

For calendar year 2017, or tax year beginning 01-01-2017, and ending 12-31-2017

Name of foundation Graham Foundation for Advanced Studies in the Fine Arts		A Employer identification number 36-2356089	
Number and street (or P O box number if mail is not delivered to street address) 4 West Burton Place		Room/suite	B Telephone number (see instructions) (312) 787-4071
City or town, state or province, country, and ZIP or foreign postal code Chicago, IL 606101416		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 46,387,922	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)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	280	280		
	4 Dividends and interest from securities	368,661	397,919		
	5a Gross rents	12,750	12,750		
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	815,939			
	b Gross sales price for all assets on line 6a				
		7,529,045			
	7 Capital gain net income (from Part IV, line 2)		1,448,335		
	8 Net short-term capital gain				
	9 Income modifications				
Operating and Administrative Expenses	10a Gross sales less returns and allowances	69,850			
	b Less Cost of goods sold	71,881			
	c Gross profit or (loss) (attach schedule)	-2,031			
	11 Other income (attach schedule)	0	56,235	0	
	12 Total. Add lines 1 through 11	1,195,599	1,915,519	0	
	13 Compensation of officers, directors, trustees, etc	182,726			182,726
	14 Other employee salaries and wages	346,689			346,689
	15 Pension plans, employee benefits	103,529			109,384
	16a Legal fees (attach schedule)	1,559	780	0	1,559
	b Accounting fees (attach schedule)	118,526	59,263	0	0
	c Other professional fees (attach schedule)	250,201	204,170	0	47,731
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	76,687	29,745	0	38,306
	19 Depreciation (attach schedule) and depletion	78,185	0	0	
	20 Occupancy	55,619			56,711
	21 Travel, conferences, and meetings	48,492			48,855
	22 Printing and publications	8,817			8,817
	23 Other expenses (attach schedule)	311,636	114,678	0	322,728
	24 Total operating and administrative expenses. Add lines 13 through 23	1,582,666	408,636	0	1,163,506
	25 Contributions, gifts, grants paid	1,059,138			950,518
	26 Total expenses and disbursements. Add lines 24 and 25	2,641,804	408,636	0	2,114,024
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-1,446,205			
	b Net investment income (if negative, enter -0-)		1,506,883		
	c Adjusted net income (if negative, enter -0-)			0	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	4,322,599	2,995,195	2,995,195
	2 Savings and temporary cash investments	350,731	351,011	351,011
	3 Accounts receivable ▶ <u>7,000</u>			
	Less allowance for doubtful accounts ▶ _____	1,244	7,000	7,000
	4 Pledges receivable ▶ _____			
	Less allowance for doubtful accounts ▶ _____	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶ _____ 0			
	Less allowance for doubtful accounts ▶ _____ 0	0	0	0
	8 Inventories for sale or use	25,621	39,247	39,247
	9 Prepaid expenses and deferred charges	27,279	40,453	40,453
	10a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	12,250,188	11,765,962	11,765,962
	c Investments—corporate bonds (attach schedule)	11,810,317	11,109,277	11,109,277
	Liabilities	11 Investments—land, buildings, and equipment basis ▶ _____ 0		
Less accumulated depreciation (attach schedule) ▶ _____ 0		0		0
12 Investments—mortgage loans				
13 Investments—other (attach schedule)		12,821,915	17,903,064	17,903,064
14 Land, buildings, and equipment basis ▶ <u>2,948,114</u>				
Less accumulated depreciation (attach schedule) ▶ <u>1,634,485</u>		1,297,298	1,313,629	2,123,507
15 Other assets (describe ▶ _____)		868	53,206	53,206
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		42,908,060	45,578,044	46,387,922
17 Accounts payable and accrued expenses		106,733	135,243	
18 Grants payable		40,000	160,000	
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	0	0	
	22 Other liabilities (describe ▶ _____)			
	23 Total liabilities (add lines 17 through 22)	146,733	295,243	
	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	40,043,385	42,374,920	
25 Temporarily restricted	1,667,942	1,857,881		
26 Permanently restricted	1,050,000	1,050,000		
Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.				
27 Capital stock, trust principal, or current funds				
28 Paid-in or capital surplus, or land, bldg , and equipment fund				
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances (see instructions)	42,761,327	45,282,801		
31 Total liabilities and net assets/fund balances (see instructions) .	42,908,060	45,578,044		

