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Form **990-PF****Return of Private Foundation**

OMB No 1545-0052

**2013**Department of the Treasury  
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation  
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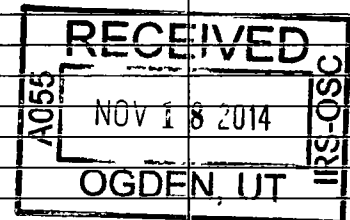
For calendar year 2013 or tax year beginning

07/01, 2013, and ending

06/30, 2014

Name of foundation <b>ARTHUR J. SCHMITT FOUNDATION</b>		A Employer identification number <b>36-2217999</b>						
Number and street (or P O box number if mail is not delivered to street address) <b>PO BOX 340</b>		B Telephone number (see instructions) <b>(847) 983-0813</b>						
City or town, state or province, country, and ZIP or foreign postal code <b>LA GRANGE, IL 60525</b>		C If exemption application is pending, check here <input type="checkbox"/>						
G Check all that apply. <table border="1"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity							
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return							
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change							
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>						
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>17,260,991.</b>		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>						
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)								

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	490,987.	490,987.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	538,849.			
b	Gross sales price for all assets on line 6a	5,556,943.			
7	Capital gain net income (from Part IV, line 2)		538,849.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	<b>Total. Add lines 1 through 11</b>	1,029,836.	1,029,836.		
13	Compensation of officers, directors, trustees, etc.	116,500.	56,500.		60,000.
14	Other employee salaries and wages				
15	Pension plans, employee benefits	8,284.	3,346.		4,938.
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) <b>ATCH 1</b>	27,070.	13,535.		13,535.
c	Other professional fees (attach schedule) *	65,480.	65,480.		
17	Interest				
18	Taxes (attach schedule) (see instructions) <b>ATCH 3</b>	8,388.			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) <b>ATCH 4</b>	9,097.	677.		8,420.
24	<b>Total operating and administrative expenses. Add lines 13 through 23</b>	234,819.	139,538.		86,893.
25	Contributions, gifts, grants paid	816,000.			816,000.
26	<b>Total expenses and disbursements. Add lines 24 and 25</b>	1,050,819.	139,538.	0	902,893.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-20,983.			
b	Net investment income (if negative, enter -0-)		890,298.		
c	<b>Adjusted net income (if negative, enter -0-)</b>				



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Operating and Administrative Expenses

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash - non-interest-bearing . . . . .	116,221.	115,765.	115,765.
	2	Savings and temporary cash investments . . . . .	941,835.	42,217.	42,217.
	3	Accounts receivable ▶ . . . . .			
		Less: allowance for doubtful accounts ▶ . . . . .			
	4	Pledges receivable ▶ . . . . .			
		Less: allowance for doubtful accounts ▶ . . . . .			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .	1,290.		
	7	Other notes and loans receivable (attach schedule) ▶ . . . . .			
		Less: allowance for doubtful accounts ▶ . . . . .			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .		6,800.	6,800.
	10 a	Investments - U S and state government obligations (attach schedule) . . . . .			
	b	Investments - corporate stock (attach schedule) ATCH 5 . . . . .	14,905,948.	17,096,209.	17,096,209.
	c	Investments - corporate bonds (attach schedule) . . . . .			
	11	Investments - land, buildings, and equipment basis ▶ . . . . .			
	Less: accumulated depreciation (attach schedule) ▶ . . . . .				
12	Investments - mortgage loans . . . . .				
13	Investments - other (attach schedule) . . . . .				
14	Land, buildings, and equipment basis ▶ . . . . .				
	Less: accumulated depreciation (attach schedule) ▶ . . . . .				
15	Other assets (describe ▶ . . . . .)				
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	15,965,294.	17,260,991.	17,260,991.	
Liabilities	17	Accounts payable and accrued expenses . . . . .	10,225.	10,763.	
	18	Grants payable . . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ▶ . . . . .)			
23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .	10,225.	10,763.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted . . . . .	15,955,069.	17,250,228.	
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, . . . ▶ <input type="checkbox"/> 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	<b>Total net assets or fund balances</b> (see instructions) . . . . .	15,955,069.	17,250,228.	
	31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	15,965,294.	17,260,991.	

