

## ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT

Form AG990-IL  
Revised 3/05

PMT #	347941
AMT	#15 DE
INIT	EW

Attorney General LISA MADIGAN State of Illinois  
Charitable Trust Bureau, 100 West Randolph  
11th Floor, Chicago, Illinois 60601

CO # 01-041967

Report for the Fiscal Period:

Beginning 01/01/2016

& Ending 12/31/2016  
MO DAY YR

Make Checks  
Payable to  
the Illinois  
Charity  
Bureau Fund

Check all items attached:  
☒ Copy of IRS Return  
☒ Audited Financial Statements  
☐ Copy of Form IFC  
☐ \$15.00 Annual Report Filing Fee  
☐ \$100.00 Late Report Filing Fee

MO DAY YR

Federal ID # 41-2057028

Are contributions to the organization tax deductible?

☒ Yes ☐ NoDate Organization was created: 06/06/2002  
MO DAY YR

LEGAL NAME ILLINOIS POLICY INSTITUTE MAIL ADDRESS 190 S. LASALLE STREET, NO. 1500 CITY, STATE CHICAGO, IL ZIP CODE 60603	Year-end amounts	
	A) ASSETS	A) \$ 946,389.
	B) LIABILITIES	B) \$ 5,000.
	C) NET ASSETS	C) \$ 941,389.
<b>I. SUMMARY OF ALL REVENUE ITEMS DURING THE YEAR:</b>	PERCENTAGE	AMOUNT
D) PUBLIC SUPPORT, CONTRIBUTIONS & PROGRAM SERVICE REV. (GROSS AMTS.)	99.997%	D) \$ 6,592,669.
E) GOVERNMENT GRANTS & MEMBERSHIP DUES	%	E) \$
F) OTHER REVENUES	0.003%	F) \$ 201.
G) TOTAL REVENUE, INCOME AND CONTRIBUTIONS RECEIVED (ADD D, E, & F)	100 %	G) \$ 6,592,870.
<b>II. SUMMARY OF ALL EXPENDITURES DURING THE YEAR:</b>		
H) OPERATING CHARITABLE PROGRAM EXPENSE	70.758%	H) \$ 4,926,905.
I) EDUCATION PROGRAM SERVICE EXPENSE	%	I) \$
J) TOTAL CHARITABLE PROGRAM SERVICE EXPENSE (ADD H & I)	70.758%	J) \$ 4,926,905.
K) JOINT COSTS ALLOCATED TO PROGRAM SERVICES (INCLUDED IN J):		\$
K) GRANTS TO OTHER CHARITABLE ORGANIZATIONS	15.986%	K) \$ 1,113,121.
L) TOTAL CHARITABLE PROGRAM SERVICE EXPENDITURE (ADD J & K)	86.744%	L) \$ 6,040,026.
M) MANAGEMENT AND GENERAL EXPENSE	4.282%	M) \$ 298,140.
N) FUNDRAISING EXPENSE	8.975%	N) \$ 624,901.
O) TOTAL EXPENDITURES THIS PERIOD (ADD L, M, & N)	100 %	O) \$ 6,963,067.
<b>III. SUMMARY OF ALL PAID FUNDRAISER AND CONSULTANT ACTIVITIES:</b> (Attach Attorney General Report of Individual Fundraising Campaign- Form IFC. One for each PFR.) <b>PROFESSIONAL FUNDRAISERS:</b>		
P) TOTAL AMOUNT RAISED BY PAID PROFESSIONAL FUNDRAISERS	100 %	P) \$ 0.
Q) TOTAL FUNDRAISERS FEES AND EXPENSES	%	Q) \$
R) NET RECEIVED BY THE CHARITY (P MINUS Q=R)	%	R) \$
<b>PROFESSIONAL FUNDRAISING CONSULTANTS:</b>		
S) TOTAL AMOUNT PAID TO PROFESSIONAL FUNDRAISING CONSULTANTS		S) \$ 0.
<b>IV. COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR:</b>		
T) NAME, TITLE: ORGANIZATION DOES NOT HAVE PAYROLL EXPENSE		T) \$
U) NAME, TITLE:		U) \$
V) NAME, TITLE:		V) \$
<b>V. CHARITABLE PROGRAM DESCRIPTION:</b> CHARITABLE PROGRAM (3 HIGHEST BY \$ EXPENDED) CODE CATEGORIES	List on back side of instructions CODE	
W) DESCRIPTION: OTHER EDUCATIONAL MATERIALS FOR THE PUBLIC	W) #	012
X) DESCRIPTION:	X) #	
Y) DESCRIPTION:	Y) #	

RECEIVED  
Attorney General's Office

NOV 15 2017

Charitable Trust



**IF THE ANSWER TO ANY OF THE FOLLOWING IS YES, ATTACH A DETAILED EXPLANATION:**

	YES	NO
1. WAS THE ORGANIZATION THE SUBJECT OF ANY COURT ACTION, FINE, PENALTY OR JUDGMENT? .....		X
2. HAS THE ORGANIZATION OR A CURRENT DIRECTOR, TRUSTEE, OFFICER OR EMPLOYEE THEREOF, EVER BEEN CONVICTED BY ANY COURT OF ANY MISDEMEANOR INVOLVING THE MISUSE OR MISAPPROPRIATION OF FUNDS OR ANY FELONY? .....		X
3. DID THE ORGANIZATION MAKE A GRANT AWARD OR CONTRIBUTION TO ANY ORGANIZATION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES OWNS AN INTEREST; OR WAS IT A PARTY TO ANY TRANSACTION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES HAS A MATERIAL FINANCIAL INTEREST; OR DID ANY OFFICER, DIRECTOR OR TRUSTEE RECEIVE ANYTHING OF VALUE NOT REPORTED AS COMPENSATION? .....		X
4. HAS THE ORGANIZATION INVESTED IN ANY CORPORATE STOCK IN WHICH ANY OFFICER, DIRECTOR OR TRUSTEE OWNS MORE THAN 10% OF THE OUTSTANDING SHARES? .....		X
5. IS ANY PROPERTY OF THE ORGANIZATION HELD IN THE NAME OF OR COMMINGLED WITH THE PROPERTY OF ANY OTHER PERSON OR ORGANIZATION? .....		X
6. DID THE ORGANIZATION USE THE SERVICES OF A PROFESSIONAL FUNDRAISER? (ATTACH FORM IFC) .....		X
7a. DID THE ORGANIZATION ALLOCATE THE COST OF ANY SOLICITATION, MAILING, ADVERTISEMENT OR LITERATURE COSTS BETWEEN PROGRAM SERVICE AND FUNDRAISING EXPENSES? .....		X
7b. IF "YES", ENTER (i) THE AGGREGATE AMOUNT OF THESE JOINT COSTS \$ ..... ; (ii) THE AMOUNT ALLOCATED TO PROGRAM SERVICES \$ ..... ; (iii) THE AMOUNT ALLOCATED TO MANAGEMENT AND GENERAL \$ ..... ; AND (iv) THE AMOUNT ALLOCATED TO FUNDRAISING \$ .....		
8. DID THE ORGANIZATION EXPEND ITS RESTRICTED FUNDS FOR PURPOSES OTHER THAN RESTRICTED PURPOSES? .....		X
9. HAS THE ORGANIZATION EVER BEEN REFUSED REGISTRATION OR HAD ITS REGISTRATION OR TAX EXEMPTION SUSPENDED OR REVOKED BY ANY GOVERNMENTAL AGENCY? .....		X
10. WAS THERE OR DO YOU HAVE ANY KNOWLEDGE OF ANY KICKBACK, BRIBE, OR ANY THEFT, DEFALCATION, MISAPPROPRIATION, COMMINGLING OR MISUSE OF ORGANIZATIONAL FUNDS? .....		X
11. LIST THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTIONS WHERE THE ORGANIZATION MAINTAINS ITS THREE LARGEST ACCOUNTS:		
<u>CHASE BANK, NA - WILMETTE, IL 60091</u>		
<u>CHARLES SCHWAB &amp; CO. - WILMETTE, IL 60091</u>		
12. NAME AND TELEPHONE NUMBER OF CONTACT PERSON: <u>JOHN BERGQUIST - 312-346-5700</u>		