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	42,761,327
2 Enter amount from Part I, line 27a	2	-1,446,205
3 Other increases not included in line 2 (itemize) ▶ _____	3	3,967,679
4 Add lines 1, 2, and 3	4	45,282,801
5 Decreases not included in line 2 (itemize) ▶ _____	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	45,282,801

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)
1 a Partnership Investment Securities			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 1,448,335			1,448,335
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) 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	
a		0	1,448,335
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	1,448,335
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 { }	3	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 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))
2016	2,101,253	40,447,623	0 051950
2015	2,308,623	43,478,575	0 053098
2014	2,336,336	44,215,960	0 052839
2013	2,112,149	42,073,255	0 050202
2012	1,972,401	39,682,121	0 049705
2 Total of line 1, column (d)			0 257794
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			0 051559
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			42,380,934
5 Multiply line 4 by line 3			2,185,119
6 Enter 1% of net investment income (1% of Part I, line 27b)			15,069
7 Add lines 5 and 6			2,200,188
8 Enter qualifying distributions from Part XII, line 4			2,114,024

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	30,138
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	30,138
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	30,138
6	Credits/Payments		
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	97,878
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	97,878
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	67,740
11	Enter the amount of line 10 to be Credited to 2018 estimated tax 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	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>	2	No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	Yes
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	No
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	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
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? <i>If "No," attach explanation</i> .	8b	Yes
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 2017 or the taxable year beginning in 2017 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address www.GRAHAMFOUNDATION.ORG	13	Yes	
14	The books are in care of Sarah Herda Telephone no (312) 787-4071			

Located at **4 West Burton Chicago IL** ZIP+4 **60610**


15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year 15			
16	At any time during calendar year 2017, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶	16	Yes	No

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

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

1a	During the year did the foundation (either directly or indirectly)		Yes	No
(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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b		No
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 2017? <input type="checkbox"/>	1c		No
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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
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). <input type="checkbox"/>	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 ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 2017 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 2017). <input type="checkbox"/>	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2017?	4b		No

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

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions).	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	5b		No	
	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?				
	If "Yes," attach the statement required by Regulations section 53.4945–5(d) 	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?				
		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		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?				
		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b			

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1

List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
See Additional Data Table				

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	Title, and average hours per week (b) devoted to position	(c) Compensation	Contributions to employee benefit plans and deferred compensation (d)	Expense account, (e) other allowances
Ellen Alderman 4 West Burton Place Chicago, IL 606101416	Program Manager 40 000	70,019		0
Carolyn Kelly 4 West Burton Place Chicago, IL 606101416	Grants Manager 40 000	65,692		0
Ronald Konow 4 West Burton Place Chicago, IL 606101416	Facilities Manager 40 000	61,448		0
James Pike 4 West Burton Place Chicago, IL 606101416	Grant Project Mgr 40 000	51,000		0

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

0

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
KSMB Associates 624 Fairhope Glenview, IL 60025	Accounting Services	73,131

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

1

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	
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	
2	
All other program-related investments See instructions	
3	

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	35,978,329
b	Average of monthly cash balances.	1b	7,048,000
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	43,026,329
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	
3	Subtract line 2 from line 1d.	3	43,026,329
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	645,395
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	42,380,934
6	Minimum investment return. Enter 5% of line 5.	6	2,119,047

