Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , **and ending**

Name of foundation: The Arthur Foundation

A Employer identification number: 36-4324067

Number and street (or P O box number if mail is not delivered to street address): 19 Riverside Road — Room/suite: 6

B Telephone number: 708 443 5674

City or town, state, and ZIP code: Riverside, IL 60546-2606

C If exemption application is pending, check here ▶ [ ]

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [ ] Address change [ ] Name change

D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation
[ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 105,198,737.

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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))

	Line	(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			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	25,081.	25,081.		Statement 1
	4 Dividends and interest from securities	492,742.	492,742.		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,967,452.			
	b Gross sales price for all assets on line 6a 11,967,452.				
	7 Capital gain net income (from Part IV, line 2)		2,967,452.		
	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	637,506.	<221,133.>		Statement 3
	12 **Total.** Add lines 1 through 11	4,122,781.	3,264,142.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	352,531.	35,253.		317,278.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	108,206.	10,821.		97,385.
	16a Legal fees Stmt 4	2,271.	595.		1,080.
	b Accounting fees Stmt 5	60,965.	27,283.		30,482.
	c Other professional fees Stmt 6	676,905.	593,411.		1,140.
	17 Interest	4,812.	4,812.		0.
	18 Taxes Stmt 7	30,913.	5,104.		0.
	19 Depreciation and depletion	11,632.	1,162.		
	20 Occupancy	28,764.	2,769.		25,995.
	21 Travel, conferences, and meetings	3,749.	0.		3,749.
	22 Printing and publications	3,426.	0.		3,426.
	23 Other expenses Stmt 8	19,890.	1,988.		17,902.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	1,304,064.	683,198.		498,437.
	25 Contributions, gifts, grants paid	7,255,400.			7,182,100.
	26 **Total expenses and disbursements.** Add lines 24 and 25	8,559,464.	683,198.		7,680,537.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<4,436,683.>			
	b **Net investment income** (if negative, enter -0-)		2,580,944.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	151,038.	941,438.	941,438.
	2 Savings and temporary cash investments	6,933,944.	3,665,173.	3,665,173.
	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	44,364.	17,255.	17,255.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other Stmt 10	105,829,385.	100,570,860.	100,570,860.
	14 Land, buildings, and equipment: basis ▶ 58,161.			
	Less accumulated depreciation Stmt 9 ▶ 54,150.	15,643.	4,011.	4,011.
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	112,974,374.	105,198,737.	105,198,737.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	7,182,100.	7,255,400.	
	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)	7,182,100.	7,255,400.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	105,792,274.	97,943,337.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	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**	105,792,274.	97,943,337.	
	31 **Total liabilities and net assets/fund balances**	112,974,374.	105,198,737.	

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	105,792,274.
2	Enter amount from Part I, line 27a	2	<4,436,683.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	101,355,591.
5	Decreases not included in line 2 (itemize) ▶ Change in Unrealized Net Gain (Loss)	5	3,412,254.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	97,943,337.

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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				
b	See Attached Statement			
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				
b				
c				
d				
e	11,967,452.		9,000,000.	2,967,452.

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				
b				
c				
d				
e				2,967,452.

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	2,967,452.
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 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))
2010	7,315,271.	108,267,460.	.067567
2009	7,523,087.	101,362,174.	.074220
2008	6,075,021.	115,529,037.	.052584
2007	5,898,101.	126,661,197.	.046566
2006	5,564,073.	118,018,005.	.047146

2	**Total** of line 1, column (d)	2	.288083
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	.057617
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	109,478,504.
5	Multiply line 4 by line 3	5	6,307,823.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	25,809.
7	Add lines 5 and 6	7	6,333,632.
8	Enter qualifying distributions from Part XII, line 4	8	7,680,537.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	25,809.
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	25,809.
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	25,809.
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	37,581.		
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	37,581.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ 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	11,772.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 11,772. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*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.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 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.*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IL			
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*	8b	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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)	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 ▶ www.arthurfdn.org

14 The books are in care of ▶ Michael P Kenahan Telephone no. ▶ (708) 443-5674

Located at ▶ 19 Riverside Road Suite 6, Riverside, IL ZIP+4 ▶ 60546-2606

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 N/A

			Yes	No
16	At any time during calendar year 2011, 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	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 ▶ Other 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.

			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? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ 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			
	(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			
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		X
	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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)* N/A	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 2011?	4b		X

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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)? ☐ 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** No: 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
See Statement 11		352,531.	28,560.	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

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
Jeffrey Slocum & Associates Inc. - 43 Main Street SE Suite 300 Minneapolis, MN 55414	Investment Advisory Fees	166,700.
Q-Blk Private Capital II - 1 University Square Drive Princeton NJ 08540-6455	Investment Advisory Fees	143,122.
ACL Alternative Fund - Victoria Place 31 Victoria St Hamilton, HM 10, BD, BERMUDA	Investment Advisory Fees	133,017.
Metropolitan RE Partners IV-A LP 135 E 57th St 16th FL NYNY 10022	Investment Advisory Fees	88,872.
Capital Today China Growth Fund LP - Walker House PO Box 908GT Georgetown Grand Cayman,	Investment Advisory Fees	50,046.
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 None	0.
2 None	0.
3 None	0.
4 None	0.

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 None	0.
2 None	0.
All other program-related investments. See instructions.	
3 None	0.
Total. Add lines 1 through 3 ▶	0.

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	110,586,818.
b	Average of monthly cash balances	1b	558,871.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	111,145,689.
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	111,145,689.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,667,185.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	109,478,504.
6	**Minimum investment return.** Enter 5% of line 5	6	5,473,925.

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	5,473,925.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 25,809.		
b	Income tax for 2011. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	25,809.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5,448,116.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5,448,116.
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	5,448,116.

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	7,680,537.
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	7,680,537.
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	25,809.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	7,654,728.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				5,448,116.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			472,241.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 7,680,537.				
a Applied to 2010, but not more than line 2a			472,241.	
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 2011 distributable amount				5,448,116.
e Remaining amount distributed out of corpus	1,760,180.			
5 Excess distributions carryover applied to 2011 (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	1,760,180.			
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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	1,760,180.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011 1,760,180.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(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).)

None

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 of the person to whom applications should be addressed:

Michael P. Kenahan The Arthur Foundation, 708-443-5674
19 Riverside Road Suite # 6, Riverside, IL 605462606

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

See The Attachment A Narrative

c Any submission deadlines:

See The Attachment A Narrative

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

See The Attachment A Narrative

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*				
See The Attachment B	None	See The Attachment B	See The Attachment B	7,182,100.
Total			▶ 3a	7,182,100.
b *Approved for future payment*				
See The Attachment C	None	See The Attachment C	See The Attachment C	7,255,400.
Total			▶ 3b	7,255,400.

Part XVI-A **Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(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	25,081.	
4 Dividends and interest from securities			14	492,742.	
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			15	388.	
8 Gain or (loss) from sales of assets other than inventory			18	2,967,452.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a See Statement 12		23,067.		614,051.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		23,067.		4,099,714.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 4,122,781.

(See worksheet in line 13 instructions to verify calculations.)

