

Form **990-PF**

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

OMB No 1545-0052

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

For calendar year 2016 or tax year beginning **SEP 1, 2016**, and ending **AUG 31, 2017**

Name of foundation: **POLK BROS. FOUNDATION, INC.**

Number and street (or P O box number if mail is not delivered to street address): **20 W. KINZIE ST.**

City or town, state or province, country, and ZIP or foreign postal code: **CHICAGO, IL 60654-5815**

Room/suite: **1110**

A Employer identification number: **36-6108293**

B Telephone number: **312-527-4684**

C If exemption application is pending, check here

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

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

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

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

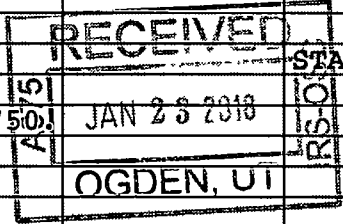
H Check type of organization:
 Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust
 Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16): **\$ 434,882,694.**

J Accounting method: Cash Accrual
 Other (specify) _____

03/04

Part I Analysis of Revenue and Expenses		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		21,637.	21,637.		
4 Dividends and interest from securities		1,900,540.	1,900,540.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		18,113,750.			
b Gross sales price for all assets on line 6a		40,226,479.			
7 Capital gain net income (from Part IV, line 2)			18,613,750.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		1,135,562.	739,243.		STATEMENT 2
12 Total. Add lines 1 through 11		21,171,489.	21,275,170.		
13 Compensation of officers, directors, trustees, etc		328,534.	32,853.		295,680.
14 Other employee salaries and wages		1,442,896.	121,369.		1,321,528.
15 Pension plans, employee benefits		386,656.	31,327.		355,329.
16a Legal fees STMT 3		50,783.	6,483.		44,300.
b Accounting fees STMT 4		46,050.	4,605.		41,445.
c Other professional fees STMT 5		1,212,280.	1,160,975.		51,305.
17 Interest					
18 Taxes STMT 6		384,745.	9,568.		104,391.
19 Depreciation and depletion					
20 Occupancy		167,384.	16,738.		150,646.
21 Travel, conferences, and meetings		63,167.	6,316.		56,850.
22 Printing and publications					
23 Other expenses STMT 7		169,282.	<18,663.>		152,945.
24 Total operating and administrative expenses. Add lines 13 through 23		4,251,777.	1,371,571.		2,574,419.
25 Contributions, gifts, grants paid		27,759,335.			27,759,335.
26 Total expenses and disbursements Add lines 24 and 25		32,011,112.	1,371,571.		30,333,754.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<10,839,623.			
b Net investment income (if negative, enter -0-)			19,903,599.		
c Adjusted net income (if negative, enter -0-)				N/A	



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Part II Balance Sheets <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	4,467,764.	4,078,144.	4,078,144.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land buildings and equipment basis ▶			
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 8	325,097,152.	314,647,149.	430,804,550.	
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	329,564,916.	318,725,293.	434,882,694.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	329,564,916.	318,725,293.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances	329,564,916.	318,725,293.		
31 Total liabilities and net assets/fund balances	329,564,916.	318,725,293.		

Part III Analysis of Changes in Net Assets or Fund Balances		
1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)		1 329,564,916.
2 Enter amount from Part I, line 27a		2 <10,839,623.>
3 Other increases not included in line 2 (itemize) ▶		3 0.
4 Add lines 1, 2, and 3		4 318,725,293.
5 Decreases not included in line 2 (itemize) ▶		5 0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30		6 318,725,293.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLICLY TRADED STOCKS	P		
b PASSTHROUGH K-1 CAPITAL GAINS	P		
c GAIN ON SALE OF PARTNERSHIP INTEREST	P		
d CAPITAL GAINS DIVIDENDS			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 25,093,323.		21,612,729.	3,480,594.
b 8,455,777.			8,455,777.
c 4,112,349.			4,112,349.
d 2,565,030.			2,565,030.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			3,480,594.
b			8,455,777.
c			4,112,349.
d			2,565,030.
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	18,613,750.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	28,808,126.	432,255,962.	.066646
2014	29,098,909.	470,352,008.	.061866
2013	23,476,012.	451,564,185.	.051988
2012	22,998,209.	419,734,409.	.054792
2011	22,736,313.	356,759,072.	.063730

2 Total of line 1, column (d)	2	.299022
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.059804
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	422,583,282.
5 Multiply line 4 by line 3	5	25,272,171.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	199,036.
7 Add lines 5 and 6	7	25,471,207.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	8	30,333,754.

