

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization’s mission

ERIKSON INSTITUTE IS AN INDEPENDENT INSTITUTION OF HIGHER EDUCATION THAT PREPARES CHILD DEVELOPMENT AND FAMILY SERVICE PROFESSIONALS FOR LEADERSHIP THROUGH ITS ACADEMIC PROGRAMS, APPLIED RESEARCH AND COMMUNITY SERVICE AND ENGAGEMENT, ERIKSON ADVANCES THE ABILITY OF PRACTITIONERS, RESEARCHERS, AND DECISION MAKERS TO IMPROVE LIFE FOR CHILDREN AND THEIR FAMILIES THE INSTITUTE IS A CATALYST FOR DISCOVERY AND CHANGE, CONTINUALLY BRINGING THE NEWEST SCIENTIFIC KNOWLEDGE AND THEORIES OF CHILDREN'S DEVELOPMENT AND LEARNING INTO ITS CLASSROOMS AND OUT TO THE COMMUNITY SO THAT PROFESSIONALS SERVING CHILDREN AND FAMILIES ARE INFORMED, INSPIRED AND RESPONSIVE

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

If “Yes,” describe these new services on Schedule O

Yes

No

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If “Yes,” describe these changes on Schedule O

Yes

No

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 \$ 7,144,680 including grants of \$) (Revenue \$ 3,802,243)

ERIKSON INSTITUTE ERIKSON PROVIDES GRADUATE LEVEL EDUCATION AND TRAINING IN CHILD DEVELOPMENT AND EARLY CHILDHOOD EDUCATION APPROXIMATELY 270 STUDENTS ARE ENROLLED IN ERIKSON'S GRADUATE CERTIFICATE, MASTER'S DEGREE AND DOCTORAL DEGREE PROGRAMS 69 MASTER'S DEGREE STUDENTS GRADUATED IN MAY 2013 IN ADDITION TO ITS DEGREE AND CERTIFICATE PROGRAMS, ERIKSON PROVIDES CONTINUING PROFESSIONAL DEVELOPMENT TO A WIDE RANGE OF EARLY CHILDHOOD PROFESSIONALS IN THE GREATER CHICAGOLAND AREA

4b

(Code) (Expenses \$ 1,808,009 including grants of \$ 1,808,009) (Revenue \$)

THE EARLY CHILDHOOD PROJECT (DCFS) THE EARLY CHILDHOOD PROJECT, A COLLABORATIVE EFFORT BETWEEN ERIKSON INSTITUTE AND THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES, WAS IMPLEMENTED TO SERVE AND MEET THE NEEDS OF YOUNG CHILDREN WHO ARE IN FOSTER CARE OR ARE BEING CLOSELY MONITORED BY THE CHILD WELFARE SYSTEM NINETEEN EARLY CHILDHOOD SPECIALISTS BASED AT ERIKSON WORK STATEWIDE TO DETERMINE WHAT SERVICES ARE NEEDED TO ADDRESS THE DEVELOPMENTAL CONCERNS OF CHILDREN BIRTH THROUGH FIVE WHO HAVE HAD ADVERSE EXPERIENCES AND ARE AT GREATER RISK FOR DEVELOPMENTAL DELAYS ADDITIONALLY, ERIKSON FACULTY PROVIDES EXPERTISE AND COUNSEL TO THE PROJECT AS WELL AS OPPORTUNITIES FOR OUR STUDENTS THROUGH THEIR PRACTICUMS THROUGH THIS PROJECT, ERIKSON STAFF ADMINISTERS DEVELOPMENTAL SCREENINGS, PROVIDES CONSULTS, REFERRALS, TRAININGS AND RESOURCES TO FAMILIES INVOLVED WITH THE CHILD WELFARE SYSTEM DURING FISCAL YEAR 2013, ERIKSON SERVED MORE THAN 6,700 CHILDREN AND THEIR FAMILIES

4c

(Code) (Expenses \$ 1,800,365 including grants of \$ 1,735,139) (Revenue \$ 141,741)