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

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

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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 11/14/12 — Title President

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Downey R. Varey		11/13/12		P00357499

Firm's name ▶ Varey & Vaccariello CPAs PC — Firm's EIN ▶ 36-3994838

Firm's address ▶ 617 East Golf Road, Suite 107
Arlington Heights, IL 60005 — Phone no. 847-228-6977

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	From Forms K-1 (See Statement 13)	P	Various	Various
b	From Forms K-1 (See Statement 13)	P	Various	Various
c	From Form 6781	P	Various	Various
d	From Form 6781	P	Various	Various
e	Litigation Proceeds in Excess of Basis	P	Various	Various
f	From form 4797	P	Various	Various
g	4,000 units Buena Vista Fund	P	03/01/06	04/30/11
h	5,000 units Canyon Value Realization Fund	P	06/23/06	02/02/11
i				
j				
k				
l				
m				
n				
o				

	(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	<88,341.>			<88,341.>
b	298,160.			298,160.
c	<4,398.>			<4,398.>
d	<6,597.>			<6,597.>
e	20,173.			20,173.
f	5,258.			5,258.
g	4,384,625.		4,000,000.	384,625.
h	7,358,572.		5,000,000.	2,358,572.
i				
j				
k				
l				
m				
n				
o				

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				<88,341.>
b				298,160.
c				<4,398.>
d				<6,597.>
e				20,173.
f				5,258.
g				384,625.
h				2,358,572.
i				
j				
k				
l				
m				
n				
o				

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	2,967,452.
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

123591
05-01-11

Asset Number	Description of property / Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	Furniture and Fixtures							
10	Furniture Fixtures Office Equipment							
	010107	SL	5.00	16	27,291.		21,832.	5,458.
17	Furniture Fixtures Office Equipment							
	033107	SL	5.00	16	16,946.		12,706.	3,389.
	* 990-PF Pg 1 Total - Furniture and Fixtures				44,237.	0.	34,538.	8,847.
	Computer Equipment							
7	(D)Computer Equipment							
	071703	SL	5.00	16	6,190.		6,190.	0.
8	(D)Computer Equipment							
	010105	SL	5.00	16	4,125.		4,125.	0.
9	(D)Computer Equipment							
	063005	SL	5.00	16	3,409.		3,409.	0.
14	(D)Workstation TEH							
	051507	SL	5.00	16	1,039.		1,039.	0.
15	File Server							
	110807	SL	5.00	16	4,664.		2,953.	933.
16	Mail Server and Backup							
	112907	SL	5.00	16	6,336.		3,907.	1,267.
18	Computer Equipment TAH Tower							
	012609	SL	5.00	16	875.		335.	175.
19	Computer Equipment MK Tower							
	012609	SL	5.00	16	875.		335.	175.
20	Dell Laptop Vostro 1710 MK							
	012609	SL	5.00	16	1,174.		450.	235.
	* 990-PF Pg 1 Total - Computer Equipment				28,687.	0.	22,743.	2,785.
	Software							
4	(D)Software - Innoculate							
	062602	SL	3.00	16	717.		717.	0.
5	(D)Software - Gifts							
	111502	SL	3.00	16	6,702.		6,702.	0.
	* 990-PF Pg 1 Total - Software				7,419.	0.	7,419.	0.
	* Grand Total 990-PF Pg 1 Depr				80,343.	0.	64,700.	11,632.

116261
05-01-11

- Current year section 179 (D) - Asset disposed

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Brigade Leveraged Investments	1,708.
Illinois Department of Revenue	100.
Pimco Bravo Fund	4,703.
Wayne Hummer	18,570.
Total to Form 990-PF, Part I, line 3, Column A	25,081.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
ACL Alternative Fund	2,843.	0.	2,843.
Capital Today China Growth Fund	5,187.	0.	5,187.
Invention Development Fund	66.	0.	66.
Metropolitan RE Partners IV	21,204.	0.	21,204.
PIMCO Real Return Strategy Fund	126,857.	0.	126,857.
Q-BLK Private Capital	95,176.	0.	95,176.
Resource Land Fund	254.	0.	254.
Security Capital Pfd Growth LLC	241,155.	0.	241,155.
Total to Fm 990-PF, Part I, ln 4	492,742.	0.	492,742.

Form 990-PF | Other Income | Statement 3

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Q-BLK Private Capital	388.	388.	
Net Income and Expense Adj From K-1 Summary (See Attached Statement 13)	835,572.	0.	
UBTI From K-1 Summary (See Attached Statement 13)	23,067.	0.	
Net Ordinary Income (Loss) From K-1 Summary (See Attached Statement 13)	<221,521.>	<221,521.>	
Total to Form 990-PF, Part I, line 11	637,506.	<221,133.>	

Form 990-PF | Legal Fees | Statement 4

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Quarles&Brady 300 N LaSalle Chicago IL 60654 re General Corporate Matters	2,271.	595.		1,080.
To Fm 990-PF, Pg 1, ln 16a	2,271.	595.		1,080.

Form 990-PF | Accounting Fees | Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Blackman Kallick 10S Riverside Chicago IL 60606 Audit Fees	19,500.	9,750.		9,750.
Varey&Vaccariello CPAs 617 E Golf Road Arlington Hghts IL 60005 BKeeping&Tax	41,465.	17,533.		20,732.
To Form 990-PF, Pg 1, ln 16b	60,965.	27,283.		30,482.

Form 990-PF Other Professional Fees Statement 6

Description	(a) Expenses Per Books	(b) Net Invest-ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Account Fees	255.	255.		0.
Investment Advisory Fees	675,510.	593,156.		0.
Computer and Program Consultants	1,140.	0.		1,140.
To Form 990-PF, Pg 1, ln 16c	676,905.	593,411.		1,140.

Form 990-PF Taxes Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Taxes Paid on Foreign Dividends	5,104.	5,104.		0.
Federal Excise Tax	25,809.	0.		0.
To Form 990-PF, Pg 1, ln 18	30,913.	5,104.		0.

Form 990-PF Other Expenses Statement 8

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Equipment Rental	1,860.	186.		1,674.
Insurance	9,164.	916.		8,248.
Payroll Service	7,050.	705.		6,345.
Office Supplies	1,816.	181.		1,635.
To Form 990-PF, Pg 1, ln 23	19,890.	1,988.		17,902.

Form 990-PF Depreciation of Assets Not Held for Investment Statement 9

Description	Cost or Other Basis	Accumulated Depreciation	Book Value	Fair Market Value
Furniture Fixtures Office Equipment	27,291.	27,290.	1.	1.
File Server	4,664.	3,886.	778.	778.
Mail Server and Backup	6,336.	5,174.	1,162.	1,162.
Furniture Fixtures Office Equipment	16,946.	16,095.	851.	851.
Computer Equipment TAH Tower	875.	510.	365.	365.
Computer Equipment MK Tower	875.	510.	365.	365.
Dell Laptop Vostro 1710 MK	1,174.	685.	489.	489.
To 990-PF, Part II, ln 14	58,161.	54,150.	4,011.	4,011.

Form 990-PF | Other Investments | Statement 10

Description	Valuation Method	Book Value	Fair Market Value
Fixed Income Limited Partnerships	FMV	34,729,352.	34,729,352.
Real Asset Focused Limited Partnerships	FMV	17,595,766.	17,595,766.
Multi Strategy Alternatives in Limited Partnerships	FMV	18,377,072.	18,377,072.
Equity Focused Limited Partnerships	FMV	29,868,670.	29,868,670.
	FMV	0.	0.
Total to Form 990-PF, Part II, line 13		100,570,860.	100,570,860.