**ALL ATTACHMENTS MUST ACCOMPANY THIS REPORT - SEE INSTRUCTIONS**

UNDER PENALTY OF PERJURY, I (WE) THE UNDERSIGNED DECLARE AND CERTIFY THAT I (WE) HAVE EXAMINED THIS ANNUAL REPORT AND THE ATTACHED DOCUMENTS, INCLUDING ALL THE SCHEDULES AND STATEMENTS AND THE FACTS THEREIN STATED ARE TRUE AND COMPLETE AND FILED WITH THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF HAVING THE PEOPLE OF THE STATE OF ILLINOIS RELY THEREUPON. I HEREBY FURTHER AUTHORIZE AND AGREE TO SUBMIT MYSELF AND THE REGISTRANT HEREBY TO THE JURISDICTION OF THE STATE OF ILLINOIS.

**BE SURE TO INCLUDE ALL FEES DUE:**

- 1.) REPORTS ARE DUE WITHIN SIX MONTHS OF YOUR FISCAL YEAR END.
- 2.) FOR FEES DUE SEE INSTRUCTIONS.
- 3.) REPORTS THAT ARE LATE OR INCOMPLETE ARE SUBJECT TO A \$100.00 PENALTY.



EXTENDED TO NOVEMBER 15, 2017

Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2016**Open to Public  
Inspection

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**A** For the 2016 calendar year, or tax year beginning and ending**B** Check if applicable:

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Final return/terminated  
☐ Amended return  
☐ Application pending

**C** Name of organization

ILLINOIS POLICY INSTITUTE

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

190 S. LASALLE STREET

Room/suite

1500

City or town, state or province, country, and ZIP or foreign postal code

CHICAGO, IL 60603

**F** Name and address of principal officer: JOHN TILLMAN

SAME AS C ABOVE

**D** Employer identification number

41-2057028

**E** Telephone number

312-346-5700

**G** Gross receipts \$

6,593,447.

**H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.ILLINOISPOLICY.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 2002 **M** State of legal domicile: IL**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <u>THE INSTITUTE IS A FREE MARKET ORIENTED THINK TANK DEDICATED TO GATHERING, DISSEMINATING, AND</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	7
	5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	162,170.
b Net unrelated business taxable income from Form 990-T, line 34	7b	-47,201.	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)	Prior Year 5,818,605.	Current Year 6,430,499.
	9 Program service revenue (Part VIII, line 2g)	0.	162,170.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	187.	-45.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	750.	246.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,819,542.	6,592,870.
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	178,500.	1,113,121.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,547,901.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 624,901.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,245,503.	5,849,946.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,971,904.	6,963,067.
19 Revenue less expenses. Subtract line 18 from line 12	847,638.	-370,197.	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16)	Beginning of Current Year 1,311,586.	End of Year 946,389.
	21 Total liabilities (Part X, line 26)	0.	5,000.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,311,586.	941,389.

**Part II Signature Block**

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 officer) is based on all information of which preparer has any knowledge.

Sign  
HerePaid  
Preparer  
Use OnlyMay the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No



**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

**THE INSTITUTE IS A FREE MARKET ORIENTED THINK TANK DEDICATED TO GATHERING, DISSEMINATING, AND EDUCATING ILLINOIS CONSTITUENTS ON LOCAL, STATE, AND FEDERAL PUBLIC POLICY ISSUES FACING ILLINOIS.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ 5,974,000. including grants of \$ 1,113,121. ) (Revenue \$ )

**ILLINOIS POLICY INSTITUTE CONDUCTS RESEARCH ON A VARIETY OF ISSUES, INCLUDING FISCAL MATTERS, EDUCATION POLICY, AND GOVERNMENT REFORM. THE INSTITUTE SHARES ITS FINDINGS WITH RELEVANT AUDIENCES VIA POLICY PAPERS, MEDIA APPEARANCES, SPEAKING ENGAGEMENTS, AND OTHER PUBLIC FORUMS. ALL OF THE INSTITUTE'S RESEARCH IS DESIGNED TO BETTER EDUCATE AND BENEFIT ILLINOIS RESIDENTS, TAXPAYERS, MEDIA, AND GOVERNMENT OFFICIALS ON THE POLICIES CONFRONTING ILLINOIS.**

**4b** (Code: ) (Expenses \$ 66,026. including grants of \$ ) (Revenue \$ )

**EDUCATIONAL SEMINARS ON THE PUBLIC POLICIES OF ILLINOIS.**

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **6,040,026.**



**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X

Form 990 (2016)



**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Form 990 (2016)



**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	<b>1a</b> 39	
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b> 0	
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b> X	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b> 0	
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	<b>2b</b>	
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b> X	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O	<b>3b</b> X	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	X
<b>b</b> If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10 Section 501(c)(7) organizations.</b> Enter:		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11 Section 501(c)(12) organizations.</b> Enter:		
<b>a</b> Gross income from members or shareholders	<b>11a</b>	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>	
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>	

Form 990 (2016)



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒

### Section A. Governing Body and Management

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	8													
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.														
b Enter the number of voting members included in line 1a, above, who are independent		7												
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2											X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				3										X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?					4									X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?						5								X
6 Did the organization have members or stockholders?							6							X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?								7a						X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?									7b					X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
a The governing body?										8a	X			
b Each committee with authority to act on behalf of the governing body?											8b	X		
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O												9		X

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	10a	10b	11a	12a	12b	12c	13	14	15a	15b	16a	16b	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a													X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		10b												
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?			11a	X										
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.														
12a Did the organization have a written conflict of interest policy? If "No," go to line 13				12a	X									
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?					12b	X								
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done						12c	X							
13 Did the organization have a written whistleblower policy?							13	X						
14 Did the organization have a written document retention and destruction policy?								14	X					
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?														
a The organization's CEO, Executive Director, or top management official									15a	X				
b Other officers or key employees of the organization										15b	X			
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).														
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?											16a			X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?												16b		