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	2,119,047
2a	Tax on investment income for 2017 from Part VI, line 5.	2a	30,138
b	Income tax for 2017 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	30,138
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	2,088,909
4	Recoveries of amounts treated as qualifying distributions.	4	11,380
5	Add lines 3 and 4.	5	2,100,289
6	Deduction from distributable amount (see instructions).	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	2,100,289

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	2,114,024
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	2,114,024
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	2,114,024

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				2,100,289
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only.			0	
b Total for prior years 20____, 2014, 2013		0		
3 Excess distributions carryover, if any, to 2017				
a From 2012.				0
b From 2013.				0
c From 2014.				120,485
d From 2015.				142,615
e From 2016.				84,267
f Total of lines 3a through e.	347,367			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ <u>2,114,024</u>				
a Applied to 2016, but not more than line 2a			0	
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 2017 distributable amount.				2,100,289
e Remaining amount distributed out of corpus	13,735			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))				0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	361,102			
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.				
d Subtract line 6c from line 6b Taxable amount—see instructions		0		
e Undistributed income for 2016 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions).	0			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	361,102			
10 Analysis of line 9				
a Excess from 2013.				0
b Excess from 2014.				120,485
c Excess from 2015.				142,615
d Excess from 2016.				84,267
e Excess from 2017.				13,735

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling. ▶					
b Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
	0	0	0		0
b 85% of line 2a	0	0	0		0
c Qualifying distributions from Part XII, line 4 for each year listed	2,114,024	2,111,716	0		4,225,740
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	2,114,024	2,111,716	0		4,225,740
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 organization 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))	
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	
2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:	
Check here <input type="checkbox"/> if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.	
a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed SARAH HERDA GRAHAM FOUNDATION 4 WEST BURTON CHICAGO, IL 606101416 (312) 787-4071	
b The form in which applications should be submitted and information and materials they should include SEE ATTACHED STATEMENT	
c Any submission deadlines SEE ATTACHED STATEMENT	
d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors SEE ATTACHED STATEMENT	

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
a <i>Paid during the year</i> SEE STATEMENT 4 West Burton Place CHICAGO, IL 60610	NONE	PC	PROGRAM SUPPORT	950,518
Total ► 3a				950,518
b <i>Approved for future payment</i> SEE STATEMENT 4 West Burton Place CHICAGO, IL 60610	NONE	PC	PROGRAM SUPPORT	160,000
Total ► 3b				160,000

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2017)

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

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

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

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.	***** 2018-11-12 Date	***** Title	May the IRS discuss this return with the preparer shown below (see instr)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer or trustee			

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Jacqueline Coburn				P00244301
	Firm's name ► CROWE LLP				Firm's EIN ► 35-0921680
	Firm's address ► 225 West Wacker Drive Suite 2600 Chicago, IL 606061224				Phone no (312) 899-7000

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
CHANDRA GOLDSMITH GRAY	President 3 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
DAVID BROWN	Vice President 3 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
ERIC MCKISSACK	Treasurer 3 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
RANDALL KROSZNER	Secretary 3 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
CRAIG BARTON	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
MICHELLE BOONE	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
JOHN RONAN	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
JOHN SYVERTSEN	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
YESOMI UMOLU	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
ROSS WIMER	TRUSTEE 1 000	0	0	0
4 West Burton Place Chicago, IL 606101416				
SARAH HERDA	EXECUTIVE DIRECTOR 40 000	169,191	13,535	0
4 West Burton Place Chicago, IL 606101416				

TY 2017 Accounting Fees Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Accounting Fees Schedule**

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	118,526	59,263	0	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2017 Depreciation Schedule

Name: Graham Foundation for Advanced Studies in the Fine Arts

EIN: 36-2356089

Software ID: 17005876

Software Version: 2017v2.2

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
Available Upon Request						78,185			

TY 2017 Investments Corporate Bonds Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Investments Corporate Bonds Schedule**

Name of Bond	End of Year Book Value	End of Year Fair Market Value
ABSOLUTE RETURN & FIXED INCOME	11,109,277	11,109,277