The Arthur Foundation
Riverside, IL
Schedule of Investments at Market
As of December 31, 2011 and 2010
Form 990PF PartII Lines 10-13
36-4324067

Statement 10A

	Dec 31, 11	Dec 31, 10
Investments		
Operating Cash	**3,665,172.75**	**4,001,135.13**
Equity Focused		
Artha Emerging Markets Fund	2,776,994.01	0.00
Ascend II	4,345,017.81	4,481,649.06
Blue Harbor Strategic Value Fd	3,615,920.46	3,511,521.53
Buena Vista	219,231 24	4,506,635.67
Capital Today China Growth Fd	6,178,476.00	4,040,443.00
Invention Development Fund I	190,152.00	225,225.00
Permal PPEO II FTE	3,021,070.00	3,427,682.00
Q-BLK Private Capital II LP	5,072,159.00	4,441,110.00
Standard Pacific Investment	4,449,649.79	4,672,543.02
Total Equity Focused	**29,868,670.31**	**29,306,809.28**
Fixed Income Focused		
Aurelius Capital International	12,088,946.73	13,062,644.91
Brigade Leveraged Capital Struc	4,232,774.61	4,129,948.26
ESG Treasury TOP LTD	974,113.53	2,025,842.56
PIMCO Unconstrained Bond Inst	4,907,148.58	5,001,776.79
Rimrock High Income Plus Fund	12,526,368.13	11,623,860.52
Total Fixed Income Focused	**34,729,351.58**	**35,844,073.04**
Real Asset Focused		
Blackstone Resources Select	5,997,514.56	6,308,698.42
Canaan Natural Gas IX	2,671,516.00	2,382,587.00
Canaan Natural Gas X	520,006.00	492,991.00
Metropolitan RE Partners IV	3,417,155.00	2,772,012.00
Resource Land Fund IV LLC	567,704.95	344,184.95
Security Capital Pfd Growth Inc	2,286,668.00	2,298,022.80
Sindicatum	2,135,201.00	2,213,174.00
Total Real Asset Focused	**17,595,765.51**	**16,811,670.17**
Multi-Strategy		
ACL Alternative Fund	4,500,064.49	4,929,844.16
Canyon Value Realization Fd	119,563.00	7,354,941.06
Emerging Sovreign	3,769,576.54	3,491,499.86
Interlachen	2,730,722.75	3,518,745 57
Och Ziff Overseas Fund II Ltd	3,566,637.84	3,676,163.50
Pimco Bravo Fund	1,251,158.00	0.00
Valinor Capital Partners Offsho	2,439,349.11	0.00
Total Multi-Strategy	**18,377,071.73**	**22,971,194.15**
Long Only Equity Funds		
William Blair Foreign Growth	**0.00**	**895,639.06**
Total Investments	**104,236,031.88**	**109,830,520.83**

Form 990-PF Part VIII - List of Officers, Directors Trustees and Foundation Managers Statement 11

Name and Address	Title and Avrg Hrs/Wk	Compen-sation	Employee Ben Plan Contrib	Expense Account
Luke McGuinness The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Chairman,Board Member 5.00	0.	0.	0.
William J Hank The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Vice Chairman, VP, Board M 5.00	0.	0.	0.
Allen B Hank The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Board Member 2.00	0.	0.	0.
Raymond H Nootens MD The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Treasurer,Board Member 3.00	0.	0.	0.
Rolf M Gunnar MD The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Board Member 2.00	0.	0.	0.
Jeffrey P Huml MD The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Secretary,Board Member 2.00	0.	0.	0.
Michael P Kenahan The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	President Board Member 40.00	250,611.	22,560.	0.
Thomas A Hett Esq The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Assistant Secretary 40.00	101,920.	6,000.	0.
Roxanne M Martino The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Board Member 2.00	0.	0.	0.

Carmen Velasquez The Arthur Foundation 19 Riverside Road #6 Riverside, IL 60546	Board Member 2.00	0.	0.	0.
Totals included on 990-PF, Page 6, Part VIII		352,531.	28,560.	0.

Form 990-PF Other Revenue Statement 12

Description	Bus Code	Unrelated Business Inc	Excl Code	Excluded Amount	Related or Exempt Function Income
Net Income and Expense Adj From K-1 Summary (See Attached Statement 13)			14	835,572.	
UBTI From K-1 Summary (See Attached Statement 13)	531120	23,067.			
Net Ordinary Income (Loss) From K-1 Summary (See Attached Statement			14	<221,521.>	
Total to Form 990-PF, Pg 12, ln 11		23,067.		614,051.	