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **IL**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: **JOHN BERGQUIST - 312-346-5700**  
**190 S. LASALLE STREET #1500, CHICAGO, IL 60603**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN TILLMAN CEO, BOARD DIRECTOR	10.00 30.50	X		X				0.	284,500.	31,286.
(2) STEVE BROWN SECRETARY AND TREASURER	1.00	X						0.	0.	0.
(3) BETH CHRISTIE BOARD DIRECTOR	1.00	X						0.	0.	0.
(4) RICHARD T. WEISS BOARD DIRECTOR	1.00	X						0.	0.	0.
(5) MARK MILLER BOARD DIRECTOR	1.00	X						0.	0.	0.
(6) ED BACHRACH BOARD DIRECTOR	1.00	X						0.	0.	0.
(7) CRAIG MANSKE BOARD DIRECTOR	1.00	X						0.	0.	0.
(8) ART MARGULIS BOARD DIRECTOR	1.00	X						0.	0.	0.
(9) KRISTINA RASMUSSEN PRESIDENT	6.00 34.00			X				0.	295,250.	33,630.
(10) THADDEUS DABROWSKI VICE PRESIDENT-POLICY	16.00 24.00			X				0.	176,320.	34,608.
(11) RYAN GREEN VICE PRESIDENT-MARKETING	12.00 28.00			X				0.	126,906.	11,758.
(12) MICHAEL LUCCI VICE PRESIDENT-POLICY	16.00 24.00			X				0.	123,094.	127.
(13) MATTHEW PAPROCKI SENIOR VICE PRESIDENT	4.00 36.00			X				0.	193,125.	24,403.
(14) DIANA RICKERT VICE PRESIDENT-COMMUNICATI	20.00 20.00			X				0.	122,875.	10,483.
(15) EMILY MCCALLISTER VICE PRESIDENT-EXTERNAL RE	20.00 20.00			X				0.	134,660.	4,479.
(16) JOHN BERGQUIST VICE PRESIDENT-ADMIN & CFO	26.00 14.00			X				0.	127,487.	20,182.



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position <small>(do not check more than one box, unless person is both an officer and a director/trustee)</small>						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total .....</b>								<b>0.</b>	<b>1,584,217.</b>	<b>170,956.</b>
<b>c Total from continuation sheets to Part VII, Section A .....</b>								<b>0.</b>	<b>0.</b>	<b>0.</b>
<b>d Total (add lines 1b and 1c) .....</b>								<b>0.</b>	<b>1,584,217.</b>	<b>170,956.</b>

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶

## Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
FACEBOOK		
1 HACKER WAY, MENLO PARK, CA 94025	SOCIAL MEDIA	322,281.
UPSTREAM IDEAS LLC		
554 ELM STREET, GLEN ELLYN, IL 60137	MARKETING	244,260.
MORGAN, MEREDITH & ASSOCIATES, 22780		
INDIAN CREEK DR, STE 100, STERLING, VA	MARKETING	172,570.
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		3



**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII ☐

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f 6,430,499.			
	g Noncash contributions included in lines 1a-1f: \$	140,860.			
	h Total. Add lines 1a-1f	6,430,499.			
Program Service Revenue	2 a RADIO NETWORK	Business Code 515100	162,170.	162,170.	
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f	162,170.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		5.	
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6 a Gross rents		(i) Real (ii) Personal			
b Less: rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)					
7 a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other 527.			
b Less: cost or other basis and sales expenses		577.			
c Gain or (loss)		-50.			
d Net gain or (loss)			-50.	-50.	
8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		a			
b Less: direct expenses		b			
c Net income or (loss) from fundraising events					
9 a Gross income from gaming activities. See Part IV, line 19		a			
b Less: direct expenses		b			
c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances		a			
b Less: cost of goods sold		b			
c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code			
11 a MISCELLANEOUS	900099	246.		246.	
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		246.			
12 Total revenue. See instructions.		6,592,870.	-50.	162,170.	251.



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	1,113,121.	1,113,121.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal	60,886.	38,865.	22,001.	20.
c Accounting	10,586.		10,586.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	606,932.	519,375.	16,095.	71,462.
12 Advertising and promotion				
13 Office expenses	168,632.	138,875.	19,999.	9,758.
14 Information technology				
15 Royalties				
16 Occupancy	305,467.	259,291.	16,761.	29,415.
17 Travel	93,625.	80,175.	1,768.	11,682.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	67,348.	66,865.		483.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	44,973.		44,973.	
23 Insurance	11,452.		11,452.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>WAGES AND SALARIES-PAID</b>	2,539,868.	2,194,730.	121,814.	223,324.
b <b>MARKETING</b>	1,206,819.	1,013,143.		193,676.
c <b>EMPLOYEE BENEFITS-PAID</b>	220,908.	179,897.	20,063.	20,948.
d <b>PAYROLL TAXES-PAID THRO</b>	191,155.	165,293.	9,235.	16,627.
e All other expenses	321,295.	270,396.	3,393.	47,506.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	6,963,067.	6,040,026.	298,140.	624,901.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ If following SOP 98-2 (ASC 958-720)



**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing .....	722,192.	1	360,457.
	2 Savings and temporary cash investments .....		2	20,860.
	3 Pledges and grants receivable, net .....		3	
	4 Accounts receivable, net .....		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		6	
	7 Notes and loans receivable, net .....		7	
	8 Inventories for sale or use .....		8	
	9 Prepaid expenses and deferred charges .....		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 58,291.		
	b Less: accumulated depreciation .....	10b 38,576.	6,704.	10c 19,715.
	11 Investments - publicly traded securities .....		11	
	12 Investments - other securities. See Part IV, line 11 .....		12	
	13 Investments - program-related. See Part IV, line 11 .....		13	
	14 Intangible assets .....		14	522,667.
	15 Other assets. See Part IV, line 11 .....	582,690.	15	22,690.
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	1,311,586.	16	946,389.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses .....		17	
	18 Grants payable .....		18	
	19 Deferred revenue .....		19	
	20 Tax-exempt bond liabilities .....		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22	
	23 Secured mortgages and notes payable to unrelated third parties .....		23	
	24 Unsecured notes and loans payable to unrelated third parties .....		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	0.	25	5,000.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	0.	26	5,000.
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
27 Unrestricted net assets .....		1,048,870.	27	393,601.
28 Temporarily restricted net assets .....		262,716.	28	547,788.
29 Permanently restricted net assets .....			29	
<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
30 Capital stock or trust principal, or current funds .....			30	
31 Paid-in or capital surplus, or land, building, or equipment fund .....			31	
32 Retained earnings, endowment, accumulated income, or other funds .....			32	
33 <b>Total net assets or fund balances</b> .....		1,311,586.	33	941,389.
34 <b>Total liabilities and net assets/fund balances</b> .....		1,311,586.	34	946,389.