### 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	15,955,069.
2	Enter amount from Part I, line 27a . . . . .	2	-20,983.
3	Other increases not included in line 2 (itemize) ▶ ATCH 6 . . . . .	3	1,316,142.
4	Add lines 1, 2, and 3 . . . . .	4	17,250,228.
5	Decreases not included in line 2 (itemize) ▶ . . . . .	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	17,250,228.

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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.)
<b>1a</b> SEE PART IV SCHEDULE					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
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))		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2</b> 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 }			<b>2</b>	538,849.	
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			<b>3</b>	0	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

**1** Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2012	974,095.	16,100,725.	0.060500
2011	985,970.	16,047,579.	0.061440
2010	1,070,871.	17,363,249.	0.061675
2009	1,058,276.	16,109,685.	0.065692
2008	835,132.	16,087,802.	0.051911
<b>2</b> Total of line 1, column (d)			<b>2</b> 0.301218
<b>3</b> 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			<b>3</b> 0.060244
<b>4</b> Enter the net value of noncharitable-use assets for 2013 from Part X, line 5			<b>4</b> 16,516,275.
<b>5</b> Multiply line 4 by line 3			<b>5</b> 995,006.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			<b>6</b> 8,903.
<b>7</b> Add lines 5 and 6			<b>7</b> 1,003,909.
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			<b>8</b> 902,893.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . . Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		1	17,806.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) . . . . .		2	
3 Add lines 1 and 2 . . . . .		3	17,806.
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	17,806.
6 Credits/Payments.			
a 2013 estimated tax payments and 2012 overpayment credited to 2013 . . . . .	6a	6,800.	
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	6,800.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .	9	11,006.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid . . . . .	10		
11 Enter the amount of line 10 to be Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . . . . If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year? . . . . .		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes . . . . . ATCH 7	X	
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> 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. . . . .	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV. . . . .		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses. . . . .		X

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**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions).	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address <b>N/A</b>				
14	The books are in care of <b>PATRICIA A. SHEVLIN</b> Telephone no <b>708-522-9361</b>			
	Located at <b>P.O. BOX 340 LA GRANGE, IL</b> ZIP+4 <b>60525</b>			
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.			<input type="checkbox"/>
				<b>15</b>
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country.	16	Yes	No
				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		X
Organizations relying on a current notice regarding disaster assistance check here.		<input type="checkbox"/>
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions).		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013).		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		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)? (see instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

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? ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATCH 8		116,500.	3,346.	0

**2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."**

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

**Total number of other employees paid over \$50,000** ☐

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
ATCH 9		65,480.

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

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 N/A	
2	
3	
4	

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

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

Amount

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

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	16,475,310.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	292,482.
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	16,767,792.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	16,767,792.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	251,517.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4.	<b>5</b>	16,516,275.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	825,814.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	825,814.
<b>2a</b>	Tax on investment income for 2013 from Part VI, line 5	<b>2a</b>	17,806.
<b>b</b>	Income tax for 2013. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	17,806.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1.	<b>3</b>	808,008.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	808,008.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	<b>7</b>	808,008.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	902,893.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	<b>4</b>	902,893.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	<b>5</b>	0
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4.	<b>6</b>	902,893.

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7 . . . . .				808,008.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only . . . . .				
b Total for prior years 20 11, 20 10, 20 09 . . . . .				
3 Excess distributions carryover, if any, to 2013				
a From 2008 . . . . .	46,192.			
b From 2009 . . . . .	264,246.			
c From 2010 . . . . .	222,479.			
d From 2011 . . . . .	190,585.			
e From 2012 . . . . .	182,101.			
f Total of lines 3a through e . . . . .	905,603.			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 902,893.				
a Applied to 2012, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required - see instructions). . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2013 distributable amount . . . . .				808,008.
e Remaining amount distributed out of corpus . . . . .	94,885.			
5 Excess distributions carryover applied to 2013. (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	1,000,488.			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b. Taxable amount - see instructions . . . . .				
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount - see instructions . . . . .				
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014 . . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	46,192.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	954,296.			
10 Analysis of line 9				
a Excess from 2009 . . . . .	264,246.			
b Excess from 2010 . . . . .	222,479.			
c Excess from 2011 . . . . .	190,585.			
d Excess from 2012 . . . . .	182,101.			
e Excess from 2013 . . . . .	94,885.			