THE ARTHUR FOUNDATION
SUMMARY OF K-1 INFORMATION
12/31/11
FORM 990PF 36-4324067

	A	B	C	D	E	F	G	I	J	K	L	M	O
1	K-1	Q-BLK	Canaan IX	Canaan X	PIMCO Bravo	MREP IV	Sec Capital	ACL	IDF	China	Resource LF	Permal	Total
2		20-3111907	20-2387366	26-2693114	27-3723234	65-1265800	26-0377209	36-4324067	26-0634745	98-3903798	26-3903798		
3	Interest and Dividends												
4	Interest	55,838	0	0	0	8,693	161,235	2,843	66	5,187	254	0	234,116
5	Dividends	39,338	0	0	0	12,511	79,920	0	0	0	0	0	131,769
6	Total Interest and Dividends	95,176	0	0	0	21,204	241,155	2,843	66	5,187	254	0	365,885
7	Ordinary Income												
8	Ord Business Income	16,252	(8,961)	(3,663)	0	(4,554)	0	0	(278,537)	0	(3,529)	(988)	(283 980)
9	Rental RE	(499)	0	0	0	(30,817)	0	0	0	0	1,537	0	(29,779)
10	Other Rents	(18,022)	0	0	0	0	0	0	0	0	5,080	0	(12,942)
11	Royalty Net of Exp	388	0	0	0	0	0	0	0	0	0	0	388
12	Swap	14	0	0	0	0	0	0	0	0	0	0	14
13	Other Ordinary Income Deductions	(7,363)	0	0	0	(913)	0	0	0	0	0	0	(8,276)
14	Other Portfolio	12,479	0	0	85,021	0	0	0	0	0	44	0	97,544
15	Cancellation of Debt	1,807	0	0	0	6,046	0	0	0	0	0	0	7,853
16	Currency 988	(661)	0	0	0	0	0	(4,444)	0	1,527	0	0	(3,578)
17	Other Income	4,774	0	0	0	6,832	0	26	0	0	0	0	11,632
18	Inv Conversion	(1)	0	0	0	0	0	0	0	0	0	0	(1)
19	Marked to Market 475(F)	(8)	0	0	0	0	0	0	0	0	0	0	(8)
20	Total Ordinary Income	9,160	(8,961)	(3,663)	85,021	(23,406)	0	(4,418)	(278,537)	1,527	3,132	(988)	(221 133)
21													
22	UBTI (Netted against income types)	29,760	0	0	0	0	0	0	0	0	(6,693)	0	23,067
23													
24	Gains and Losses												
25	STCG(L)	25,126	0	0	0	872	4,238	(118,577)	0	0	0	0	(88,341)
26	LTCG(L)	191,020	0	0	0	(41,394)	29,842	(175,647)	0	0	0	294,339	298,160
27	CGDiv	0	0	0	0	0	0	0	0	0	0	0	0
28	Other	0	0	0	0	0	0	0	0	0	0	0	0
29	Straddles 1256	(10,995)	0	0	0	0	0	0	0	0	0	0	(10,995)
30	1231 Gain	2,283	0	0	0	3,226	0	0	(264)	0	13	0	5,258
31	Net Gain or (Loss)	207,434	0	0	0	(37,296)	34,080	(294,224)	(264)	0	13	294,339	204,082
32													
33	Gross Taxable Income	341,530	(8,961)	(3,663)	85,021	(39,498)	275,235	(295,799)	(278,735)	6,714	(3,294)	293,351	371,901
34	Expenses												
35	Contributions	0	0	0	0	0	0	0	0	0	0	0	0
36	Investment Interest	(4,142)	0	0	0	(670)	0	0	0	0	0	0	(4,812)
37	Deductions-Royalty	0	0	0	0	0	0	0	0	0	0	0	0
38	59(e)(2) R&D	0	0	0	0	0	0	0	0	0	0	0	0
39	Foreign Taxes	(694)	0	0	0	0	0	0	(4,410)	0	0	0	(5,104)
40	Rounding	0	0	0	0	0	0	0	0	0	0	0	0
41	Portfolio Expenses-2%	(143,287)	0	0	0	(88,874)	(11,365)	(133 017)	0	(50,046)	(33)	0	(426,622)
42	Portfolio Expenses	0	0	0	0	0	0	0	0	0	0	0	0
43	Management Fees	0	0	0	0	0	0	0	0	0	0	0	0
44	Section 179	0	0	0	0	0	0	0	0	0	0	0	0
45	Other Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
46	Total Expenses	(148,123)	0	0	0	(89,544)	(11,365)	(133,017)	(4,410)	(50,046)	(33)	0	(436,538)
47	Net Taxable Income	193,407	(8,961)	(3,663)	85,021	(129,042)	263,870	(428,816)	(283,145)	(43,332)	(3,327)	293,351	(64,637)
48	Reconciling Items												
49	Expense on books not on K-1	(274,709)	0	0	0	(10)	(75,797)	(964)	(698)	0	(131)	(1,766)	(354,075)
50	Expense on tax not on books	0	1,055	394	0	55	0	0	0	0	0	0	1,504
51	Income on books not on K-1	310,050	333,383	76,041	28,220	70,480	0	0	678	340,414	0	0	1,159,248
52	Income on tax not on books	0	(36,528)	(6,757)	0	0	0	72,448	(266)	0	0	0	28,897
53	URG	402,301	0	0	(85,021)	403,660	(84 228)	(72,448)	0	2,424,112	0	(261 538)	2,726,838
54													
55	Book Net Income (Loss) K-1	631,049	288,929	66,015	28,220	345,143	103,845	(429,780)	(283,431)	2,721,194	(3,458)	30,047	3,497,773
56													
57	Capital Account Begin	4,441,110	2,382,587	492,991	0	2,772,012	2,298,022	4,929,844	225,225	4,040,443	344,185	3,427,682	25,354,101
58	Additional Investment	0	0	0	1,222,938	300,000	0	0	248,358	445,959	231,250	0	2,448,505
59	Withdrawals	0	0	(39,000)	0	0	(115,199)	0	0	(1 029,120)	(25,000)	(356,071)	(1,564 390)
60	Other-Capital Deposit in Transit	0	0	0	0	0	0	0	0	0	0	0	0
61	Capital Account End	5,072,159	2,671,516	520,006	1,251,158	3,417,155	2,286,668	4,500,064	190,152	6,178,476	546,977	3,101,658	29,735,989

THE ARTHUR FOUNDATION
RIVERSIDE, ILLINOIS
FORM 990 PF
DECEMBER 31, 2011
36-4324067

GENERAL FUNDING INTERESTS, PROGRAM GUIDELINES

ATTACHMENT A
PART XV
Page 10
DETAILS TO LINES 2 a, b, c, d

Pages 1 - 17

THE ARTHUR FOUNDATION
19 Riverside Road, Suite 6
Riverside, Illinois 60546-2606
708 443 5674 Phone
708 443 5717 Fax

GRANT POLICIES AND PROCEDURES

I. MISSION STATEMENT

The Arthur Foundation is committed to the tradition of community service first established by Dr. Arthur MacNeal at the turn of the 20th Century. Founded at the beginning of the 21st Century, the Foundation strives to be an agent of positive change through its support of high-quality, leading-edge programs in education, healthcare, and medical research.

II. GOALS

The Arthur Foundation looks to improve the health of the populace of this country by supporting accessible, affordable and appropriate health services to vulnerable populations.

The Foundation recognizes that actual health care or health related service is only one of the factors determining the health status of individuals and families of these same communities. The health of the people is also determined by the educational status of its people, especially its youth. Therefore, the Foundation will also consider grant requests that foster and improve education and educational opportunities.

III. FOCUS AREAS

The Foundation is primarily concerned with programs, among others, in the fields of:

Health Care

- medically indigent,
- medically underserved populations,
- children and youth,
- mentally and physically challenged,

- those suffering from HIV /AIDS,
- the health of newly arrived residents,
- programs that look to wellness and prevention, and
- those who need assistance with dental, vision and hearing problems.

Education

- those who have little access to education,
- newly arrived inhabitants,
- adult education and GED fulfillment,
- programs that enhance math and science skills,
- computer education,
- after-hours and extracurricular opportunities for those of school age,
- projects that provide academic resources for our schools,
- curricular enhancements in the visual and performing arts,
- educational opportunities to the disabled,
- programs that encourage college attendance, and
- programs that train and educate doctors, nurses, teachers and charitable organization managers

Medical Research

- research programs that help the general populace, and
- research programs that benefit health and welfare, and cutting-edge research in the fight against life-threatening diseases.

IV. INITIATIVE FOR EDUCATIONAL EXCELLENCE

To implement the educational aspect of the Foundation's Mission Statement, the Foundation has embarked upon an Initiative for Educational Excellence that, in the main, focuses on students residing in the City of Berwyn, the Town of Cicero, or other nearby western Cook County, Illinois communities. The Initiative seeks to:

A. Encourage college attendance,
B. Raise the level of academic achievement for both high school and grammar school students,
C. Lower the drop out and truancy rates and raise graduation rates,
D. Provide assistance in teacher recruitment, retention and education, and
E. Provide assistance to universities that are making an impact, through research or scholarships, on students from the areas mentioned above.

As a result of the Initiative for Educational Excellence:

1. Grants to primary and secondary educational institutions should, in the main, be made to schools located in the City of Berwyn, the Town of Cicero and the western suburbs of the City of Chicago, Illinois. Grants to universities making an impact on students from the areas mentioned above, should favor institutions noted for quality of teaching and research, and the performance and leadership characteristics of its graduates. Grants to educational institutions promoting ethical conduct, diversity and service to the economically disadvantaged will receive special attention.

2. Educational grants will, in the main, be made to schools, agencies and institutions that have been pre-selected to assist in the Initiative for Educational Excellence, or from schools, agencies or institutions that submit un-solicited requests that propose programs that will advance the purposes of the Initiative for Educational Excellence, as described above.

Letters of Inquiry in the fields of health care or medical research should follow the general requirements found elsewhere in these Policies and Procedures.