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**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,592,870.
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,963,067.
3	Revenue less expenses. Subtract line 2 from line 1	3	-370,197.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,311,586.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	941,389.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☒

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other <b>MODIFIED CASH</b> If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2016)



Department of the Treasury  
Internal Revenue Service

## Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.**

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

2016

**Open to Public Inspection**

Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number

41-2057028

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part.) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations \_\_\_\_\_
- g Provide the following information about the supported organization(s). \_\_\_\_\_

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

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**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	3,685,228.	3,416,717.	3,528,656.	5,818,605.	6,430,499.	22,879,705.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 <b>Total.</b> Add lines 1 through 3 .....	3,685,228.	3,416,717.	3,528,656.	5,818,605.	6,430,499.	22,879,705.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						10,348,210.
6 <b>Public support.</b> Subtract line 5 from line 4.						12,531,495.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4 .....	3,685,228.	3,416,717.	3,528,656.	5,818,605.	6,430,499.	22,879,705.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	6,089.	5,506.	-431.	187.	-45.	11,306.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....	1,625.	1,983.	6,850.	750.	246.	11,454.
11 <b>Total support.</b> Add lines 7 through 10						22,902,465.
12 Gross receipts from related activities, etc. (see instructions) .....					12	8,430.
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) .....	14	54.72	%
15 Public support percentage from 2015 Schedule A, Part II, line 14 .....	15	55.34	%
16a <b>33 1/3% support test - 2016.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input checked="" type="checkbox"/>
b <b>33 1/3% support test - 2015.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
17a <b>10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
b <b>10% -facts-and-circumstances test - 2015.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....			<input type="checkbox"/>
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....			<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2016



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
6 Total. Add lines 1 through 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
c Add lines 7a and 7b .....						
8 Public support. (Subtract line 7c from line 6.) .....						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
13 Total support. (Add lines 9, 10c, 11, and 12.) .....						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐ **►**

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15 .....	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17 .....	18	%

19a 33 1/3% support tests - 2016. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐ **►**

b 33 1/3% support tests - 2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐ **►**

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐ **►**



**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in <b>Part VI</b> when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in <b>Part VI</b> what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in <b>Part VI</b> what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in <b>Part VI</b> , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in <b>Part VI</b> .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in <b>Part VI</b> .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in <b>Part VI</b> .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in <b>Part VI</b> .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		



**Part IV Supporting Organizations** (continued)

- 11 Has the organization accepted a gift or contribution from any of the following persons?
- a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
- b A family member of a person described in (a) above?
- c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.

	Yes	No
11a		
11b		
11c		

**Section B. Type I Supporting Organizations**

- 1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

**Section C. Type II Supporting Organizations**

- 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

**Section D. All Type III Supporting Organizations**

- 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

**Section E. Type III Functionally Integrated Supporting Organizations**

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a ☐ The organization satisfied the Activities Test. Complete line 2 below.
- b ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.
- c ☐ The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

**2 Activities Test. Answer (a) and (b) below.**

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.

	Yes	No
2a		

- b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

2b		
----	--	--

**3 Parent of Supported Organizations. Answer (a) and (b) below.**

- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.
- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

3a		
3b		



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

**Section A - Adjusted Net Income**

		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

**Section B - Minimum Asset Amount**

		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

**Section C - Distributable Amount**

			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2016



**Part V** Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions			Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes		
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity		
3	Administrative expenses paid to accomplish exempt purposes of supported organizations		
4	Amounts paid to acquire exempt-use assets		
5	Qualified set-aside amounts (prior IRS approval required)		
6	Other distributions (describe in Part VI). See instructions		
7	<b>Total annual distributions.</b> Add lines 1 through 6		
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions		
9	Distributable amount for 2016 from Section C, line 6		
10	Line 8 amount divided by Line 9 amount		

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2016	(iii) Distributable Amount for 2016
1			
2			
3			
a			
b			
c			
d			
e			
f			
g			
h			
i			
j			
4			
a			
b			
c			
5			
6			
7			
8			
a			
b			
c			
d			
e			

Schedule A (Form 990 or 990-EZ) 2016



## Part VI

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)



**SCHEDULE C**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

**If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

**ILLINOIS POLICY INSTITUTE**

Employer identification number

**41-2057028**

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ..... ▶ \$

3 Volunteer hours for political campaign activities ..... ▶

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ..... ☐ Yes ☐ No

4a Was a correction made? ..... ☐ Yes ☐ No

b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527  
exempt function activities ..... ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL,  
line 17b ..... ▶ \$

4 Did the filing organization file Form 1120-POL for this year? ..... ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2016

LHA

632041 11-10-16



**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

**A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying) .....		0.													
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....		0.													
<b>c</b> Total lobbying expenditures (add lines 1a and 1b) .....		0.													
<b>d</b> Other exempt purpose expenditures .....		6,963,067.													
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d) .....		6,963,067.													
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.		498,153.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f) .....		124,538.													
<b>h</b> Subtract line 1g from line 1a. If zero or less, enter -0- .....		0.													
<b>i</b> Subtract line 1f from line 1c. If zero or less, enter -0- .....		0.													
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No													

**4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
<b>2a</b> Lobbying nontaxable amount	304,551.	342,801.	395,895.	498,153.	1,541,400.
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					2,312,100.
<b>c</b> Total lobbying expenditures	25,777.				25,777.
<b>d</b> Grassroots nontaxable amount	76,138.	85,700.	98,974.	124,538.	385,350.
<b>e</b> Grassroots ceiling amount (150% of line 2d, column(e))					578,025.
<b>f</b> Grassroots lobbying expenditures	20,861.				20,861.

Schedule C (Form 990 or 990-EZ) 2016



**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3		

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

**Part IV** Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.



**SCHEDULE D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes" on Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990.▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**Open to Public  
Inspection

Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number

41-2057028

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the

organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2016



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Temporarily restricted endowment ☐ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations ☐ Yes ☐ No

(ii) related organizations ☐ Yes ☐ No

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐ Yes ☐ No

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		47,891.	28,176.	19,715.
e Other		10,400.	10,400.	0.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (6), line 10c.)				19,715.

Schedule D (Form 990) 2016



**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A) .....		
(B) .....		
(C) .....		
(D) .....		
(E) .....		
(F) .....		
(G) .....		
(H) .....		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) .....		
(2) .....		
(3) .....		
(4) .....		
(5) .....		
(6) .....		
(7) .....		
(8) .....		
(9) .....		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) .....	
(2) .....	
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) TEMPORARY LOAN PAYABLE	5,000.
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	
	5,000.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	6,592,870.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	6,592,870.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	6,592,870.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	6,963,067.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	6,963,067.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	6,963,067.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE ORGANIZATION BELIEVES IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE FEDERAL AND ILLINOIS EXEMPT ORGANIZATION TAX RETURNS ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE AND STATE AUTHORITIES, GENERALLY FOR THREE YEARS AFTER THEY WERE FILED.



**SCHEDULE I**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

**ILLINOIS POLICY INSTITUTE**

Employer identification number

**41-2057028**

**Part I** General Information on Grants and Assistance

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....

