle			\$ 96,230.81	\$ 101,435.44	\$ -5,204.63	\$ 0.00	0.0%	100.0%
Total taxable fixed income			\$ 96,230.81	\$ 101,435.44	\$ -5,204.63	\$ 0.00	0.0%	100.0%
Total fixed income			\$ 96,230.81	\$ 101,435.44	\$ -5,204.63	\$ 0.00	0.0%	100.0%
Total assets			\$ 96,230.81	\$ 101,435.44	\$ -5,204.63	\$ 0.00	0.0%	100.0%



Asset detail

Cash and cash equivalents

Description	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
58,092.98 Dreyfus Cash Mgmt Instl Shs (Principal Holding)	\$ 58,092.98	\$ 58,092.98		\$ 81.33	0.1%	5.4%
Principal Cash	-21,338.13					
Income Cash	21,338.13					
Total cash and cash equivalents	\$ 58,092.98	\$ 58,092.98	\$ 0.00	\$ 81.33		5.4%

Equities

U.S. large cap

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
191	Medtronic, PLC (MDT)	\$ 76.9200	\$ 14,691.72	\$ 14,392.12	\$ 299.60	\$ 290.32	2.0%	1.4%
358	Nxp Semiconductors N V (NXPI)	84.2500	30,161.50	20,734.20	9,427.30	0.00	0.0	2.8
273	Adobe Systems Inc (ADBE)	93.9400	25,645.62	21,301.34	4,344.28	0.00	0.0	2.4
59	Alliance Data Sys Corp (ADS)	276.5700	16,317.63	14,909.74	1,407.89	0.00	0.0	1.5
40	Alphabet, Inc. (GOOG)	758.8800	30,355.20	21,686.97	8,668.23	0.00	0.0	2.8
39	Amazon.Com Inc (AMZN)	675.8900	26,359.71	14,148.61	12,211.10	0.00	0.0	2.4
399	American International Group Inc (AIG)	61.9700	24,726.03	19,215.90	5,510.13	446.88	1.8	2.3
298	Amphenol Corp New (APH) Cl A	52.2300	15,564.54	17,010.88	-1,446.34	166.88	1.1	1.4
262	Apple Inc (AAPL)	105.2600	27,578.12	23,059.54	4,518.58	544.96	2.0	2.6
105	Berkshire Hathaway Inc Del Cl B (BRK.B)	132.0400	13,864.20	11,479.12	2,385.08	0.00	0.0	1.3
181	Cameron International Corporation (CAM)	63.2000	11,439.20	10,761.35	677.85	0.00	0.0	1.1
372	Comcast Corp Cl A (CMCSA)	56.4300	20,991.96	20,627.61	364.35	372.00	1.8	1.9
87	Concho Resources Inc (CXO)	92.8600	8,078.82	9,020.57	-941.75	0.00	0.0	0.8
195	Danaher Corp (DHR)	92.8800	18,111.60	14,243.77	3,867.83	105.30	0.6	1.7