V. RESTRICTIONS

The Foundation does not usually consider funding requests for:

- operating budgets for pre-existing programs,
- organization overhead expenses not directly applicable to a grant project,
- salaries for participants with faculty appointments at institutions of higher learning,
- programs normally funded by governmental agencies,
- fund raising events, including advertising, tickets, raffles and dinners,
- debt reduction,
- grants to individuals,
- organizations without charitable status,
- political parties or candidates,
- stand-alone research,
- individual scholarship support,
- sponsorship of service clubs, sports teams, fraternal organizations, advocacy or lobby groups, and like organizations,
- conferences or seminars,
- books or periodicals,
- memberships,
- travel expenses,
- loans to charitable organizations,

- any attempt to influence legislation,
- sectarian religious activities,
- foreign organizations or foreign expenditures,
- telephone solicitations,
- capital needs for building or renovation not directly connected to a grant-supported program, and
- vehicles and equipment not primarily used in-a grant program, unless such items are ancillary and integral to an otherwise eligible project.

The Foundation will only consider requests from not-for-profit organizations that will assist the communities we seek to serve. Eligible applicants must be either a private agency, classified as tax-exempt under Section 501 (c)(3) of the Internal Revenue Code or a certified public institution, but not a private foundation.

VI. HOW TO APPROACH THE FOUNDATION

The Foundation has adopted a policy of initiating grant requests in areas where the Foundation sees a need that is unmet. As such, unsolicited grant requests will not be accepted. Unsolicited form letters will not be acknowledged.

The Foundation may develop initiatives for which it will seek grant proposals from the community generally. The Foundation may approach organizations to request a specific proposal for a specific program.

The Foundation has a limited staff; therefore we ask that agencies or organizations that believe they have a program or project that coincides with Foundation initiatives send a two or three page letter, outlining briefly what you propose to do, what amount of funding you would seek, and the time frame within which you would need the funds. These letters will be promptly reviewed, and if the project coincides with an area the Foundation is considering, a Letter of Inquiry may be requested.

Please do not telephone with requests. Fax inquiries will not be accepted.

The Foundation may request additional information and documents from agencies that have submitted Letters of Inquiry.

Please review the Mission Statement, Goals, Policy Guidelines and other enclosures before submitting a Letter of Inquiry, if requested to do so. Please make sure your proposal meets our Guidelines, Goals and Mission Statement.

The Foundation considers grant requests at least twice a year – in the spring and fall. Deadlines for submitting invited Letters of Inquiry are April 1 and September 1.

VII. INSTRUCTIONS FOR INVITED LETTERS OF INQUIRY

1. Submit two copies of the Letter of Inquiry and all attachments.
2. The cover page should contain, in the following order, these items:
    - name of organization,
    - mailing address, phone and facsimile numbers, and if applicable, e-mail and web page addresses,
    - name of the project for which you are seeking funds,
    - principal contact's phone number,
    - amount you are requesting,
    - time frame for the expenditures, and
    - a very brief description of the project.
3. Subsequent pages (no more that three, single-spaced, non-reduced type, should contain, in the order listed below, the following information:
    - a brief description of your organization,
    - a description of the community or area you serve,
    - the problem or issue you seek to address,
    - the purpose or objectives of the proposed project,
    - the expected outcomes or impact as a result of the project,
    - proposed activities to meet project objectives,
    - how you intend to evaluate the impact of the project,
    - the people you intend to benefit by the project, and
    - the key staff or consultants you intend to use to implement the project and the qualifications of these people.
4. Submit a proposed budget for the project, noting the principal expenses and total income your organization expects to meet the project. Please use the Project Budget Format, found at the Foundation's web-site.
5. Attach copies of your organization's:
    - current operating budget,
    - Internal Revenue Service tax-exempt and not a private foundation determination letters. The name of the applying organization must be the same as that on the exemption letters,
    - mission statement,
    - latest audited financial statements,
    - latest 990 Federal report,
    - names of Board members and their business affiliations,
    - a list of your officers and key employees directing the proposed grant project, and their CVs

VIII. OTHER INFORMATION THAT NORMALLY WILL BE REQUIRED TO COMPLETE A GRANT REQUEST

Shortly after receipt of your Letter of Inquiry the Foundation will send a letter of acknowledgement. The Letter of Inquiry will be reviewed in order of receipt. After review the Foundation will solicit additional information from those applicants the Foundation considers best meet the goals and Mission Statement of the Foundation. Any additional information requested must be completed and submitted to the Foundation within six weeks from the date of the letter we send requesting the information. We will also promptly notify those applicants the Foundation is unable to consider for funding.

Once all of the documents and information required for a full review of your proposal are received they will be simultaneously reviewed by the Grants Committee of the Foundation's Board of Directors, any advisor or consultant the Board of the Foundation engages to review grants in the particular area of you request, and Staff. When those reviews are completed the proposal will be submitted to the Board of Directors, along with the comments and advice from the Grants Committee, any advisor or consultant experts, if any, and Staff. At any step in the process, Staff or Board Members may make site visits. Applicants may also be asked to explain the proposal at a conference with Staff or members of the Grants Committee.

The decision to award a grant is within the sole and exclusive discretion of the Board of Directors of the Arthur Foundation. A favorable recommendation from the Grants Committee, any expert or Staff is not a commitment by the Foundation to make a grant.

Typical additional information that the Foundation may request is:

1. A one page executive summary whereby the nature of the project and funding requests is briefly detailed,
2. A full description of the purpose, background and history of your organization,
3. A description of the programs and services your organization provides,
4. Highlights of past programs and successes,
5. Relationships your organization has with other organizations,
6. The full amount the project will cost and an explanation as to how your organization expects to fund the project,
7. A detailed explanation of the time the project will take to complete, along with a timeline for significant events,
8. The segment of the community the project seeks to affect and an explanation as to why your organization believes this segment requires assistance and why you are best suited to meet that need,
9. A list of the sources of all funds for this project,
10. An explanation for any significant financial items,
11. A plan for evaluating the program you are proposing (see Evaluation Section of these Guidelines)
12. A description of your organization's existing programs and how the program you are proposing fits within your existing structure you are requesting. As part of this

overview, please provide a breakdown of the number, age, gender, race, ethnicity, income levels, disabilities, geography and languages spoken by your constituents and those you serve, and

13. A detailed proposed budget for the organization asking for funding, approved by your governing board, as well as a detailed project budget, by years, if appropriate, for the project for which you are seeking funds. Please use the Project Budget Format.

IX. EVALUATION CRITERIA

In evaluating Letters of Inquiry the Foundation, to the best of its ability, will attempt to determine whether:

1. The requesting organization is important to the community and has the ability to achieve the project outcome. In assessing this criteria we look at the organization's: management, governance, fiscal responsibility, and organizational stability,
2. The project addresses a need for the targeted population,
3. The plan clearly addresses the need,
4. The proposed activities are logical and realistic,
5. The project can be completed within the designated time,
6. The plans for evaluating the project are appropriate,
7. The costs of the project are realistic, fit the scope of the activities and evidence the project's sustainability at the end of Foundation support,
8. The project eliminates the duplication of services,
9. The project addresses new or emerging needs or incorporates new approaches to meeting recognized needs, and
10. The project builds on programs that have proven successful elsewhere or provides a model for replication.