☒ Yes ☐ No

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II** Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
LIBERTY JUSTICE CENTER 190 S LASALLE STREET #1500 CHICAGO, IL 60603	45-4204425	501(C)(3)	194,000.	0.	N/A	N/A	GRANT TO OTHER ORGANIZATION THAT SHARES THE SAME PRINCIPLES AS ILLINOIS POLICY
THINK FREELY MEDIA 180 W ADAMS STREET 6TH FLOOR CHICAGO, IL 60603	27-1110796	501(C)(3)	295,332.	0.	N/A	N/A	GRANT TO OTHER ORGANIZATION THAT SHARES THE SAME PRINCIPLES AS ILLINOIS POLICY
PROJECT SIX 222 N LASALLE STREET #800 CHICAGO, IL 60601	81-2327719	501(C)(3)	623,789.	0.	N/A	N/A	GRANT TO OTHER ORGANIZATION THAT SHARES THE SAME PRINCIPLES AS ILLINOIS POLICY

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table .....

**3** Enter total number of other organizations listed in the line 1 table .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2016)



**Part III**

**Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

**PART I, LINE 2:**

ALL SPENDING IS MONITORED THROUGH THE ACCOUNTING SOFTWARE AND PROJECT  
MANAGEMENT TOOLS. A NARRATIVE SUMMARY IS ALSO KEPT OF ALL PROJECTS.



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

**ILLINOIS POLICY INSTITUTE**

Employer identification number

**41-2057028**

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....

- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee          | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant        | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

- 4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 5a or 5b, describe in Part III.

- 6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.

- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....

- 8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016



**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOHN TILLMAN CEO, BOARD DIRECTOR	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	184,500.	100,000.	0.	15,500.	15,786.	315,786.	0.
(2) KRISTINA RASMUSSEN PRESIDENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	213,750.	81,500.	0.	12,500.	21,130.	328,880.	0.
(3) THADDEUS DABROWSKI VICE PRESIDENT-POLICY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	176,320.	0.	0.	15,500.	19,108.	210,928.	0.
(4) MATTHEW PAPROCKI SENIOR VICE PRESIDENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	193,125.	0.	0.	12,500.	11,903.	217,528.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



## Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

OMB No. 1545-0047

**2016**

Open To Public  
Inspection

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number

41-2057028

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art .....				
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....				
5 Clothing and household goods .....				
6 Cars and other vehicles .....				
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....	X	3	20,860.	FAIR MARKET VALUE
10 Securities - Closely held stock .....				
11 Securities - Partnership, LLC, or trust interests .....				
12 Securities - Miscellaneous .....				
13 Qualified conservation contribution - Historic structures .....				
14 Qualified conservation contribution - Other .....				
15 Real estate - Residential .....				
16 Real estate - Commercial .....				
17 Real estate - Other .....				
18 Collectibles .....				
19 Food inventory .....				
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( <u>SOCIAL MEDIA</u> )	X	1	120,000.	FAIR MARKET VALUE
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement .....

29

0

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it  
must hold for at least three years from the date of the initial contribution, and which isn't required to be used for  
exempt purposes for the entire holding period? .....

Yes No

30a X

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions? .....

31 X

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions? .....

32a X

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2016)



**Part II**

**Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

**SCHEDULE M, LINE 32B:**

**CHARLES SCHWAB IS USED TO SELL PUBLICLY TRADED STOCK THAT IS DONATED.**



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number  
41-2057028

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

EDUCATING ILLINOIS CONSTITUENTS ON LOCAL, STATE, AND FEDERAL PUBLIC  
POLICY ISSUES FACING ILLINOIS.

**FORM 990, PART VI, SECTION B, LINE 11B:**

PRIOR TO SUBMISSION TO THE IRS, FORM 990 IS PROVIDED TO THE PRINCIPAL  
OFFICER AND GOVERNING BODY OF THE ORGANIZATION FOR REVIEW.

**FORM 990, PART VI, SECTION B, LINE 12C:**

THE ORGANIZATION REVIEWS THE CONFLICT OF INTEREST POLICY ONCE A YEAR WITH  
THE BOARD OF DIRECTORS & EMPLOYEES AND INQUIRES OF ANY MATERIAL CHANGES.

**FORM 990, PART VI, SECTION B, LINE 15:**

COMPENSATION OF CEO IS DETERMINED BY AN EXAMINATION OF COMPARABLE DATA FOR  
OTHER CEO'S IN THE INDUSTRY COUNTRYWIDE AND IN THE CHICAGOLAND AREA. THE  
INFORMATION FROM THAT RESEARCH IS SHARED WITH THE BOARD OF DIRECTORS WHO  
THEN APPROVE COMPENSATION FOR THE CEO. NOTE THAT AN INDEPENDENT CONSULTANT  
IS NOT UTILIZED IN THE PROCESS.

FOR OTHER OFFICERS AND KEY EMPLOYEES THE COMPENSATION PROCESS IS THE SAME  
WITH THE CEO HAVING FULL DISCRETION AS DELEGATED BY THE BOARD OF DIRECTORS.

**FORM 990, PART VI, SECTION C, LINE 19:**

ALL GOVERNING DOCUMENTS, POLICIES, AND AUDITED FINANCIAL STATEMENTS WILL BE  
AVAILABLE UPON REQUEST.



Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number

41-2057028

## FORM 990, PART VII, COLUMN (B)

JOHN TILLMAN DEVOTES APPROXIMATELY .5 HOUR PER WEEK TO A RELATED ORGANIZATION, LIBERTY JUSTICE CENTER, AND APPROXIMATELY 30 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

KRISTINA RASMUSSEN DEVOTES APPROXIMATELY 34 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

THADDEUS DABROWSKI DEVOTES APPROXIMATELY 24 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

RYAN GREEN DEVOTES APPROXIMATELY 28 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

MICHAEL LUCCI DEVOTES APPROXIMATELY 24 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

MATTHEW PAPROCKI DEVOTES APPROXIMATELY 36 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

DIANA RICKERT DEVOTES APPROXIMATELY 20 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

EMILY MCCALLISTER DEVOTES APPROXIMATELY 20 HOURS PER WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

JOHN BERGQUIST DEVOTES APPROXIMATELY 2 HOURS PER WEEK TO A RELATED ORGANIZATION, LIBERTY JUSTICE CENTER, AND APPROXIMATELY 12 HOURS PER



Name of the organization

ILLINOIS POLICY INSTITUTE

Employer identification number

41-2057028

WEEK TO A RELATED ORGANIZATION, GOVERNMENT ACCOUNTABILITY ALLIANCE.

FORM 990, PART XII, LINE 1:

THE ORGANIZATION USES THE MODIFIED CASH BASIS OF ACCOUNTING. CERTAIN REVENUES ARE RECOGNIZED WHEN RECEIVED RATHER THAN WHEN EARNED AND CERTAIN EXPENSES ARE RECOGNIZED WHEN PAID RATHER THAN WHEN THE OBLIGATION IS INCURRED. MODIFICATIONS TO THE CASH BASIS OF ACCOUNTING INCLUDE RECORDING DEPRECIATION ON PROPERTY AND EQUIPMENT AND ACCRUING FOR PAYROLL TAXES, IF APPLICABLE.

FORM 990, PART XII, LINE 2C:

THERE HAS BEEN NO CHANGE IN THE PROCESS SINCE THE PRIOR YEAR.