Form 990-PF (2013)



**Part XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	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
<b>a Paid during the year</b>  ATCH 11				
<b>Total</b>			<b>3a</b>	816,000.
<b>b Approved for future payment</b>				
<b>Total</b>			<b>3b</b>	

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

**Enter gross amounts unless otherwise indicated**

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
<b>1</b> Program service revenue						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
<b>2</b> Membership dues and assessments . . . . .						
<b>3</b> Interest on savings and temporary cash investments						
<b>4</b> Dividends and interest from securities . . . . .				14	490,987.	
<b>5</b> Net rental income or (loss) from real estate						
a Debt-financed property . . . . .						
b Not debt-financed property . . . . .						
<b>6</b> Net rental income or (loss) from personal property .						
<b>7</b> Other investment income . . . . .						
<b>8</b> Gain or (loss) from sales of assets other than inventory				18	538,849.	
<b>9</b> Net income or (loss) from special events . . .						
<b>10</b> Gross profit or (loss) from sales of inventory . .						
<b>11</b> Other revenue a _____						
b _____						
c _____						
d _____						
e _____						
<b>12</b> Subtotal. Add columns (b), (d), and (e) . . . .					1,029,836.	
<b>13</b> Total. Add line 12, columns (b), (d), and (e) . . . . .					1,029,836.	

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]



**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
5,556,943.		SALE OF SECURITIES PROPERTY TYPE: SECURITIES 5,018,094.				P	VAR  538,849.	VAR
TOTAL GAIN(LOSS) .....							<u>538,849.</u>	

ATTACHMENT 1FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING/AUDIT FEES	27,070.	13,535.		13,535.
TOTALS	<u>27,070.</u>	<u>13,535.</u>		<u>13,535.</u>



ATTACHMENT 2

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INVESTMENT MGMT FEES	65,480.	65,480.
TOTALS	<u>65,480.</u>	<u>65,480.</u>

ATTACHMENT 3FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
FEDERAL TAXES	8,388.
TOTALS	<u>8,388.</u>

ATTACHMENT 4

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INSURANCE	1,203.	602.	601.
BANK SERVICE CHARGES	75.	75.	
DUES AND SUBSCRIPTIONS	725.		725.
OFFICE EXPENSE	5,768.		5,768.
MISCELLANEOUS	1,301.		1,301.
ILLINOIS FILING FEE	25.		25.
TOTALS	9,097.	677.	8,420.

ATTACHMENT 5

FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
VARIOUS INVESTMENTS	17,096,209.	17,096,209.
TOTALS	<u>17,096,209.</u>	<u>17,096,209.</u>

ATTACHMENT 6FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
UNREALIZED GAIN ON INVESTMENTS	1,316,142.
TOTAL	<u>1,316,142.</u>

ATTACHMENT 7

FORM 990PF, PART VII-A, LINE 3 - CONFORMED COPY OF THE CHANGES

SEE ATTACHED COPY OF THE UPDATED BYLAWS

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 8

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
JOHN J. GEAREN PO BOX 340 LA GRANGE, IL 60525	FOUNDATION PRESIDENT/CHAIRMAN 4.00	10,000.	0	0
MARY DWYER PO BOX 340 LA GRANGE, IL 60525	VICE PRESIDENT/TREASURER 1.00	10,000.	0	0
DANIEL E. MAYWORM PO BOX 340 LA GRANGE, IL 60525	VICE PRESIDENT 1.00	10,000.	0	0
PETER J. WRENN PO BOX 340 LA GRANGE, IL 60525	VICE PRESIDENT 1.00	10,000.	0	0
PATRICK EILERS PO BOX 340 LA GRANGE, IL 60525	DIRECTOR 1.00	10,000.	0	0
CAROL SULLIVAN PO BOX 340 LA GRANGE, IL 60525	DIRECTOR 1.00	10,000.	0	0

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 8 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
ROBERT M. DOW, JR. PO BOX 340 LA GRANGE, IL 60525	DIRECTOR 1.00	0	0	0
PATRICIA A. SHEVLIN PO BOX 340 LA GRANGE, IL 60525	EXECUTIVE DIRECTOR 20.00	56,500.	3,346.	0
GRAND TOTALS		<u>116,500.</u>	<u>3,346.</u>	<u>0</u>



990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 9

<u>NAME AND ADDRESS</u>	<u>TYPE OF SERVICE</u>	<u>COMPENSATION</u>
SYNTRINSIC INVESTMENT COUNSEL ONE PERSHING PLAZA JERSEY CITY, NJ 07399	INVESTMENT MANAGER	65,480.
TOTAL COMPENSATION		<u>65,480.</u>