December 1 - December 31, 2015

Grace Foundation-S B H All Cap
Account number 10650160940

Page 6 of 19

Equities

U.S. large cap
continued

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
155	The Walt Disney Company (DIS)	105.0800	16,287.40	14,460.48	1,826.92	220.10	1.4	1.5
283	Dollar General Corp (DG)	71.8700	20,339.21	15,956.83	4,382.38	249.04	1.2	1.9
120	E O G Res Inc (EOG)	70.7900	8,494.80	9,881.41	-1,386.61	80.40	1.0	0.8
94	Fedex Corp (FDX)	148.9900	14,005.06	15,691.20	-1,686.14	94.00	0.7	1.3
540	F N F V Group (FNF)	34.6700	18,721.80	19,092.24	-370.44	453.60	2.4	1.7
124	Gilead Sciences Inc (GILD)	101.1900	12,547.56	12,437.04	110.52	213.28	1.7	1.2
217	Halliburton Co (HAL)	34.0400	7,386.68	12,552.32	-5,165.64	156.24	2.1	0.7
704	Hologic Inc (HOLX)	38.6900	27,237.76	14,184.12	13,053.64	0.00	0.0	2.5
192	Honeywell Intl Inc (HON)	103.5700	19,885.44	17,179.52	2,705.92	456.96	2.3	1.8
225	JP Morgan Chase & Co (JPM)	66.0300	14,856.75	12,562.55	2,294.20	396.00	2.7	1.4
118	Johnson & Johnson (JNJ)	102.7200	12,120.96	11,859.10	261.86	354.00	2.9	1.1
384	Lkq Corp (LKQ)	29.6300	11,377.92	10,220.16	1,157.76	0.00	0.0	1.1
170	Estee Lauder Companies Class A (EL)	88.0600	14,970.20	11,696.35	3,273.85	204.00	1.4	1.4
62	Mettler-Toledo Intl Inc (MTD)	339.1300	21,026.06	14,719.11	6,306.95	0.00	0.0	1.9
141	Nordstrom Inc (JWN)	49.8100	7,023.21	7,938.42	-915.21	208.68	3.0	0.7
123	P P G Industries Inc (PPG)	98.8200	12,154.86	14,279.64	-2,124.78	177.12	1.5	1.1
51	Precision Castparts Corp (PCP)	232.0100	11,832.51	12,601.10	-768.59	6.12	0.1	1.1
203	Red Hat Inc (RHT)	82.8100	16,810.43	15,117.26	1,693.17	0.00	0.0	1.6
143	Roper Industries Inc (ROP)	189.7900	27,139.97	18,845.25	8,294.72	171.60	0.6	2.5
151	Schlumberger Ltd (SLB)	69.7500	10,532.25	13,126.69	-2,594.44	302.00	2.9	1.0
130	Smucker J M Co (SJM)	123.3400	16,034.20	12,392.57	3,641.63	348.40	2.2	1.5
111	Snap On Inc (SNA)	171.4300	19,028.73	13,622.21	5,406.52	270.84	1.4	1.8
285	Starbucks Corp (SBUX)	60.0300	17,708.85	11,517.49	6,191.36	236.00	1.3	1.6
177	Stericycle Inc (SRCL)	120.6000	21,346.20	20,536.12	810.08	0.00	0.0	2.0
193	T J X Companies Inc (TJX)	70.9100	13,685.63	10,824.40	2,861.23	162.12	1.2	1.3
72	3M Co (MMM)	150.6400	10,846.08	11,747.29	-901.21	295.20	2.7	1.0



Equities

U.S. large cap
continued

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
153	Unitedhealth Group Inc (UNH)	117.6400	17,998.92	13,311.21	4,687.71	306.00	1.7	1.7
298	V F Corp (VFC)	62.2500	18,550.50	16,826.57	1,723.93	441.04	2.4	1.7
336	Visa Inc-Class A Shrs (V)	77.5500	26,056.80	17,660.21	8,396.59	188.16	0.7	2.4
Total U.S. large cap			\$ 749,892.59	\$ 635,430.58	\$ 114,462.01	\$ 7,917.24		69.3%

U.S. mid cap

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
427	Air Lease Corp (AL)	\$ 33.4800	\$ 14,295.96	\$ 13,483.20	\$ 812.76	\$ 85.40	0.6%	1.3%
1,561	Ascena Retail Group Inc (ASNA)	9.8500	15,375.85	21,321.16	-5,945.31	0.00	0.0	1.4
218	Bio-Techne Corp (TECH)	90.0000	19,620.00	18,966.52	653.48	279.04	1.4	1.8
199	Carlisle Cos Inc (CSL)	88.6900	17,649.31	18,206.59	-557.28	238.80	1.4	1.6
209	Edgewell Personal Care Co (EPC)	78.3700	16,379.33	15,175.60	1,203.73	209.00	1.3	1.5
1,505	F N B Corp PA (FNB)	13.3400	20,076.70	19,080.14	996.56	722.40	3.6	1.9
277	Guidewire Software Inc. (GWRE)	60.1600	16,664.32	13,075.88	3,588.44	0.00	0.0	1.5
134	Ihs Inc-Class A (IHS)	118.4300	15,869.62	15,032.23	837.39	0.00	0.0	1.5
417	The Michaels Cos Inc., (MIK)	22.1100	9,219.87	11,179.03	-1,959.16	0.00	0.0	0.9
245	Reinsurance Group Of America (RGA) Incorporated	85.5500	20,959.75	18,201.53	2,758.22	362.60	1.7	1.9
295	Treehouse Foods Inc (THS)	78.4600	23,145.70	18,932.75	4,212.95	0.00	0.0	2.1
1,129	Umpqua Hldgs Corp (UMPQ)	15.9000	17,951.10	19,114.51	-1,163.41	722.56	4.0	1.7
Total U.S. mid cap			\$ 207,207.51	\$ 201,769.14	\$ 5,438.37	\$ 2,619.80		19.1%