ASSUMED NAMES OF ILLINOIS POLICY INSTITUTE:

COMMON SENSE WITH PAUL JACOB

GREAT COMMUNICATORS BOOT CAMP

ILLINOIS NEWS NETWORK

GIVE ME A CHOICE WAUKEGAN

ILLINOIS RADIO NETWORK



**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

► Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

**ILLINOIS POLICY INSTITUTE**

Employer identification number

**41-2057028**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
LIBERTY JUSTICE CENTER - 45-4204425 190 S LASALLE STREET, #1500 CHICAGO, IL 60603	TO ADVANCE ECONOMIC AND SOCIAL LIBERTIES AND A FREE ENTERPRISE SOCIETY	ILLINOIS	501(C)(3)	LINE 7	ILLINOIS POLICY INSTITUTE	X	
GOVERNMENT ACCOUNTABILITY ALLIANCE - 45-4204629, 190 S LASALLE STREET, #1500, CHICAGO, IL 60603	INDEPENDENT GOVERNMENT WATCHDOG ADVOCATING FOR THE PEOPLE OF ILLINOIS	ILLINOIS	501(C)(4)		ILLINOIS POLICY INSTITUTE	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2016



**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

[illegible]

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

[illegible]



**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>		X
<b>1b</b>	X	
<b>1c</b>		X
<b>1d</b>		X
<b>1e</b>		X
<b>1f</b>		X
<b>1g</b>		X
<b>1h</b>		X
<b>1i</b>		X
<b>1j</b>		X
<b>1k</b>		X
<b>1l</b>		X
<b>1m</b>		X
<b>1n</b>	X	
<b>1o</b>		X
<b>1p</b>	X	
<b>1q</b>		X
<b>1r</b>		X
<b>1s</b>		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) GOVERNMENT ACCOUNTABILITY ALLIANCE	P	2,951,931.	ACTUAL CASH
(2) LIBERTY JUSTICE CENTER	B	194,000.	ACTUAL CASH
(3) LIBERTY JUSTICE CENTER	N	65,062.	SEE PART VII
(4)			
(5)			
(6)			







**Part VII** Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

SCHEDULE R, PART V, LINE (2)(D)

THE AMOUNT OF SHARED FACILITIES IS DETERMINED BY THE SQUARE FOOTAGE  
USED BY LIBERTY JUSTICE CENTER.



## 2016 DEPRECIATION AND AMORTIZATION REPORT

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Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	FURNITURE & FIXTURES														
16	FURNITURE & FIXTURES	04/29/08	200DB	7.00	HY	17	8,602.		4,301.		4,301.	4,301.		0.	4,301.
23	FURNITURE & FIXTURES	05/14/09	SL	7.00		16	1,798.				1,798.	1,713.		85.	1,798.
	* 990 PAGE 10 TOTAL FURNITURE & FIXTURES						10,400.		4,301.		6,099.	6,014.		85.	6,099.
	MACHINERY & EQUIPMENT														
15	DESK	03/15/07	200DB	7.00	HY	17	215.				215.	215.		0.	215.
18	VIDEO CAMERA	03/31/08	200DB	5.00	HY	17	824.		412.		412.	412.		0.	412.
19	NIKON DIGITAL CAMERA	04/01/08	200DB	5.00	HY	17	703.		352.		351.	351.		0.	351.
22	FURNITURE & FIXTURES	06/12/08	200DB	7.00	HY	17	924.		462.		462.	462.		0.	462.
24	COMPUTER	02/10/12	200DB	5.00	HY	17	2,825.				2,825.	2,337.		325.	2,662.
25	COMPUTER	05/25/12	200DB	5.00	HY	17	3,448.				3,448.	2,852.		397.	3,249.
26	XEROX COPIER	06/12/12	200DB	5.00	HY	17	10,579.				10,579.	8,751.		1,219.	9,970.
27	PHONE SYSTEM-WW DATA SYSTEMS	05/01/14	200DB	5.00	HY	17	7,722.				7,722.	4,015.		1,483.	5,498.
28	VIDEO CAMERA	05/04/16	200DB	5.00	HY	19B	5,336.				5,336.			1,067.	1,067.
29	VIDEO CAMERA	05/04/16	200DB	5.00	HY	19B	10,833.				10,833.			2,167.	2,167.
30	CAMERA & VIDEO LIGHTING SYSTEM	03/21/16	200DB	5.00	HY	19B	4,483.				4,483.			897.	897.
33	CORSAIR COMPUTER	03/01/17	200DB	5.00	HY	19B	5,469.				5,469.			0.	
34	MACBOOK PRO	02/15/17	200DB	5.00	HY	19B	2,800.				2,800.			0.	



2016 DEPRECIATION AND AMORTIZATION REPORT

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Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
35	MACBOOK PRO	03/08/17	200DB	5.00	HY	19B	2,800.				2,800.			0.	
36	SERVER	05/01/17	200DB	5.00	HY	19B	4,763.				4,763.			0.	
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPMENT						63,724.		1,226.		62,498.	19,395.		7,555.	26,950.
	OTHER														
37	IL RADIO NETWORK GOODWILL	01/01/16	197	180M	HY	42	560,000.				560,000.			37,333.	37,333.
	* 990 PAGE 10 TOTAL OTHER						560,000.				560,000.	0.		37,333.	37,333.
	* GRAND TOTAL 990 PAGE 10 DEPR & AMORT						634,124.		5,527.		628,597.	25,409.		44,973.	70,382.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						37,640.			0.	32,113.	25,409.			28,918.
	ACQUISITIONS						580,652.			0.	580,652.	0.			41,464.
	DISPOSITIONS						0.			0.	0.	0.			0.
	ENDING BALANCE						618,292.			0.	612,765.	25,409.			70,382.
	ENDING ACCUM DEPR											75,909.			
	ENDING BOOK VALUE											542,383.			



**Illinois Policy**  
**Financial Report**  
**December 31, 2016**



# **Illinois Policy**

## **Contents December 31, 2016**

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## **Independent Auditor's Report**

To the Board of Directors of  
Illinois Policy, Illinois Policy Institute and Government Accountability Alliance  
Chicago, Illinois

We have audited the accompanying consolidating financial statements of Illinois Policy (a nonprofit organization), which comprise the consolidating statement of assets, liabilities and net assets – modified cash basis as of December 31, 2016, and the related consolidating statements of support, revenue, expenses and change in net assets – modified cash basis and of functional expenses – modified cash basis for the year then ended, and the related notes to the consolidating financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidating financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidating financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidating financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidating financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidating financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidating financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





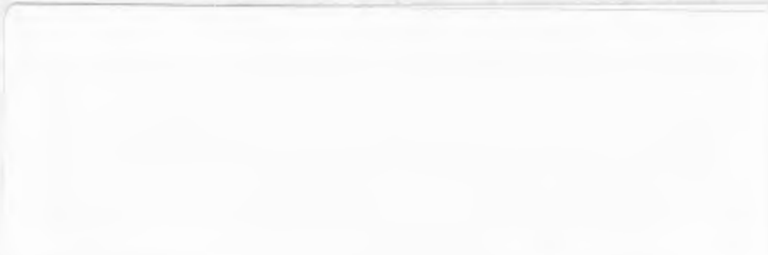
## **Independent Auditor's Report (Continued)**

### **Opinion**

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Illinois Policy as of December 31, 2016, and its support, revenue, and expenses for the year then ended in conformity with the modified cash basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the consolidating financial statements, which describes the basis of accounting. The consolidating financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.