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

Table with 11 rows for excise tax calculation. Line 1: 199,036. Line 2: 0. Line 3: 199,036. Line 4: 0. Line 5: 199,036. Line 6a: 205,318. Line 7: 205,318. Line 10: 6,282. Line 11: 0.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns: Question, Yes, No. Row 1a: No. Row 1b: No. Row 1c: No. Row 2: No. Row 3: No. Row 4a: Yes. Row 4b: Yes. Row 5: No. Row 6: Yes. Row 7: Yes. Row 8a: IL. Row 8b: Yes. Row 9: No. Row 10: No.

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.POLKBROSFDN.ORG</u>	X	
14 The books are in care of ► <u>POLK BROS FOUNDATION</u> Telephone no. ► <u>312-527-4684</u> Located at ► <u>20 W KINZIE ST, SUITE 1110, CHICAGO, IL</u> ZIP+4 ► <u>60654</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A		
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No
 N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		328,533.	26,833.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
EVETTE CARDONA - 20 W KINZIE, SUITE 1110, CHICAGO, IL 60654	VP PROGRAMS 37.50	195,658.	38,958.	0.
AMY HILL - 20 W KINZIE, SUITE 1110, CHICAGO, IL 60654	VP, INVESTMENTS & ADMIN 37.50	165,240.	40,355.	0.
SUZANNE KERBOW - 20 W KINZIE, SUITE 1110, CHICAGO, IL 60654	PROG DIRECTOR 37.50	150,992.	33,598.	0.
DEBORAH REZNICK - 20 W KINZIE, SUITE 1110, CHICAGO, IL 60654	PROG OFFICER 37.50	133,467.	31,441.	0.
FRANK BAIOCCHI - 20 W KINZIE, SUITE 1110, CHICAGO, IL 60654	PROG OFFICER 37.50	132,440.	31,134.	0.

Total number of other employees paid over \$50,000 6

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

Table with 3 columns: (a) Name and address of each person paid more than \$50,000; (b) Type of service; (c) Compensation. Row 1: MONITCELLO ASSOCIATES, 1800 LARIMER STREET, DENVER, CO 80202; INVESTMENT CONSULTANT; 287,500.

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

Table with 2 columns: Description of activity; Expenses. Row 1: 1 N/A

Part IX-B Summary of Program-Related Investments

Table with 2 columns: Description of investment; Amount. Row 1: 1 N/A. Row 2: 2. Row 3: All other program-related investments. See instructions.

Total. Add lines 1 through 3 0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	323,112,659.
b Average of monthly cash balances	1b	5,213,207.
c Fair market value of all other assets	1c	100,692,694.
d Total (add lines 1a, b, and c)	1d	429,018,560.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	429,018,560.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	6,435,278.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	422,583,282.
6 Minimum investment return. Enter 5% of line 5	6	21,129,164.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6		1	21,129,164.
2a Tax on investment income for 2016 from Part VI, line 5	2a	199,036.	
b Income tax for 2016 (This does not include the tax from Part VI)	2b	102,843.	
c Add lines 2a and 2b	2c	301,879.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	20,827,285.	
4 Recoveries of amounts treated as qualifying distributions	4	0.	
5 Add lines 3 and 4	5	20,827,285.	
6 Deduction from distributable amount (see instructions)	6	0.	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	20,827,285.	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	30,333,754.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	30,333,754.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	199,036.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	30,134,718.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				20,827,285.
2 Undistributed income, if any, as of the end of 2016			0.	
a Enter amount for 2015 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	5,378,029.			
b From 2012	2,602,856.			
c From 2013	1,404,522.			
d From 2014	6,610,340.			
e From 2015	7,889,041.			
f Total of lines 3a through e	23,884,788.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 30,333,754.			0.	
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			20,827,285.
d Applied to 2016 distributable amount	9,506,469.			
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	33,391,257.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	5,378,029.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	28,013,228.			
10 Analysis of line 9:				
a Excess from 2012	2,602,856.			
b Excess from 2013	1,404,522.			
c Excess from 2014	6,610,340.			
d Excess from 2015	7,889,041.			
e Excess from 2016	9,506,469.			