THE EARLY MATH COLLABORATIVE THE EARLY MATH COLLABORATIVE PROVIDES IN-DEPTH TRAINING IN EARLY MATHEMATICS TO OVER 200 PREK TO 3RD GRADE TEACHERS EACH YEAR THROUGH A DEPARTMENT OF EDUCATION-FUNDED "INVESTING IN INNOVATION" GRANT, ALL PRIMARY GRADE TEACHERS AT EIGHT CHICAGO PUBLIC SCHOOLS ATTEND LEARNING LABS, RECEIVE INDIVIDUAL COACHING SERVICES, AND PARTICIPATE IN MATH-FOCUSED GRADE LEVEL MEETINGS AND LESSON STUDY AT THEIR SCHOOLS THE COLLABORATIVE IS ALSO PARTNERING WITH THE CHICAGO PUBLIC SCHOOLS DEPARTMENT OF MATH AND SCIENCE TO TRAIN 1000 TEACHER LEADERS AT APPROXIMATELY 500 ELEMENTARY SCHOOLS DISTRICT-WIDE, TRAINING FOCUSES ON IMPLEMENTATION OF THE NEWLY RELEASED COMMON CORE STATE STANDARDS FOR MATHEMATICS PROFESSIONAL DEVELOPMENT AND CONSULTATION ARE ALSO PROVIDED TO PAROCHIAL SCHOOLS, EDUCARE SITES, HEAD START PROGRAMS, SCHOOLS IN THE CHICAGO SUBURBS, COMMUNITY COLLEGES ACROSS THE STATE OF ILLINOIS, AND IN KENTUCKY, MINNESOTA, WISCONSIN, OHIO, NEW YORK CITY, AND NEW JERSEY, AND RESEARCH IS CONDUCTED ON MATH TEACHING AND TEACHER TRAINING

(Code) (Expenses \$ 3,879,440 including grants of \$ 1,974,324) (Revenue \$ 1,153,659)

OTHER PROGRAM EXPENSES - CENTER FOR CHILDREN AND FAMILIES - NEW SCHOOLS PROJECT - FUSSY BABY - FOSTER CHILD DEVELOPMENT, MONITORING & ASSESSMENTS - PROFESSIONAL DEVELOPMENT

4d

Other program services (Describe in Schedule O)

(Expenses \$ 3,879,440 including grants of \$ 1,974,324) (Revenue \$ 1,153,659)










4e

Total program service expenses

14,632,494

Form 990 (2012)

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 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
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	3	No
4 Section 501(c)(3) organizations. 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	4	No
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	5	
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	6	No
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	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
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	9	No
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 	10 Yes	
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. 	11a Yes	
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 	11b Yes	
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	11c	No
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	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
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	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
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	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E 	13 Yes	
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
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	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
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 (see instructions)	17	No
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 	18 Yes	
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	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	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? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
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? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	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? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	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)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	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? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	201	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	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.	217	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		3b	
4a 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)?		4a	No
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a 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?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a 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?		7a	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?		9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.		11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
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.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

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

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	35		
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		
1b	34		
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	No
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	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
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	No
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	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
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	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
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	Yes
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	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
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	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
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	Yes
b	Other officers or key employees of the organization	15b	No
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	No
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 Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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, physical address, and telephone number of the person who possesses the books and records of the organization	Susan Wallace 451 N LaSalle Street Chicago, IL (312) 755-2250

Check if Schedule O contains a response to any question in this Part VII ☒

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

Form **990** (2012)

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,655,467	0	166,860

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 ►14

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

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
SRI INTERNATIONAL PO BOX 2767 MENLO PARK CA 94025	PROJECT RESEARCH	332,137
ALTER GROUP 75 REMITTANCE DRIVE CHICAGO IL 60675	BUILDING MANAGEMENT	308,303
EURSET SERVICES 4700 N OKETO AVENUE HARWOOD HEIGHTS IL 60706	JANITORIAL SERVICE	138,443
THE ROCKWOOD COMPANY 20 NORTH WACKER DR SUITE 960 CHICAGO IL 606062901	INSURANCE	103,027