TY 2017 Investments Corporate Stock Schedule

Name: Graham Foundation for Advanced Studies in the Fine Arts

EIN: 36-2356089

Software ID: 17005876

Software Version: 2017v2.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
LARGE & SMALL CAP EQUITY	11,765,962	11,765,962

TY 2017 Investments - Other Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Investments Other Schedule 2**

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INTERNATIONAL EQUITY	FMV	8,530,376	8,530,376
HEDGED EQUITY	FMV	5,882,009	5,882,009
PRIVATE EQUITY	FMV	3,490,679	3,490,679

**TY 2017 Land, Etc.
Schedule****Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
LAND	86,951	0	86,951	86,951
BUILDINGS	2,397,173	1,316,417	1,080,756	1,890,634
EQUIPMENT	463,990	318,068	145,922	145,922
Other	0	0	0	0

TY 2017 Legal Fees Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	1,559	780	0	1,559

TY 2017 Other Assets Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Other Assets Schedule**

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
UNDEPOSITED FUNDS	868	53,206	53,206

TY 2017 Other Expenses Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Website/Internet	1,409	0	0	1,409
Stipends/Honoraria Speakers	25,030	0	0	25,030
Insurance	35,477	0	0	35,477
Postage & Shipping	38,444	0	0	42,154
Supplies	2,949	0	0	2,949
Grant Making Database Fees	16,996	0	0	16,996
Production	55,971	0	0	53,993
Dues & Subscriptions	9,864	0	0	9,775
Bank & Credit Card Fees	2,241	0	0	1,507
Office Equipment	6,225	0	0	6,225

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Advertising & Promotions	71,784	0	0	81,807
Reception & Hospitality	20,413	0	0	20,413
A/V & Documentation	11,802	0	0	11,802
Training	540	0	0	540
Planning & Research	1,218	0	0	1,218
Software Expenses	3,844	0	0	3,844
Miscellaneous Expenses	6,549	0	0	6,594
ADMINISTRATION FEE	544	0	0	544
Registration and Licenses	336	0	0	451
EXPENSES FROM FORMS K-1	0	114,678	0	0

TY 2017 Other Income Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
INCOME FROM FORMS K-1	0	56,235	0

TY 2017 Other Increases Schedule

Name: Graham Foundation for Advanced Studies in the Fine Arts

EIN: 36-2356089

Software ID: 17005876

Software Version: 2017v2.2

Description	Amount
Unrealized Gain	3,967,679

TY 2017 Other Professional Fees Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MANAGEMENT FEES	141,191	141,191		0
CUSTODIAL FEES	62,979	62,979		0
IT & GRAPHIC DESIGN FEES	16,099	0		17,799
CONSULTANT FEES	26,080	0		26,080
PAYROLL SERVICES	3,852	0		3,852

TY 2017 Sales Of Inventory Schedule

Name: Graham Foundation for Advanced Studies in the Fine Arts

EIN: 36-2356089

Software ID: 17005876

Software Version: 2017v2.2

Category	Gross Sales	Cost of Goods Sold	Net (Gross Sales Minus Cost of Goods Sold)
BOOK STORE SALES	88,478	71,881	-2,031

TY 2017 Taxes Schedule**Name:** Graham Foundation for Advanced Studies in the Fine Arts**EIN:** 36-2356089**Software ID:** 17005876**Software Version:** 2017v2.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PAYROLL TAX	38,296	0		38,296
FEDERAL EXCISE TAX	38,375	0		0
OTHER STATE TAXES	16	0		10
FOREIGN TAXES PAID	0	29,745		0

How to Apply For a Grant

Founded in 1956, the Graham Foundation for Advanced Studies in the Fine Arts makes project-based grants to individuals and organizations and produces public programs to foster the development and exchange of diverse and challenging ideas about architecture and its role in the arts, culture, and society.