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

- 1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling ▶
- b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Prior 3 years				(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					

3 Complete 3a, b, or c for the alternative test relied upon:

a "Assets" alternative test - enter:

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c "Support" alternative test - enter:

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed.

**EVETTE CARDONA, POLK BROS. FOUNDATION, 312-527-4684
20 W KINZIE STREET, SUITE 1110, CHICAGO, IL 60654**

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

APPLICATION FORM AVAILABLE FROM FOUNDATION OFFICE AND WEBSITE

c Any submission deadlines:

CONTINUOUS

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

MUST BE ORGANIZATION EXEMPT UNDER SEC 501 (C) (3)

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
DISCRETIONARY GRANTS	N/A	PC	SEE SCHEDULE	90,175.
BOARD GRANTS	N/A	PC	SEE SCHEDULE	16,475,750.
FAMILY GRANTS	N/A	PC	SEE SCHEDULE	210,000.
LEGACY GIFT	N/A	PC	SEE SCHEDULE	4,175,000.
MATCHING GRANTS	N/A	PC	SEE SCHEDULE	1,288,910.
Total SEE CONTINUATION SHEET(S) ▶				3a 27,759,335.
b Approved for future payment				
NONE				
Total ▶				3b 0.

POLK BROS. FOUNDATION, INC. 36-6108293
Form 990-PF, Part VII-B, Line 5c - Expenditure Responsibility Statement

Recipient's Name and Address	NO. 1	Grant Amount	Date of Grant	Amount Expended	Verification Date
WOODS FUND OF CHICAGO 35 E. WACKER DRIVE, SUITE 1760 CHICAGO, IL 60601		100,000.	08/17/16	100,000.	03/27/17
Purpose of Grant IN SUPPORT OF THE POLICE ACCOUNTABILITY COMMUNITY ENGAGEMENT STRATEGY WORKING IN 38 WARDS ACROSS CHICAGO TO DEVELOP A COMPREHENSIVE COMMUNITY ENGAGEMENT STRATEGY CENTERED ON POLICING AND POLICE ACCOUNTABILITY AND TO SUPPORT ITS INITIAL IMPLEMENTATION.					
Date of Reports by Grantee			Diversions by Grantee		
NOT REQUIRED UNTIL NEXT FISCAL YEAR AS WRITTEN IN GRANT CONT			NONE		
Results of Verification DURING ITS YEAR ENDED DECEMBER 31, 2016, WOODS FUND CHICAGO USED THE FUNDS AND THE INCOME (IF ANY) FROM THE FUNDS FOR THE EXPENDITURES IDENTIFIED ON A SCHEDULE ATTACHED TO THE GRANTEE'S SUBMITTED REPORT. NO PORTION OF THE FUNDS (OR INCOME EARNED ON THE FUNDS) WAS DIVERTED FROM THE PURPOSES SET FORTH IN THE AGREEMENT BETWEEN WOODS FUND CHICAGO AND THE FOUNDATION. IN ACCORDANCE WITH SECTION 53.4942(A)-3(C)(1)(II) OF THE TREASURY REGULATIONS, ALL OF THE EXPENDITURES IDENTIFIED ON THE SCHEDULE ATTACHED TO THE GRANTEE'S SUBMITTED REPORT WERE DISTRIBUTED BY THE GRANTEE AS QUALIFYING DISTRIBUTIONS THAT WERE MADE OUT OF CORPUS.					

POLK BROS. FOUNDATION, INC. 36-6108293
Form 990-PF, Part VII-B, Line 5c - Expenditure Responsibility Statement

Recipient's Name and Address	NO. 2	Grant Amount	Date of Grant	Amount Expended	Verification Date
WOODS FUND OF CHICAGO 35 E. WACKER DRIVE, SUITE 1760 CHICAGO, IL 60601		100,000.	02/24/17	0.	08/30/17
Purpose of Grant IN SUPPORT OF THE POLICE ACCOUNTABILITY COMMUNITY ENGAGEMENT STRATEGY WORKING IN 38 WARDS ACROSS CHICAGO TO DEVELOP A COMPREHENSIVE COMMUNITY ENGAGEMENT STRATEGY CENTERED ON POLICING AND POLICE ACCOUNTABILITY AND TO SUPPORT ITS INITIAL IMPLEMENTATION.					
Date of Reports by Grantee		Diversions by Grantee			
NOT REQUIRED UNTIL NEXT FISCAL YEAR AS WRITTEN IN GRANT CONTRACT		NONE			
Results of Verification					