We are looking for proposals from organizations with:

- a well-planned approach to underlying issues and needs,
- a base of support,
- a committed and skilled leadership, and
- a project that builds self-sufficiency.

The Foundation is particularly interested in the ability of your organization to secure permanent funding for the project so it will continue when funding from The Arthur Foundation ends, and the ability to leverage grants received by initiating a good idea that can be extended and supported in the wider community; and by encouraging cooperation and collaboration among agencies and organizations servicing similar groups or providing similar services.

The Foundation favors projects that bring people and resources together to solve a problem, meet a need, and have a lasting impact.

The Foundation has begun an Initiative for Educational Excellence. Except for Programs in the educational field, as previously described, we will focus on, but not limit ourselves to, evaluating a program by how the project reaches or affects the health or education of citizens of the targeted population.

The Foundation awards grants to organizations that employ Staff and provide services in compliance with laws that relate to discrimination on the basis of race, religion, sex, age, national origin or disability.

The Foundation expects that requests for funding will exceed the available funds. We therefore ask that the request you present be appropriate for the project and demonstrate a wise and frugal use of funds.

Please indicate if you are applying for funding for this project from other sources and, if so, whether you expect there will be any overlap. Please explain how your organization intends to use the funds received if dual grants are received.

X. EVALUATION QUESTIONS

To assist the Foundation in making decisions concerning the issues raised in this document, the Foundation asks all applicants to briefly answer the following 13 questions:

1. Who are the people you seek to serve by this proposal?
2. What are the immediate goals of the proposal or project?
3. What are the ultimate goals of the proposal or project?
4. What activities will your project undertake to accomplish your goals?
5. What factors do you think will be helpful in attaining your goals?
6. What factors do you anticipate will hinder attainment of your goals?
7. What outcomes do you expect to achieve for the targeted population?
8. How will you measure whether you achieve these outcomes?
9. What are your performance targets?
10. What data will you collect to measure outcomes?
11. How will you go about collecting that data?
12. Will this information tell you if the project has accomplished your goals?
13. How will you use the results?

XI. OTHER THINGS YOU SHOULD KNOW

The Foundation usually will not consider more than one application from the same organization in the same calendar year.

Normally, awards are made for a period of one year, but in appropriate cases, may be made for a longer period deemed suitable by the Board of the Foundation. In either case, all grants are formally awarded only on a year-by-year basis. Payment for any award for any succeeding year, after the first year, is contingent upon the availability of grant funds, the receipt of an interim report at the end of each year, deemed acceptable to the Foundation, and upon formal approval by the Board of Directors.

We want to know how you are doing -- what works and what does not work with the funded project. A Final Report summarizing the results of your project and how the money has been spent must be submitted to the Foundation no later than one month after the term of the award is completed, (thirteen months after Year One of the grant, twenty-five months after Year Two of the grant, etc.). The Foundation also asks that SIX months after the initial awarding of a grant, and on the annual anniversary of a multi-year grant, your organization file an Interim Report on the progress achieved to date and the amount of funds expended to date (appropriate forms and instructions for Interim and Final Reports can be found on the Foundation's web site, www. arthurfdn.org). We will not consider a new proposal from an organization previously funded if any of the reports requested in this paragraph have not been submitted and approved by the Foundation.

Depending on the amount and nature of the project, grants are usually paid in two (2) installments per year, as convenient to the Foundation.

The Foundation reserves the right to cancel a grant at any time and to require the return of any unspent funds, if the Foundation determines that the organization is not administering the project and grant funds in accordance with the final proposal document that was approved by the Foundation's Board of Directors.

If a grant is awarded, The Arthur Foundation will assume no responsibility for any injury, damage or liability arising out of the grant program/project or any product, service or operation for which the grant is utilized or intended. An organization accepting a grant will be required, as a condition of the grant, to indemnify and hold harmless the Foundation, its Board of Directors, Chair, Officers, President, Executive Director, Director of Programs, and other employees and agents from liability or claims arising out of the grant program/project.

The Foundation reserves the right to modify or amend its policies governing grants. A successful grantee must agree to abide by any changes or to terminate the grant at the time when such changes become effective, and return any unused or unspent funds. Failure to abide by policies governing grants or amendments shall also be considered as sufficient grounds for cancellation of a grant or a refusal to consider any pending application by the grantee.

If the grant involves medical research the applicant will be required to certify, on forms supplied by the Foundation, that the use of human subjects or the use of animal subjects in any activities supported by the grant complies with all applicable United States Department of Health and Human Services regulations with respect to the rights and welfare of such human subjects or animal subjects.

If the grant involves (a) medical research that may lead to inventions or (b) the creation of intellectual property, before submitting a letter of inquiry, the applicant should request a copy of the Foundation's Patent and Intellectual Property Policy. A grant will not be awarded in such circumstance until the applicant certifies it will follow the terms of the Foundation's Patent and Intellectual Property Policy.

The Board of Directors of The Arthur Foundation may identify specific community needs and request proposals from pre-selected organizations that it considers capable of executing programs addressing these particular needs. All of the existing criteria and other such requirements governing Letters of Inquiry will be applicable to these solicited proposals, as well. In certain circumstances the Foundation may make emergency/discretionary grants to eligible organizations, on the basis of a Letter of Inquiry only. These grants should be of an urgent nature, where time is of the essence in order to capture a unique opportunity. These grants must comply with all other applicable grant requirements, including Interim and Final reports. Once approved, successful emergency/discretionary grant recipients must provide the Foundation will all of the same supporting materials as required in the formal proposal submission process.

Requests for funding, whether it is a Letter of Inquiry or a full proposal, must be signed by the Chief Executive Officer of the organization requesting the grant.

Please address all inquiries, questions, or Letters of Inquiry to:

Director of Programs
THE ARTHUR FOUNDATION
19 Riverside Road, Suite 6
Riverside, Illinois 60546-2606
708 443 5710 Direct
708 443 5717 Fax
thett@arthurfdn.org
www.arthurfdn.org

Project Budget Format

Please read the following carefully before you complete your Budget Worksheet.

A budget must be completed for each year of anticipated support. Whether you are requesting operating or project support, the budget should conform to the time period for which funds are being requested. For example, year 1 would be the period January 1, 200 , to December31,200 , year 2 would be the period from January 1, 200 , to December 31, 200 . If you receive a grant, this budget/budgets will be the basis for your financial reporting throughout the grant period.

For your convenience, a Budget Worksheet is attached. Please use the Worksheet to enter budget figures. Feel free to attach additional narrative sheets when the space allotted on the Worksheet does not provide enough room.

The budget should be specific. The following revenue and expense guidelines will help you decide what should be included. Not all categories listed may apply to your budget Please use only those that apply to your anticipated revenues and expenditures.

Identify each source of revenue, such as **Other Grants/Contributions** and **In-Kind Contributions** by entering the amounts on the Worksheet. In the narrative please indicate whether funds are committed or anticipated. If the funds have NOT been committed, indicate the status as follows:

A. Funds anticipated. Request submitted on (Date), decision to be made by (Date).
B. Request to be submitted by (Date) for decision by (Date).

Full-Time Staff and **Part-Time Staff** - Include all staff salaries allocated to the project. In the narrative identify each position by title, salary and percentage of time devoted to the project.

Fringe - Include related benefits and taxes allocable to the salaries listed above. Identify percentage of salary expenses on the Worksheet.