The Graham Foundation's application for Grants to Organizations and for Grants to Individuals are open submission. There are two application deadlines a year: February 25 for Grants to Organizations and September 15 for Grants to Individuals. Grant decisions are announced approximately six months after the application deadline. The Graham Foundation also offers the Carter Manny Award for doctoral dissertations; the application deadline is November 15 and grant decisions are announced approximately 8 months after the application deadline.

Tax-exempt organizations must provide a copy of the IRS determination letter that indicates the particular paragraph of the Internal Revenue Code that governs their exempt activities. All grantees are required to submit annual progress reports and submit a final report upon completion of the project.

The Graham Foundation's grantmaking focus and priorities, grant guidelines, and application forms are available on its website: www.grahamfoundation.org.

Information on funded projects (grantee names, project titles, and relevant project information) is also available on the foundation website.

General Restrictions:

Ineligible costs include:

- Endowment
- General operating expenses
- Capital projects
- Scholarship aid or work in pursuit of an academic degree (advanced doctoral candidates are eligible to apply for the Carter Manny Award)
- Work focused on K-12 curriculum or learning and/or intended for K-12 audiences
- Debt or expenses incurred prior to the date of grant request

For more information please see the Graham Foundation website, www.grahamfoundation.org, or contact foundation staff at:

Graham Foundation for Advanced Studies in the Fine Arts
4 West Burton Place
Chicago, IL 60610
grantprograms@grahamfoundation.org
312-787-4071

Federal footnotes

Form 990PF, Part VII-B, 5C

Founded in 1956, the Graham Foundation for Advanced Studies in the Fine Arts makes project-based grants to individuals and organizations and produces public programs to foster the development and exchange of diverse and challenging ideas about architecture and its role in the arts, culture, and society.

The Graham Foundation offers the following types of grants: (1) Production and Presentation Grants to individuals and organization; (2) Research and Development Grants to individuals. The grant period of a Production and Presentation Grant is two years, and the grant period of a Research and Development Grant is one year. Within the grant period, grantees are expected to plan, implement, and close out their project by submitting progress reports, and acknowledge Graham Foundation support in all media. (3) Carter Manny Award for students enrolled in doctoral programs in the U.S. and Canada.

All grantees must agree to and sign a grant agreement before grant funds are issued. The grant agreement stipulates:

A) Grant funds must be used only for the specific purpose of the grant, as stated in the grantee's application, and will be used only for the charitable, scientific, literary or educational purposes of the grantee. The grant purpose is subject to modification only with the written approval of the foundation.

B) Any extension of the project terms must be requested in writing to the Graham Foundation for approval.

C) Any funds not expended in accordance with the purpose of the grant must be returned to the foundation. Grantees acknowledge grant funds, up to an including the full amount of the grant, will be returned to the Graham Foundation if failure to comply with the grant agreement conditions occurs. Any unused grant funds must also be returned to the foundation.

D) Grantees agree to furnish written progress reports to the foundation at least once a year.

E) Upon project completion, grantees submit a final summary report and final project products, such as publications, exhibition catalogues, conference proceedings, new media (films, dvds, Podcasts), project images, and other printed media such as press releases, reviews, and

announcements.

F) The foundation retains the right to monitor and conduct evaluations of grants, which may include a visit by foundation personnel to observe grantees' programs, discussion of the project with grantees, and review of grantees' financial and other records and materials connected with the activities financed by this grant.

Federal footnotes

The interim and final reports outline the manner in which the grant funds were spent and the progress made in accomplishing the grant's purposes, including but not limited to: a current project budget that accounts for how Graham Foundation grant funds were expended for the grant's purposes; a description of the progress to date toward the project's objectives, eg. major activities and their outcomes or factors that hindered or accelerated the project progress; a description of any collateral research or activity which has resulted from the award; a description of the current work plan and schedule.

Reporting requirements are monitored by foundation staff and tracked in a grant management database. Interim reports, final reports, and final products are reviewed by the foundation's program officer and executive director and are maintained in each grantee's record.