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
MULTI-YEAR GRANTS	N/A	PC	SEE SCHEDULE	4,155,000.
SMALL GRANTS	N/A	PC	SEE SCHEDULE	710,000.
URGENT ACTION GRANTS	N/A	PC	SEE SCHEDULE	395,000.
EXECUTIVE DISCRETIONARY GRANTS	N/A	PC	SEE SCHEDULE	259,500.
Total from continuation sheets				5,519,500.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
PUBLICLY TRADED STOCKS				PURCHASED		
	25,093,323.	21,612,729.	0.	0.	3,480,594.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
PASSTHROUGH K-1 CAPITAL GAINS				PURCHASED		
	8,455,777.	0.	0.	0.	8,455,777.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
GAIN ON SALE OF PARTNERSHIP INTEREST				PURCHASED		
	4,112,349.	500,000.	0.	0.	3,612,349.	

CAPITAL GAINS DIVIDENDS FROM PART IV					2,565,030.	
TOTAL TO FORM 990-PF, PART I, LINE 6A					18,113,750.	

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	15,663.	6,782.	
PARTNERSHIP INCOME	1,119,899.	732,461.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,135,562.	739,243.	

FORM 990-PF

LEGAL FEES

STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
QUARLES & BRADY	50,783.	6,483.		44,300.
TO FM 990-PF, PG 1, LN 16A	50,783.	6,483.		44,300.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PLANTE MORAN	46,050.	4,605.		41,445.
TO FORM 990-PF, PG 1, LN 16B	46,050.	4,605.		41,445.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MONTICELLO ASSOCIATES	287,500.	287,500.		0.
OTHER	924,780.	873,475.		51,305.
TO FORM 990-PF, PG 1, LN 16C	1,212,280.	1,160,975.		51,305.

FORM 990-PF

TAXES

STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES	113,958.	9,568.		104,391.
FEDERAL EXCISE TAXES	200,000.	0.		0.
FED/STATE INCOME TAXES	70,787.	0.		0.
TO FORM 990-PF, PG 1, LN 18	384,745.	9,568.		104,391.

FORM 990-PF

OTHER EXPENSES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DELIVERY & MESSENGERS	2,283.	114.		2,169.
DUES & SUBSCRIPTIONS	23,733.	1,975.		21,758.
INSURANCE	24,584.	2,458.		22,126.
MAINTENANCE & REPAIRS	12,687.	1,269.		11,418.
OFFICE EXPENSE	33,603.	3,360.		30,243.
OFFICE SUPPLIES	7,622.	762.		6,860.
POSTAGE	1,566.	79.		1,487.
UTILITIES	2,911.	291.		2,620.
TECHNOLOGY SERVICES	48,181.	4,818.		43,363.
FURNITURE AND EQUIPMENT	12,112.	1,211.		10,901.
LESS: EXPENSES ALLOCATED TO UBIT	0.	<35,000.>		0.
TO FORM 990-PF, PG 1, LN 23	169,282.	<18,663.>		152,945.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
PARTNERSHIP INVESTMENTS	COST	314,647,149.	430,804,550.
TOTAL TO FORM 990-PF, PART II, LINE 13		314,647,149.	430,804,550.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SANDRA P. GUTHMAN 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	CHAIR 3.00	0.	0.	0.
RAYMOND SIMON 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	VICE CHAIR 3.00	0.	0.	0.
HOWARD POLK 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	TREASURER 3.00	0.	0.	0.
CHERRYL THOMAS 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	SECRETARY 3.00	0.	0.	0.
BRUCE BACHMANN 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	SECRETARY 3.00	0.	0.	0.
ELIZABETH CONNELLY 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	DIRECTOR 3.00	0.	0.	0.
MARY DEMPSEY 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	DIRECTOR 3.00	0.	0.	0.
DAVID SNYDER 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	DIRECTOR 3.00	0.	0.	0.
NANCY LEWIS 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	DIRECTOR 3.00	0.	0.	0.
GILLIAN DARLOW 20 W KINZIE, SUITE 1110 CHICAGO, IL 60654	CEO 37.50	328,533.	26,833.	0.

POLK BROS. FOUNDATION, INC.

36-6108293

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

<u>328,533.</u>	<u>26,833.</u>	<u>0.</u>
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