Consultants - Include all fees, honoraria and expenses paid for consulting and professional services of individuals or organizations that are not paid staff of your organization. Identify consultants and anticipated costs individually in the narrative.

Include internships under "**Stipends**" on page 2, but detail total stipends, housing and related items for interns, the number of internships, stipend per intern, and how the value of housing and related costs are determined in the narrative.

Rent and utility expenses required for a facility other than the agency's headquarters, required solely to carry out the project, should be listed as a line item under the "**Rental**

Facilities" category. The proposed budget narrative should provide a breakdown of these additional costs as well.

Equipment - Identify each item of equipment and cost as well as costs of equipment maintenance. In the narrative include all items over $500. Identify equipment being maintained and its relevance to the project in the narrative.

Direct Postage/Telephone - Include telecommunications expenses, postage and delivery expenses. Identify how anticipated usage is determined.

Printing/Copying/Mailing - Include expenses for production of all printed materials including cost of mailing services. Identify specific publications, number of copies planned, and anticipated size of each publication run in the narrative

Supplies - Include office supplies, subscriptions, books and other materials.

Travel/Lodging - Include all air and rail fares and auto allowances. In the narrative list the number of trips, destinations and purposes, conferences and meetings attended, detailing the facility, registration, meal and hotel expenses as well as identify the purpose and attendees.

Indirect Costs - The Foundation does not support overhead or administrative costs of the general operation of your organization. The Foundation will support indirect costs that are an integral part of the project under consideration. Include any items not specifically listed in other sections of the Worksheet. In the narrative detail both the components of these line items as well as the allocation method(s) used.

THE ARTHUR FOUNDATION

Letter of Inquiry

Budget Worksheet

Use the lines that are Relevant to your project, using the blank lines as needed. It is not necessary to have expenses in all budget lines. List "Funds Requested from The Arthur Foundation" (TAF) and how they will be spent in Column A. Under "Other Grants/Contributions" list the name of foundations/organizations making a grant/contribution and in Column B list the grant/contribution amount. List "Fees for Services" and "In Kind Contributions" in Column B. Show total of Column A + Column B in Column C.

Revenue & Support	**A**	**B**	**C**
Funds Requested from TAF			
Fees for Service			
Other Grants/Contributions			
In-Kind Contributions (value)			
Total Revenue & Support			

Expenses

Personal Expenses

Full-Time Staff (#) Salary & Wages			
Part-Time Staff (# and % FTE)			
Fringe (@ %)			
Agency Sub-Contracts			
Consultants			
Total Personal Expenses			

Other Than Personal Expenses (OTPE)

Stipends			
Rental Facilities			
Equipment			
Direct Postage/Telephone			
Printing/Copying/Mailing			
Supplies			
Travel/Lodging			

Indirect Costs

Indirect Costs (Overhead costs or administrative costs are not allowable; these would be expenses necessary for the general operation of the organization, such as building utilities and administrative staff salaries. The Indirect Costs referred to in this line are all other costs directly related to the project, such as rent and utilities for separately rented facilities, insurance costs directly related to the project, etc.

Total OTPE			
Total Operating Expenses			

THE ARTHUR FOUNDATION

Interim Report Format

Please provide the following information using the stated headings. Please submit one (1) copy of the report on or before the date indicated in the Letter of Agreement. The report should be stapled or clipped together. Do not place in any type of folder or notebook. Please limit to two (2) pages (not including attachments).

A. Organization

Please provide list of changes (if any) to:

- Organizational chart
- Board membership
- Key staff
- Program/project personnel
- Population served
- Relationships/arrangements with other agencies

B. Status of Program/Project Goals and Objectives

Please include in the narrative:

- Compliance to conditions outlined in the award letter.
- Compliance to projected time lines
- Compliance to immediate goals of the project
- Compliance to ultimate goals of the project
- Statistics (as appropriate) for:
- Numbers of persons served
- Programs provided
- Services rendered

Please note any variables that may have contributed to unexpected results. or required Please report changes from the original plan.

C. Budget

Please explain variances. If a change in excess of five percent (5%) of the aggregate budget for the year is anticipated, please note condition #3 of the Letter of Agreement. Include, as attachments, copies of the most recent 990 IRS Report and audited financial report if prepared after the original application date.

Actual expenses for project/program to date

THE ARTHUR FOUNDATION

FORMAT FOR FINAL REPORTS

To assist both your organization and The Arthur Foundation in determining the effectiveness and appropriateness of the program/project that was funded, please provide the information requested:

Organizational Information

A brief summary of any major changes in the Organization's mission, goals, staff, membership, population served, programs provided, or services rendered.

Project/Program Accomplishments

What were the issues this program/project addressed and a description of the targeted population that derived benefit?

What is the status of your organization's long-term strategies for funding this program/project beyond this grant period?

Evaluation

Please answer the following questions concerning your evaluation of the funded grant project/proposal:

What factors have you found that helped the project?
What factors have you found that hindered the project?
Has the project succeeded in meeting its immediate goals?
Has the project succeeded in meeting its ultimate goals?
If the answer is no, to either question, what prevented the attainment of the goals?
Was the budget sufficient to achieve your goals?
Was your staff adequate in number to achieve your goals?
Did the project, in fact, serve the population targeted at the beginning of the program?
If not, why not?
Did you undertake the activities you originally said you would undertake?
If not, why not?
You originally set targets for the performance of the project. Did the project meet those targets?
If not, why not?
When the project started you indicated that you would measure outcomes by a

defined method, including data collection. Did you collect the data?
What is that data?
What does the data tell us?
At this point in time, has the data you collected tell you what you originally wanted to find out?
In hindsight, is there other data you should have collected that would better inform you if you have met your goals and targets?
What can be done in the future to improve the program?
If you were to redo this project, how would you do it differently?
During or at the conclusion of the project did you or anyone associated with the grantee publish any material on the project?
Please furnish The Arthur Foundation with a copy of any published material.
What will you want to tell others who are interested in your project?
How did The Arthur Foundation and its Staff handle this grant and the process that led to this Final Report?

Finances

Please provide a closing budget for the funded program/project, showing income and expenses with explanations for variances greater than 5% from the overall proposed budget submitted with your organization's proposal, and 20% greater for any individual line items.

Other Supporting Materials

Brochures or other attachments you feel important to tell your story.

Thank you for your participation with The Arthur Foundation in this program/project that has sought to assist the members of the community.