ATTACHMENT 10

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

ARTHUR J. SCHMITT FOUNDATION  
P.O. BOX 340  
LA GRANGE, IL 60525

FORM 990BF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION STATUS OF RECIPIENT			
LOYOLA UNIVERSITY CHICAGO 820 NORTH MICHIGAN AVE - 15TH FL CHICAGO, IL 60611	N/A PC		SCHOLARSHIPS	80,000
DEPAUL UNIVERSITY 1 EAST JACKSON BLVD CHICAGO, IL 60604	N/A PC		SCHOLARSHIPS	80,000
UNIVERSITY OF NOTRE DAME 1100 GRACE HALL NOTRE DAME, IN 46556	N/A PC		SCHOLARSHIPS	80,000
MARQUETTE UNIVERSITY 500 NORTH 19TH STREET MILWAUKEE, WI 53201	N/A PC		SCHOLARSHIPS	80,000
CATHOLIC THEOLOGICAL UNION 5401 S CORNELL AVENUE CHICAGO, IL 60615	N/A PC		SCHOLARSHIPS	50,000
BENEDICTINE UNIVERSITY 5700 COLLEGE ROAD LISLE, IL 60532	N/A PC		SCHOLARSHIPS	51,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11 (CONT'D)

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
DOMINICAN UNIVERSITY 7900 WEST DIVISION ST RIVER FOREST, IL 60305	N/A PC	SCHOLARSHIPS	50,000
LEWIS UNIVERSITY ONE UNIVERSITY PARKWAY ROMEDEVILLE, IL 60441	N/A PC	SCHOLARSHIPS	50,000
ST XAVIER UNIVERSITY 3700 WEST 103RD STREET CHICAGO, IL 60655	N/A PC	SCHOLARSHIPS	50,000
UNIVERSITY OF ST. FRANCIS 500 WILCOX STREET JOLIET, IL 60535	N/A PC	SCHOLARSHIPS	50,000
MIDTOWN EDUCATIONAL FOUNDATION 718 SOUTH LOOMIS ST CHICAGO, IL 60607	N/A PC	SCHOLARSHIPS	20,000
HIGHTSIGHT 315 WEST WALTON STREET CHICAGO, IL 60610	N/A PC	SCHOLARSHIPS	25,000.

ARTHUR J SCHMITT FOUNDATION

36-2217999

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 11 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION STATUS OF RECIPIENT			
DANIEL MURPHY SCHOLARSHIP FOUNDATION 100 WEST MONROE, SUITE 500 CHICAGO, IL 60603	N/A PC		SCHOLARSHIPS	75,000.
LINK UNLIMITED 2221 SOUTH STATE ST CHICAGO, IL 60616	N/A PC		SCHOLARSHIPS	75,000
TOTAL CONTRIBUTIONS PAID				816,000.

**ARTHUR J. SCHMITT FOUNDATION**

PO Box 340  
LaGrange, IL 60525  
(708) 522-9361

**www.schmittfoundation.org**

**schmittfoundation@gmail.com**

**GRANT REQUEST/REPORT FORM (For use with High School Scholarship Programs)**

Date Submitted: \_\_\_\_\_

Organization: \_\_\_\_\_

Address/City/State/Zip: \_\_\_\_\_

Contact person & Title \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

\* \* \* \* \*

**Due Date: February 15th annually - must be returned electronically to  
schmittfoundation@gmail.com**

Please summarize your organization's activity, making sure to include the following information:

- What is the mission of your organization? Is there a strategic link between your proposal and the mission of the Arthur J. Schmitt Foundation?
- What was the amount of the last grant given to your organization from the Schmitt Foundation? Date received? How was this funding allocated to the Schmitt Scholars? (How many students and amount received? Other expenditures?)