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 4

Part VIII

Statement of Revenue

Check if Schedule O contains a response to any question 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, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	547,793			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	10,984,573			
	g	Noncash contributions included in lines 1a-1f \$		0			
	h	Total. Add lines 1a-1f		11,532,366			
Program Service Revenue	2a	STUDENT TUITION & FEES	Business Code 611600	3,802,243	3,802,243		
	b	CONSULTING FEES	611600	1,295,400	1,295,400		
	c			0			
	d			0			
	e			0			
	f	All other program service revenue		0	0	0	0
	g	Total. Add lines 2a-2f		5,097,643			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		597,132		
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		0			
6a		(i) Real					
		(ii) Personal					
b		Less rental expenses					
c		Rental income or (loss)		0	0		
d		Net rental income or (loss)		0			
7a		(i) Securities					
		(ii) Other					
b		Less cost or other basis and sales expenses		9,155,437			
c		Gain or (loss)		7,167,605			
d		Net gain or (loss)		1,987,832	0		1,987,832
8a		Gross income from fundraising events (not including \$ 547,793 of contributions reported on line 1c) See Part IV, line 18					
a				170,327			
b		Less direct expenses		170,327			
c	Net income or (loss) from fundraising events . .		0				
9a	Gross income from gaming activities See Part IV, line 19						
a							
b	Less direct expenses						
c	Net income or (loss) from gaming activities . .		0				
10a	Gross sales of inventory, less returns and allowances						
a							
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .		0				
Miscellaneous Revenue		Business Code					
11a	MISCELLANEOUS	900099	106,826			106,826	
b			0				
c			0				
d	All other revenue		0	0	0	0	
e	Total. Add lines 11a-11d		106,826				
12	Total revenue. See Instructions		19,321,799	5,097,643	0	2,691,790	

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 to any question 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 governments and organizations in the United States. See Part IV, line 21.	0			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	805,719	805,719		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	1,989,511	964,065	799,078	226,368
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	6,792,384	5,973,908	693,542	124,934
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	425,614	336,249	72,340	17,025
9	Other employee benefits.	667,030	526,976	113,372	26,682
10	Payroll taxes.	731,122	577,614	124,267	29,241
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	63,030	16,729	46,301	
c	Accounting.	49,330		49,330	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	89,260		89,260	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	0	0	0	0
12	Advertising and promotion.	52,022	51,410	262	350
13	Office expenses.	516,809	250,750	251,101	14,958
14	Information technology.	0			
15	Royalties.	18,739	18,739		
16	Occupancy.	529,520	431,178	88,533	9,809
17	Travel.	249,191	247,449	1,599	143
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	355,821	220,785	114,077	20,959
20	Interest.	1,649,292	1,418,391	197,915	32,986
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	945,681	813,286	113,481	18,914
23	Insurance.	198,077	63,689	134,388	0
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	BOOKS & LIBRARY MATERIALS	123,857	120,572	3,060	225
b	PRINTNG & COPYING	90,612	63,254	9,792	17,566
c	CONTRACT SERVICES	2,181,404	1,689,844	405,600	85,960
d	BAD DEBT EXPENSE	71,287	41,887	29,400	0
e	All other expenses	0	0	0	0
25	Total functional expenses. Add lines 1 through 24e.	18,595,312	14,632,494	3,336,698	626,120
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).	0			

Part X

Balance Sheet

Check if Schedule O contains a response to any question in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		812,664	1	1,498,198
	2	Savings and temporary cash investments		4,793,513	2	5,176,667
	3	Pledges and grants receivable, net		7,798,062	3	7,459,318
	4	Accounts receivable, net		97,206	4	385,368
	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	0
	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 instructions) Complete Part II of Schedule L			6	0
	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	10a34,005,068			
	b	Less accumulated depreciation	10b6,464,212	28,480,318	10c	27,540,856
	11	Investments—publicly traded securities		25,981,151	11	28,357,612
	12	Investments—other securities See Part IV, line 11		11,307,520	12	12,975,823
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		811,519	15	968,664
	16	Total assets. Add lines 1 through 15 (must equal line 34)		80,081,953	16	84,362,506
Liabilities	17	Accounts payable and accrued expenses		883,465	17	1,074,546
	18	Grants payable			18	
	19	Deferred revenue		75,150	19	137,116
	20	Tax-exempt bond liabilities		32,500,000	20	32,500,000
	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	0
	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		12,756,147	25	8,041,127
	26	Total liabilities. Add lines 17 through 25		46,214,762	26	41,752,789
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		8,601,895	27	16,252,635
	28	Temporarily restricted net assets		8,725,870	28	9,816,906
	29	Permanently restricted net assets		16,539,426	29	16,540,176
	Organizations that do not follow SFAS 117 (ASC 958), check here and complete lines 30 through 34.					
	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	Total net assets or fund balances		33,867,191	33	42,609,717
	34	Total liabilities and net assets/fund balances		80,081,953	34	84,362,506