December 1 - December 31, 2015

Grace Foundation-S B H All Cap
Account number 10650160940

Page 8 of 19

Developed international

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
157	Perrigo Co PLC (PRGO)	\$ 144.7000	\$ 22,717.90	\$ 23,646.99	\$ -929.09	\$ 78.50	0.4%	2.1%
617	Gildane Activewear Inc (GIL)	28.4200	17,535.14	16,207.94	1,327.20	160.42	0.9	1.6
200	Nestle S A Sponsored ADR Repsig Reg (NSRGY) Sh	74.4200	14,884.00	14,339.00	545.00	382.00	2.6	1.4
353	Roche Holdings Ltd Sponsored ADR (RHHBY)	34.4700	12,167.91	13,317.86	-1,149.95	291.58	2.4	1.1
Total developed international			\$ 67,304.95	\$ 67,511.79	\$ -206.84	\$ 912.50		6.2%
Total equities			\$ 1,024,405.05	\$ 904,711.51	\$ 119,693.54	\$ 11,449.54		94.6%
Total assets			\$ 1,082,498.03	\$ 982,804.49	\$ 119,693.54	\$ 11,530.87		100.0%



Asset detail

Cash and cash equivalents

Description	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
Principal Cash	\$ -5,186.52					
Income Cash	5,186.52					
Total cash and cash equivalents	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		0.0%

Equities

Developed international

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
5,469,224	Dodge & Cox International Stock Fund(DODFX)	\$ 36.4800	\$ 199,517.29	\$ 220,186.52	\$ -20,669.23	\$ 4,594.15	2.3%	100.0%
Total developed international			\$ 199,517.29	\$ 220,186.52	\$ -20,669.23	\$ 4,594.15		100.0%
Total equities			\$ 199,517.29	\$ 220,186.52	\$ -20,669.23	\$ 4,594.15		100.0%
Total assets			\$ 199,517.29	\$ 220,186.52	\$ -20,669.23	\$ 4,594.15		100.0%



Asset detail

Cash and cash equivalents

Description	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
Principal Cash	\$ -6,243.52					
Income Cash	6,243.52					
Total cash and cash equivalents	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		0.0%

Equities

Developed international

Shares/par value	Description	Market price	Market value	Tax cost	Unrealized gain (or loss)	Estimated annual income	Current yield	Pct of holdings
15,391.1	Strategic International Stock Fund (DISRX)	\$ 14.3900	\$ 221,477.93	\$ 221,243.52	\$ 234.41	\$ 3,493.78	1.6%	100.0%
Total developed international			\$ 221,477.93	\$ 221,243.52	\$ 234.41	\$ 3,493.78		100.0%
Total equities			\$ 221,477.93	\$ 221,243.52	\$ 234.41	\$ 3,493.78		100.0%
Total assets			\$ 221,477.93	\$ 221,243.52	\$ 234.41	\$ 3,493.78		100.0%



FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT	1
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(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
BNY MELLON #0900					
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
195,001.	196,395.	0.	0.	-1,394.	

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
BNY MELLON #0940				
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
496,231.	441,304.	0.	0.	54,927.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	53,533.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
-------------	--	-----------	---

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DIVIDEND INCOME	20,916.	0.	20,916.	20,916.	
TO PART I, LINE 4	20,916.	0.	20,916.	20,916.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	2,975.	1,488.		1,487.
TO FORM 990-PF, PG 1, LN 16B	2,975.	1,488.		1,487.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVISORY FEES	15,905.	15,905.		0.
ADR FEES	22.	22.		0.
TO FORM 990-PF, PG 1, LN 16C	15,927.	15,927.		0.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,057.	1,057.		0.
FEDERAL EXCISE TAXES	4,376.	0.		0.
TO FORM 990-PF, PG 1, LN 18	5,433.	1,057.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MINNESOTA FILING FEE	25.	0.		25.
TO FORM 990-PF, PG 1, LN 23	25.	0.		25.

FORM 990-PF

CORPORATE STOCK

STATEMENT

7

DESCRIPTION

BOOK VALUE

FAIR MARKET
VALUE

EQUITIES

1,447,443.

1,541,631.

TOTAL TO FORM 990-PF, PART II, LINE 10B

1,447,443.

1,541,631.

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT

8

NAME OF MANAGER

ROBERT COUGHLIN

JENNIFER COUGHLIN