- What are the criteria guiding you when choosing Schmitt Scholars?
- What are the specific components of the Schmitt Scholars program designed to foster leadership, independence and a values-based education/experience ?
- What evaluation tools are in place for measuring outcomes of the Schmitt Scholars program?
- What are the strengths of your present Schmitt Scholars program?
- What are the challenges of your present Schmitt Scholars program?
- What would you highlight as two or three major achievements of your organization this year, including the area of fund-raising?
- Amount of money you are presently requesting from the Schmitt Foundation?  
Itemization of use.
- What evaluation tools are in place for measuring outcomes of your organization and/or of the particular program for which you are requesting funds?
- Are there any other facts about the long term prospects of your organization, positive or negative, that we, as a donor, should know?
- Please attach a list of your present board members. Were there any additions to your board this year? What efforts have you made to increase the size of your board and/or develop in your board members a better understanding of their responsibilities? What percentage of your board members are contributing financially?
- Please provide enrollment figures for the past year, the current year and projected enrollment figures for the next year. If applicable, break down by freshman, sophomore, junior and senior.
- Please attach your most recent Financial report.
- If you can do so electronically, please attach your most recent Annual report. If not, please mail copies to the Executive Director and each board member. (See attached list.)  
Foundation contact information above.

**ARTHUR J. SCHMITT FOUNDATION**

PO Box 340  
LaGrange, IL 60525  
**(708) 522-9361**

**www.schmittfoundation.org**

**schmittfoundation@gmail.com**

**GRANT REQUEST/REPORT FORM (For use with University Partner Institutions)**

Date Submitted: \_\_\_\_\_

Educational Institution: \_\_\_\_\_

Address/City/State/Zip: \_\_\_\_\_  
\_\_\_\_\_

Contact person & Title \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

\* \* \* \* \*

**Due Date: November 15th annually - must be returned electronically to  
schmittfoundation@gmail.com**

Please summarize your university activity, making sure to include the following information:

- What is the mission of your university? What is the strategic link between your proposal and the mission of the Arthur J. Schmitt Foundation?
- What was the amount of the most recent grant given to your university from the Schmitt Foundation? Date received? How was this funding allocated to the Schmitt Scholars/Fellows? (How many students and amount received? Other expenditures?)
- What are the criteria guiding you when choosing Schmitt Scholars?
- What are the specific components of your Schmitt Scholars/Fellows program designed to foster leadership, independence and a values-based education/experience? Please include numbers of Scholars/Fellows scholarship amounts.
- What evaluation tools are in place for measuring outcomes of the Schmitt Scholars/Fellows



program?

- What are the strengths of your present Schmitt Scholars/Fellows program?
- What are the challenges of your present Schmitt Scholars/Fellows program?
- What is the present enrollment in your University?

	Graduate	Undergraduate
Full Time (FT)	_____	_____
Part Time (PT)	_____	_____
Full Time Equivalent (FTE)	_____	_____

- What would you highlight as two or three major achievements of the University this year, including the area of fund-raising?
- Amount of money you are presently requesting from the Schmitt Foundation? Itemization of use.
- Are there any other facts about the long term prospects of your university, positive or negative, that we, as a donor, should know?
- Please attach a list of your present board members. Are your directors expected to make a financial contribution in addition to their volunteer service? Were there any additions to your board this year?
- Please attach your most recent Financial report.
- If you can do so electronically, please attach your most recent Annual report. If not, please mail copies to the Executive Director and each board member. Foundation contact information above.

BY-LAWS  
OF  
ARTHUR J. SCHMITT FOUNDATION  
An Illinois Not For Profit Corporation  
(As approved September 6, 1995 and amended September 20, 2011)

INTRODUCTION

The Arthur J. Schmitt Foundation is a not-for-profit corporation organized under the laws of the State of Illinois and is qualified as a private charitable foundation under the provisions of Section 501(c) (3) of the Internal Revenue Code.

Where appropriate, and in keeping with the often expressed wishes of the Founder, Arthur J. Schmitt, preference in grants is given to Catholic educational institutions because of their emphasis on both spiritual and intellectual values, and their commitment to develop value-based leadership and ameliorate the social ills of our nation.

The Foundation's principal activities are to make grants to educational institutions and other entities supporting education, generally at the level of high school and above, to sponsor programs and projects in such institutions and entities emphasizing the development of value-based leadership, and generally to aid in the overall mission of such institutions and entities.

ARTICLE I

OFFICE

The principal office of the Foundation shall be located in the State of Illinois at such place as the Board of Directors from time to time may designate. The Foundation may have such

other offices without the State of Illinois, as the affairs of the Foundation may require from time to time.

## ARTICLE II

### MEMBERS

The corporation shall have no members.