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	19,321,799
2	Total expenses (must equal Part IX, column (A), line 25)	2	18,595,312
3	Revenue less expenses Subtract line 2 from line 1	3	726,487
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	33,867,191
5	Net unrealized gains (losses) on investments	5	3,166,620
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	4,849,419
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	42,609,717

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ 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		No
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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
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	Yes	
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?	Yes	
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	Yes	

Additional Data

Software ID: 12000266

Software Version: v2012.1.0

EIN: 36-2593545

Name: ERIKSON INSTITUTE

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
BARBARA T BOWMAN TRUSTEE/INTERIM-CO PRESIDENT	40 00	X		X				131,125	0	13,493
BRUCE E HUEY BOARD TREASURER	4 00	X		X				0	0	0
JOHN L HINES BOARD SECRETARY	4 00	X		X				0	0	0
KATE NEISSER BOARD CHAIR	6 00	X		X				0	0	0
MICHELLE L COLLINS BOARD VICE CHAIR	6 00	X		X				0	0	0
ADRIENNE E WHITE TRUSTEE	3 00	X						0	0	0
CARI B SACKS TRUSTEE	3 00	X						0	0	0
CATHERINE M ADDUCI TRUSTEE	3 00	X						0	0	0
EDWARD S LOEB TRUSTEE	3 00	X						0	0	0
ERIC ADELSTEIN TRUSTEE	3 00	X						0	0	0
EVE M TYREE TRUSTEE	3 00	X						0	0	0
IKRAM GOLDMAN TRUSTEE	3 00	X						0	0	0
JACEE M BURNES TRUSTEE	3 00	X						0	0	0
JAMES J ROCHE TRUSTEE	3 00	X						0	0	0
JEANNA MARIE CAPITO TRUSTEE	3 00	X						0	0	0
JOHN W MCNULTY TRUSTEE	3 00	X						0	0	0
JOY SEGAL TRUSTEE	3 00	X						0	0	0
JUDY MCCASKEY TRUSTEE	3 00	X						0	0	0
KATHY RICHLAND PICK TRUSTEE	3 00	X						0	0	0
LEWIS S INGALL TRUSTEE	4 00	X						0	0	0
LIANNE STEIN TRUSTEE	3 00	X						0	0	0
LINDA MORRIS TRUSTEE	3 00	X						0	0	0
MARY A LARAIA TRUSTEE	3 00	X						0	0	0
MITCHELL J LEDERER TRUSTEE	3 00	X						0	0	0
PATRICIA REYNOLDS WALSH TRUSTEE	3 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
RICHARD S SCHUHAM TRUSTEE	4 00	X						0	0	0
SABRINA GRACIAS TRUSTEE	3 00	X						0	0	0
SABRINA GRACIAS TRUSTEE	3 00	X						0	0	0
SARA CROWN STAR TRUSTEE	3 00	X						0	0	0
SARAH MANGLESDORF TRUSTEE	3 00	X						0	0	0
SCOTT STEFFENS TRUSTEE	4 00	X						0	0	0
SHERI B ZUCKERMAN TRUSTEE	3 00	X						0	0	0
SHIRLEY MADIGAN TRUSTEE	3 00	X						0	0	0
SUSAN J WISLOW TRUSTEE	3 00	X						0	0	0
TOBY HERR TRUSTEE	3 00	X						0	0	0
VIRGINIA G BOBINS TRUSTEE	3 00	X						0	0	0
SAMUEL MEISELS PRESIDENT	40 00			X		X		320,544	0	26,388
SUSAN WALLACE VP FOR FINANCE & OPERATIONS/CFO	40 00			X		X		191,541	0	21,094
FRANCES STOTT KAMPWIRTH INTERIM CO-PRESIDENT	0 00			X				71,912	0	9,806
GILLIAN MC NAMEE PROFESSOR	40 00					X		115,069	0	19,464
JANA FLEMING DIRECTOR	40 00					X		142,927	0	14,686
JEANNE MUELLER VP OF PLANNING AND ENROLLMENT	40 00					X		127,565	0	12,613
JONATHAN FRANK CHIEF INFORMATION OFFICER	40 00					X		143,619	0	19,751
RANDY HOLGATE VP FOR INSTITUTIONAL ADVANCEMENT	40 00					X		206,443	0	14,516
SHIRLEY RAY SENIOR VP AND DEAN OF FACULTY	40 00					X		204,722	0	15,049