THE ARTHUR FOUNDATION
RIVERSIDE, ILLINOIS
FORM 990 PF
DECEMBER 31, 2011
36-4324067

GRANTS PAID
ATTACHMENT B
PART XV
Page 11
DETAILS TO LINE 3(a)

Pages 1 through 5

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants paid in 2011
Form 990 PF Part XV- Supplementary Information Line 3a

Charitable Designation	Entity	Description	Amount
509(a)(2)	Pillars Community Services 333 N. LaGrange Road LaGrange Park, IL 60526	Funding for Support for Children's Services	25,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	To fund fellowships for the Masters of Non-Profit Administration program	500,000.00
509(a)(1)	Loyola University Chicago 6525 N. Sheridan Road Chicago, IL 60626	Funding enhancements for nursing faculty	553,600.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants paid in 2011
Form 990 PF Part XV- Supplementary Information Line 3a

Charitable Designation	Entity	Description	Amount
509(a)(1)	Alivio Medical Center 966 W. 21st Street Chicago, IL 60608	To fund Compeneros en Salud community education program	50,000.00
509(a)(1)	Chicago Teachers' Center 770 N. Halsted Chicago, IL 60622	Implementation of Initiative for Education Excellence in Berwyn/Cicero, Illinois	750,000.00
509(a)(1)	Loyola University Stritch School of Medicine 2160 S. First Ave. Maywood, IL 60153	Establish a professorship in Cardiac Medicine	500,000.00
509(a)(1)	Catholic Charities 721 N. LaSalle St. Chicago, IL 60654	Funds for day care and family center	25,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants paid in 2011
Form 990 PF Part XV- Supplementary Information Line 3a

Charitable Designation	Entity	Description	Amount
509(a)(1)	University of Notre Dame Institute for Latino Studies 1100 Grace Hall Notre Dame, IN 46556	Funds a Needs Assessment for Berwyn/Cicero, Illinois & leadership identification, capacity building and education advice	500,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	Fund to endow fellowships for MBA students	2,000,000.00
509(a)(1)	PAV YMCA 2947 S. Oak Park Berwyn, IL 60402	Funds to purchase equipment for Seniors fitness center	20,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	To endow a Chair in Non-Profit Administration	500,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants paid in 2011
Form 990 PF Part XV- Supplementary Information Line 3a

Charitable Designation	Entity	Description	Amount
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	Funding for Executive Education	500,000.00
509(a)(1)	Donors Forum 208 S. LaSalle Strreet Chicago, IL 60604	Membership grant	11,000.00
509(a)(1)	Morton College 3801 S. Central Ave. Cicero, IL 60804	To fund improvements to Nursing Department	37,500.00
509(a)(1)	Loyola University Health System 2160 S. First Ave. Maywood, IL 60153	Funding to erect a Nursing School	500,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants paid in 2011
Form 990 PF Part XV- Supplementary Information Line 3a

Charitable Designation	Entity	Description	Amount
509(a)(1)	Braveheart Therapeutic Riding & Edu. Center 7319 Maxon Rd. Harvard, IL 60033	To fund equine riding therapy	200,000.00
509(a)(1)	Loyola University Chicago College of Education 820 N. Michigan Ave. Chicago, IL 60611	Continuation of support for LuChoice program and Center for Catholic School Effectiveness	480,000.00
509(a)(2)	Seguin Services 3100 S. Central Ave. Cicero, IL 60804	To fund several entrepreneur education programs for developmentally disabled	30,000.00
	Total of grant funds paid in 2011		**$ 7,182,100.00**

THE ARTHUR FOUNDATION
RIVERSIDE, ILLINOIS
FORM 990 PF
DECEMBER 31, 2011
36-4324067

GRANTS APPROVED FOR FUTURE PAYMENT
ATTACHMENT C
PART XV
Page 11
DETAILS TO LINE 3(b)
Pages 1 through 5

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants approved for future payment
Form 990 PF Part XV- Supplementary Information Line 3b

Charitable Designation	Entity	Description	Amount
509(a)(1)	University of Notre Dame Institute for Latino Studies 1100 Grace Hall Notre Dame, IN 46556	Funds a Needs Assessment for Berwyn/Cicero, Illinois & leadership identification, capacity building and education advice	750,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	Fund to endow fellowships for MBA students	2,000,000.00
509(a)(1)	PAV YMCA 2947 S. Oak Park Berwyn, IL 60402	Funds to purchase equipment for Seniors fitness center	20,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants approved for future payment
Form 990 PF Part XV- Supplementary Information Line 3b

Charitable Designation	Entity	Description	Amount
509(a)(1)	Chicago Teachers' Center 770 N. Halsted Chicago, IL 60622	Implementation of Initiative for Education Excellence in Berwyn/Cicero, Illinois	250,000.00
509(a)(1)	Loyola University Stritch School of Medicine 2160 S. First Ave. Maywood, IL 60153	Establish a professorship in Cardiac Medicine	250,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	To endow a Chair in Non-Profit Administration	250,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants approved for future payment
Form 990 PF Part XV- Supplementary Information Line 3b

Charitable Designation	Entity	Description	Amount
509(a)(1)	Loyola University Health System 2160 S. First Ave. Maywood, IL 60153	Funding to erect a Nursing School	500,000.00
509(a)(1)	Braveheart Therapeutic Riding & Edu. Center 7319 Maxon Rd. Harvard, IL 60033	To fund equine riding therapy	200,000.00
509(a)(1)	Loyola University Chicago College of Education 820 N. Michigan Ave. Chicago, IL 60611	Continuation of support for LuChoice program and Center for Catholic School Effectiveness	480,000.00
509(a)(2)	Seguin Services 3100 S. Central Ave. Cicero, IL 60804	To fund several entrepreneur education programs for developmentally disabled	30,000.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants approved for future payment
Form 990 PF Part XV- Supplementary Information Line 3b

Charitable Designation	Entity	Description	Amount
509(a)(2)	Pillars Community Services 333 N. LaGrange Road LaGrange Park, IL 60526	Funding for Support for Children's Services	25,000.00
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	To fund fellowships for the Masters of Non-Profit Administration program	500,000.00
509(a)(1)	Loyola University Chicago 6525 N. Sheridan Road Chicago, IL 60626	Funding enhancements for nursing faclty and building	738,400.00

THE ARTHUR FOUNDATION
Riverside, Illinois
36-4324067
Grants approved for future payment
Form 990 PF Part XV- Supplementary Information Line 3b

Charitable Designation	Entity	Description	Amount
509(a)(1)	University of Notre Dame Mendoza College 1100 Grace Hall Notre Dame, IN 46556	Funding for Executive Education	1,250,000.00
509(a)(1)	Donors Forum 208 S. LaSalle Chicago, IL 60604	Membership grant	12,000.00
	Total of grant funds approved for future payment in 2012		$ 7,255,400.00

990 PF (2)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions The Arthur Foundation	Enter filer's identifying number, see instructions Employer identification number (EIN) or [X] 36-4324067
	Number, street, and room or suite no. If a P O. box, see instructions. 19 Riverside Road, No. 6	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Riverside, IL 60546-2606	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ Michael P Kenahan 19 Riverside Road Suite 6 - Riverside, IL 60546-2606
  Telephone No.▶ (708) 443-5674 FAX No ▶ 708-443-5717
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until November 15, 2012.

5 For calendar year 2011 , or other tax year beginning ______ , and ending ______ .

6 If the tax year entered in line 5 is for less than 12 months, check reason. [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
Due to delayed responses from outside sources, additional time is needed to gather all the data necessary to file a complete and accurate return.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 37,581.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 37,581.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ Date ▶

123842
01-06-12

08490813 805490 MACNEAL 2011.04000 The Arthur Foundation MACNEAL1

Form **8868** (Rev. January 2012) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print		
	Name of exempt organization or other filer, see instructions. The Arthur Foundation	Employer identification number (EIN) or [X] 36-4324067
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions 19 Riverside Road, No. 6	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Riverside, IL 60546-2606	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Michael P Kenahan 19 Riverside Road Suite 6 - Riverside, IL 60546-2606
  Telephone No. ▶ (708) 443-5674 FAX No. ▶ 708-443-5717
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until August 15, 2012, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2011 or
▶ [ ] tax year beginning ______, and ending ______.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 37,581.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 37,581.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.