## ARTICLE III

### BOARD OF DIRECTORS

#### Section 1. Number. Terms of Office and Vacancies.

The property, funds and affairs of the Foundation shall be managed and controlled by a Board of Directors consisting of seven (7) members, or such greater or lesser number (but not less than five (5)) as the Board of Directors may from time to time provide. The Directors shall be elected at the annual meeting of the Board of Directors of the Foundation and shall serve for a term of three (3) years and until their successors are duly elected and qualified. If the office of any Director becomes vacant by reason of death, resignation, disqualification or inability to act, the remaining Directors may elect a successor who shall hold office for the unexpired term and until his successor shall have been elected and shall have qualified. Directors need not be residents of Illinois.

#### Section 2. Powers.

The Board of Directors shall have the power and authority to receive gifts, legacies, and donations on behalf of the

Foundation; to invest the funds of the Foundation in bonds, common or preferred stocks, notes, real estate mortgages, common trust funds, shares of any investment company or trust, or other securities, partnership interests (general or limited) or in any other property, real or personal, wherever located; to retain and delegate powers to agents, attorneys and advisors (including investment advisors); and to make gifts and donations of capital as well as of income in pursuance of the objects and purposes of the Foundation. In addition, the Board of Directors shall have the right, power and authority to exercise all the powers and to do all the acts and things which may be exercised or done by the Foundation, but subject, nevertheless, to the statutes of the State of Illinois, to the provisions of the Articles of Incorporation, to the By-laws of the Foundation and to relevant provisions of the Internal Revenue Code of the United States.

#### Section 3. Regular Meetings.

A regular annual meeting of the Board of Directors shall be held during the month of September, at such time and place as may be fixed by the President, or if the President is for any reason unable to act, by any two (2) Directors. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board of Directors without other notice than such resolution, except as provided in Section 10 of this Article III.

#### Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by

or at the request of the President or a majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place in the Chicago metropolitan area as the place for holding any special meeting called by them.

#### Section 5. Notice.

Except as provided in Section 10 of this Article III, notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered personally or mailed to each Director, by fax or by email. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope with postage thereon prepaid addressed to the Director at the address shown for such Director on the records of the corporation. If notice shall be given by email, such notice shall be deemed to be delivered when the email is received by the addressee. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-laws.

#### Section 6. Place of Meetings.

All meetings of the Board of Directors, regular or special, shall be held at such place as the Board of Directors may, from time to time by resolution determine, either within or without the State of Illinois, and may at such meetings transact any and all business.

Section 7. Quorum.

A majority of the Directors shall be necessary to constitute a quorum for the transaction of business at any meeting.

Section 8. Informal Action.

Except as in this Section provided, the Board of Directors shall act and shall have the capacity to act only at a Board meeting. Nevertheless, any action taken pursuant to a prior authorization or confirmed and approved by subsequent ratification in writing, whether of record in the corporate record book or otherwise, signed by all of the Directors, shall have and shall be deemed to have the same force and effect as if such action shall have been taken in or pursuant to a resolution adopted in a regularly called or constituted meeting of the Board of Directors.

Section 9. Attendance by Telephone.

Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting and shall constitute a Board

meeting within the requirements of these By-laws.

Section 10. Manner of Acting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these By-laws, or the Articles of Incorporation.

Section 11. Removal.

A Director may be removed for cause by a vote of two-thirds (2/3) of all Directors then in office. Such action shall be taken at a regular meeting of the Board of Directors or at a special meeting called for such purpose, and the proposed removal shall be set forth in the notice of any such regular or special meeting, sent at least twenty (20) days prior thereto.

Section 12. Compensation.

Directors may receive a stated annual compensation for their services, and/or by resolution of the Board of Directors, a fixed sum and expenses of attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving reasonable compensation therefor.

ARTICLE IV

OFFICERS

Section 1. Number.

The officers of the Foundation shall be a President, one or more Vice-Presidents (in such number as may be determined by the

Board of Directors), a Treasurer, a Secretary, an Executive Director and such other officers as may be elected or appointed by the Board of Directors. Officers whose authority and duties are not prescribed in these By-laws shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices may be held by the same persons except the offices of President and Secretary.

#### Section 2. Election and Term of Office.

The officers of the Foundation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

#### Section 3. Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Foundation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

#### Section 4. President.

The President shall be selected by and from the membership



of the Board of Directors. He shall, at reasonable intervals, make or cause to be made reports to the Board of Directors on the financial condition of the corporation, grants that have been made or that are proposed to be made, and any other matters of significance that are germane to the operations of the corporation. He may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the corporation; and in general shall perform all duties normally incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

#### Section 5. Vice-Presidents.

At least one (1) Vice-President shall be elected by the Board of Directors. Such Vice-President (or in the event there be more than one (1) Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties and exercise the powers of the President during the absence, disability or refusal to act of the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 6. Treasurer.