**Illinois Policy**  
**Consolidating Statement of Assets, Liabilities and Net Assets – Modified Cash Basis**  
**December 31, 2016**

	Illinois Policy Institute	Government Accountability Alliance	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 360,457	\$ 146,719	\$ 507,176
Stock awaiting settlement	20,860	-	20,860
Other current asset	-	5,000	5,000
	<u>381,317</u>	<u>151,719</u>	<u>533,036</u>
Property and equipment			
Equipment	47,891	16,823	64,714
Furniture and fixtures	10,400	-	10,400
	<u>58,291</u>	<u>16,823</u>	<u>75,114</u>
Less: Accumulated depreciation	<u>(38,576)</u>	<u>(7,318)</u>	<u>(45,894)</u>
	<u>19,715</u>	<u>9,505</u>	<u>29,220</u>
Other assets			
Illinois Radio Network goodwill (net of accumulated amortization of \$37,333)	522,667	-	522,667
Security deposit	22,690	12,385	35,075
	<u>545,357</u>	<u>12,385</u>	<u>557,742</u>
	<u>\$ 946,389</u>	<u>\$ 173,609</u>	<u>\$ 1,119,998</u>
<b>Liabilities and Net Assets:</b>			
Current liabilities			
Other current liability	\$ 5,000	\$ -	\$ 5,000
Payroll liabilities	-	25,203	25,203
	<u>5,000</u>	<u>25,203</u>	<u>30,203</u>
Net assets			
Unrestricted	393,601	148,406	542,007
Temporarily restricted	547,788	-	547,788
	<u>941,389</u>	<u>148,406</u>	<u>1,089,795</u>
	<u>\$ 946,389</u>	<u>\$ 173,609</u>	<u>\$ 1,119,998</u>



**Illinois Policy**  
**Consolidating Statement of Support, Revenue, Expenses and Change in Net Assets – Modified Cash Basis**  
**For the Year Ended December 31, 2016**

	Illinois Policy Institute			Government Accountability Alliance	Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Total
Support and revenue							
Contributions	\$ 5,783,797	\$ 526,702	\$ 6,310,499	\$ 6,286,340	\$ 12,070,137	\$ 526,702	\$ 12,596,839
In-kind contributions	120,000	-	120,000	-	120,000	-	120,000
Radio network	162,170	-	162,170	-	162,170	-	162,170
Interest income	5	-	5	25	30	-	30
Loss on sale of investment	(50)	-	(50)	-	(50)	-	(50)
Miscellaneous	246	-	246	8,550	8,796	-	8,796
	<u>6,066,168</u>	<u>526,702</u>	<u>6,592,870</u>	<u>6,294,915</u>	<u>12,361,083</u>	<u>526,702</u>	<u>12,887,785</u>
Net assets released from restrictions	<u>241,630</u>	<u>(241,630)</u>	<u>-</u>	<u>-</u>	<u>241,630</u>	<u>(241,630)</u>	<u>-</u>
	<u>6,307,798</u>	<u>285,072</u>	<u>6,592,870</u>	<u>6,294,915</u>	<u>12,602,713</u>	<u>285,072</u>	<u>12,887,785</u>
Expenses							
Program services	6,040,026	-	6,040,026	6,359,182	12,399,208	-	12,399,208
Management and general	298,140	-	298,140	159,529	457,669	-	457,669
Fundraising	624,901	-	624,901	227,233	852,134	-	852,134
	<u>6,963,067</u>	<u>-</u>	<u>6,963,067</u>	<u>6,745,944</u>	<u>13,709,011</u>	<u>-</u>	<u>13,709,011</u>
Change in net assets	(655,269)	285,072	(370,197)	(451,029)	(1,106,298)	285,072	(821,226)
Net assets							
Beginning of year	<u>1,048,870</u>	<u>262,716</u>	<u>1,311,586</u>	<u>599,435</u>	<u>1,648,305</u>	<u>262,716</u>	<u>1,911,021</u>
End of year	<u>\$ 393,601</u>	<u>\$ 547,788</u>	<u>\$ 941,389</u>	<u>\$ 148,406</u>	<u>\$ 542,007</u>	<u>\$ 547,788</u>	<u>\$ 1,089,795</u>

See accompanying notes.



**Illinois Policy**  
**Consolidating Statement of Functional Expenses – Modified Cash Basis**  
**For the Year Ended December 31, 2016**

	Illinois Policy Institute				Government Accountability Alliance				Total			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Amortization	\$ -	\$ 37,333	\$ -	\$ 37,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,333	\$ -	\$ 37,333
Compliance	-	-	-	-	2,192	-	-	2,192	2,192	-	-	2,192
Consulting	150,673	-	64,429	215,102	16,736	-	-	16,736	167,409	-	64,429	231,838
Data acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	7,640	-	7,640	-	3,303	-	3,303	-	10,943	-	10,943
Employee benefits	179,897	20,063	20,948	220,908	127,199	12,784	12,589	152,572	307,096	32,847	33,537	373,480
Events	66,026	-	2,179	68,205	-	-	-	-	66,026	-	2,179	68,205
Filing fees	2,171	331	9,682	12,184	-	25	-	25	2,171	356	9,682	12,209
Grants	1,113,121	-	-	1,113,121	2,602,500	-	-	2,602,500	3,715,621	-	-	3,715,621
Honorarium	1,750	-	-	1,750	-	-	-	-	1,750	-	-	1,750
Insurance	-	11,452	-	11,452	-	3,472	-	3,472	-	14,924	-	14,924
Labor expense	2,194,730	121,814	223,324	2,539,868	1,512,918	99,386	170,388	1,782,692	3,707,648	221,200	393,712	4,322,560
Lobbying	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	1,013,143	-	193,676	1,206,819	1,452,364	-	187	1,452,551	2,465,507	-	193,863	2,659,370
Meals and entertainment	11,569	107	2,378	14,054	1,465	-	145	1,610	13,034	107	2,523	15,664
Media	425	-	-	425	-	-	-	-	425	-	-	425
Meetings	66,865	-	483	67,348	-	-	-	-	66,865	-	483	67,348
Office expense	138,875	19,999	9,758	168,632	75,059	7,474	9,382	91,915	213,934	27,473	19,140	260,547
Outreach	50,574	-	8,434	59,008	172,495	-	491	172,986	223,069	-	8,925	231,994
Payroll taxes	165,293	9,235	16,627	191,155	70,612	5,770	9,995	86,377	235,905	15,005	26,622	277,532
Professional dues	5,401	-	-	5,401	-	-	-	-	5,401	-	-	5,401
Professional fees	407,567	48,682	7,053	463,302	84,704	17,058	3,400	105,162	492,271	65,740	10,453	568,464
Rent	259,291	16,761	29,415	305,467	138,695	8,500	17,840	165,035	397,986	25,261	47,255	470,502
Research	26,812	-	-	26,812	-	-	-	-	26,812	-	-	26,812
Subscriptions	17,600	1,206	22,202	41,008	9,006	528	-	9,534	26,606	1,734	22,202	50,542
Telephone and utilities	34,044	1,749	2,631	38,424	14,018	844	1,668	16,530	48,062	2,593	4,299	54,954
Travel and food	80,175	1,768	11,682	93,625	32,304	385	233	32,922	112,479	2,153	11,915	126,547
Website	54,024	-	-	54,024	46,915	-	915	47,830	100,939	-	915	101,854
	<u>\$ 6,040,026</u>	<u>\$ 298,140</u>	<u>\$ 624,901</u>	<u>\$ 6,963,067</u>	<u>\$ 6,359,182</u>	<u>\$ 159,529</u>	<u>\$ 227,233</u>	<u>\$ 6,745,944</u>	<u>\$ 12,399,208</u>	<u>\$ 457,669</u>	<u>\$ 852,134</u>	<u>\$ 13,709,011</u>

See accompanying notes.