The Treasurer shall monitor the performance by the Executive Director of the financial duties assigned to the Executive Director under Section 8 below, and shall perform such other duties as may be assigned to the Treasurer from time to time by the President or the Board of Directors.

Section 7. Secretary.

The Secretary shall monitor the performance by the Executive Director of the secretarial duties assigned to the Executive Director under Section 8 below, and shall perform such other duties as may be assigned to the Secretary from time to time by the President or the Board of Directors.

Section 8. Executive Director.

The Executive Director shall be the principal staff officer of the Foundation. He or she shall process all requests for grants from the Foundation and after appropriate inquiry make recommendations to the Board as to their disposition. With monitoring by the President and Treasurer, the Executive Director shall be responsible for a) maintaining adequate books of account for the corporation, and the custody, receipt and disbursement of all funds and securities of the corporation, b) obtaining regular investment reports by the investment advisor, and regular financial reports, to the Board of Directors, and c) supervising the independent auditors and accountants of the Foundation, and the preparation of annual budgets. With monitoring by the President and Secretary, the Executive Director shall be

responsible for a) keeping the minutes of the meetings of the Board of Directors in one or more books provided for that purpose, 2) seeing that all notices are given in accordance with these By-laws and applicable law, and 3) serving as custodian of the corporate records of the Foundation. He or she shall perform such other duties and exercise such powers as may be prescribed from time to time by the President or by the Board of Directors.

Section 9. Director Emeritus.

A retired director may be designated by action of the Board as a director emeritus, who may attend any Board meetings and participate in discussions, but shall not have the right to vote. A director emeritus shall receive no compensation.

ARTICLE V

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Foundation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or her or him by law.

Section 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the

management of the Foundation may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Directors of the Foundation, and the President of the corporation shall appoint the members thereof. Any member of a committee thereof may be removed by action of the Board of Directors whenever in its judgment the best interests of the Foundation shall be served by such removal.

Section 3. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Foundation and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Chairman. One member of each committee shall be appointed chairman.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointment.

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules. Each committee may adopt rules for its own

government not inconsistent with these by-laws or with rules adopted by the Board of Directors.

## ARTICLE VI

### CONTRACTS, CHECKS AND DEPOSITS

#### Section 1. Contracts.

The Board of Directors may authorize any officer or officers or agent or agents of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation and such authority may be general or confined to specific instances.

#### Section 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation, shall be signed by such officer or officers or agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Executive Director or the Vice President, Treasurer and countersigned by the President or Secretary of the Foundation.

#### Section 3. Deposits.

All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VII  
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1.

The Foundation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Foundation) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Foundation, or who is or was serving at the request of the Foundation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation, or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that

his or her conduct was unlawful.

## Section 2.

The Foundation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Foundation to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee or agent of the Foundation, or is or was serving at the request of the Foundation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Foundation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged .to be liable for negligence or' misconduct in the performance of his or her duty to the Foundation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

## Section 3.

To the extent that a Director, officer, employee or agent of

the Foundation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections (1) and (2) of this Article VII, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4.

Any indemnification under Sections (1) and (2) of this Article VII (unless ordered by a court) shall be made by the Foundation only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections (1) and (2) of this Article VII. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 5.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall



ultimately be determined that he or she is entitled to be indemnified by the Foundation as authorized in this Article VII.  
Section 6.

The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.

The Foundation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Foundation, or who is or was serving at the request of the Foundation as a Director, officer, employee or agent of another Foundation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Foundation would have the power to indemnify such person against such liability under the provisions of this Article VII.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Foundation shall be set by resolution of the Board of Directors of the Foundation, or, in the absence of such resolution, it shall begin on the first day of July in each year and shall end on the last day of June in each year.

#### ARTICLE IX

##### WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these By-laws or under the provisions of the Articles of Incorporation or under the provisions of the statutes of the State of Illinois, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE X

##### AMENDMENTS

These By-laws may be altered, amended or repealed and new By-laws may be adopted at any meeting of the Board of Directors of the Foundation, for which written notice of the proposed alteration, amendment or repeal shall have been given, by a majority vote of the Directors present at the meeting.