**Illinois Policy**  
**Notes to the Consolidating Financial Statements**  
**December 31, 2016**

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**Note 1. Summary of Significant Accounting Policies**

**Nature of Activities** – Illinois Policy is an organization made up of the Illinois Policy Institute (Institute) and the Government Accountability Alliance, also known as Illinois Policy (IP)(formerly known as Illinois Policy Action.)

Illinois Policy Institute, which began operating in September, 2002, is a free market oriented think tank dedicated to Illinois public policy issues. The Institute conducts research on a variety of issues, including fiscal matters, education policy and government reform. The Institute shares its findings with relevant audiences via policy papers, media appearances, speaking engagements and other public forums. All of the Institute's research is designed to better educate and benefit Illinois residents, taxpayers, media and government officials on the policies confronting Illinois. The Institute also conducts educational seminars on the public policies of Illinois.

IP, which began operating in 2012, is an independent government watchdog advocating for the people of Illinois and working to turn free market ideas into law.

Both organizations are organized under the laws of the State of Illinois. Revenue is comprised of contributions from individuals, corporations or foundations that share a common appreciation of free market concepts.

**Basis of Consolidation** – The consolidating financial statements include the accounts of the Institute and IP. All material inter-organizational accounts and activities have been eliminated.

**Basis of Accounting** – The accompanying consolidating financial statements have been prepared on the modified cash basis of accounting. The modified cash basis differs from U.S. generally accepted accounting principles primarily because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Modifications to the cash basis of accounting include recording depreciation on property and equipment and accruing for payroll taxes, if applicable.

**Financial Statement Presentation** – The organizations report information regarding their assets, liabilities, support, revenue and expenses according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by their donors: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organizations, the environments in which they operate, the purposes specified in their corporate documents and their applications for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of their operations.

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organizations' unspent contributions are reported in this class if the donor limited their use.

Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.



**Illinois Policy**  
**Notes to the Consolidating Financial Statements**  
**December 31, 2016**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Property and Equipment** – All acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of five to seven years. Depreciation expense was \$10,943 for the year ended December 31, 2016.

**Intangible Assets – Goodwill** – During December 2015, the assets of Illinois Radio Network were donated to the Institute, resulting in recognition of goodwill of \$560,000. The goodwill is being amortized on a straight line basis over 15 years. Estimated amortization expense will be approximately \$37,000 for each of the next five years.

**Contributions** – Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidating financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

**Donated Services** – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organizations. The organizations receive many volunteer hours that do not meet the above criteria and therefore are not recognized in the financial statements.

**Functional Allocation of Expenses** – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidating statement of support, revenue and expenses and in the consolidating statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Tax Status** – The Institute is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and IP is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. However, income from certain activities not directly related to the organizations' tax-exempt purpose is subject to taxation as unrelated business income. In addition, the organizations qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations other than a private foundation under Section 509(a)(2). The organizations believe they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements. The organizations' federal and Illinois exempt organization tax returns are subject to examination by the Internal Revenue Service and state authorities, generally for three years after they were filed.

**Use of Estimates** – In preparing financial statements in conformity with the modified cash basis of accounting, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



**Illinois Policy**  
**Notes to the Consolidating Financial Statements**  
**December 31, 2016**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Subsequent Events** – The Organizations have evaluated subsequent events for potential recognition and/or disclosure through November 15, 2017, the date the financial statements were available to be issued.

**Note 2. Concentrations**

**Cash** – The organizations maintain their cash balances at two financial institutions in Illinois. The balances are insured up to the appropriate Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation limits. At times, the balances in all accounts may exceed the insured limits. Management believes the organizations are not exposed to any significant credit risk. At December 31, 2016, the uninsured cash balances were \$99,748 and \$0 for the Institute and IP, respectively.

**Contributions** – During 2016, four donors contributed \$9,692,000, or approximately 75%, of the total contributions to Illinois Policy.

**Note 3. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Illinois Rising	\$	350,244
Criminal Justice Reform		186,086
Media Monitoring		2,000
Direct Mail		9,458
	\$	547,788

**Note 4. Employee Benefit Plan**

Illinois Policy maintains a tax-deferred Simple IRA Plan (Plan) which covers all employees. The Plan receives discretionary employee and employer contributions, as more fully described in the plan document. The employer contribution to the plan was \$73,031 for the year ended December 31, 2016.

**Note 5. Lease Commitments**

The organizations have noncancelable leases for office space in Chicago and Springfield, Illinois. The leases expire on varying dates through May 31, 2021, and currently require monthly payments totaling \$23,963, plus allocable portions of taxes and operating expenses.



**Illinois Policy**  
**Notes to the Consolidating Financial Statements**  
**December 31, 2016**

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**Note 5. Lease Commitments (Continued)**

Future minimum lease payments as of December 31, 2016 are as follows:

2017			\$	258,405
2018				266,157
2019				274,142
2020				282,366
2021				119,098
			\$	1,200,168

Total rent expense (including operating expenses and real estate taxes) for the year ended December 31, 2016 was \$470,501.

**Note 6. Related Party Transactions**

During 2016, the Institute granted \$194,000 to Liberty Justice Center (LJC). The CEO of Illinois Policy is also a member of the board of directors of LJC, and works to harmonize litigation and policy work as well as develop strategy for the organizations.

LJC also has an agreement with IP whereby IP employs all of the LJC staff. LJC reimburses the actual cost of salaries and employee benefits paid by IP for all of the LJC staff. For the year ended December 31, 2016, the amount of reimbursements was approximately \$368,000.

The Institute has an agreement with IP whereby IP employs all of the Institute staff. The Institute reimburses the actual cost of the salaries and payroll taxes to IP.

**Note 7. Commitments**

The Institute has an agreement with a service to host multimedia content which expires on July 4, 2017. The monthly fee for this service is \$21,615.

**Note 8. Subsequent Events**

During 2017, the CEO of Illinois Policy assumed the chairmanship of the Franklin Center, another 501(c)(3) not for profit organization, and the board of directors of that organization was reconstituted. Also during 2017, a for-profit subsidiary of the Franklin Center, named American Media Unlimited, was established. During 2017, the assets of the Illinois Radio Network, currently owned by the Institute, will be transferred to American Media Unlimited.