SCHEDULE A
(Form 990 or 990EZ)

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. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization ERIKSON INSTITUTE	Employer identification number 36-2593545
---	--

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, 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)
- 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 organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% 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)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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 that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|--|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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 Total. Add lines 1 through 3						
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)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
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 IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14					
15 Public support percentage for 2011 Schedule A, Part II, line 14	15					
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
b 33 1/3% support test—2011. 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 stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2011. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 IV.)						
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 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2012. 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—2011. 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 **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
ERIKSON INSTITUTE

Employer identification number
36-2593545

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate 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" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ 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 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, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, 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" to 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) Revenues included in 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 Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

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" to 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
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	38,472,172	37,789,393	32,103,845	31,706,224	17,875,734
b Contributions	750	800,000	2,705,385	1,202,691	21,194,331
c Net investment earnings, gains, and losses	5,662,324	909,515	4,931,980	3,357,460	-4,375,266
d Grants or scholarships				55,168	39,500
e Other expenditures for facilities and programs	1,174,375	1,026,736	1,951,817	4,107,362	2,949,075
f Administrative expenses			0	0	0
g End of year balance	42,960,871	38,472,172	37,789,393	32,103,845	31,706,224

- 2

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

a

Board designated or quasi-endowment ▶ 52 000 %

b

Permanent endowment ▶ 39 000 %

c

Temporarily restricted endowment ▶ 9 000 %

The percentages in 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

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐ No
- b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐ No

4

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

Part VI

Land, Buildings, and Equipment. 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	2,692,677			2,692,677
b Buildings	27,299,163		3,468,405	23,830,758
c Leasehold improvements				0
d Equipment	3,960,728		2,995,807	964,921
e Other	52,500			52,500
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶				27,540,856

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

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains 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	
3	Subtract line 2e from line 1		3	
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	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	

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

1	Total expenses and losses per audited financial statements		1	
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	
3	Subtract line 2e from line 1		3	
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	
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	

Part XIII Supplemental Information

Complete this part to 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.

Identifier	Return Reference	Explanation
Intended uses of endowment funds	Schedule D, Part V, Line 4	THE BOARD OF TRUSTEES HAS DESIGNATED CERTAIN AMOUNTS OF UNRESTRICTED REVENUES TO BE CLASSIFIED AS FUNDS FUNCTIONING AS ENDOWMENT. THE INCOME ON THESE FUNDS WILL BE USED TO SUPPORT ONGOING OPERATIONS. AS OF JUNE 30, 2013, THESE FUNDS WERE ESTABLISHED FOR THE FOLLOWING PURPOSES: FACILITIES \$15,551,232, GENERAL OPERATIONS \$7,010,723, SCHOLARSHIPS \$165,449.

SCHEDULE E

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

►Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.
► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
ERIKSON INSTITUTE

Employer identification number

36-2593545

Part I

- 1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?
- 2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?
- 3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain If you need more space use Part II

- 4 Does the organization maintain the following?
- a Records indicating the racial composition of the student body, faculty, and administrative staff?
- b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
- c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
- d Copies of all material used by the organization or on its behalf to solicit contributions?
- If you answered "No" to any of the above, please explain If you need more space, use Part II

- 5 Does the organization discriminate by race in any way with respect to
- a Students' rights or privileges?
- b Admissions policies?
- c Employment of faculty or administrative staff?
- d Scholarships or other financial assistance?
- e Educational policies?
- f Use of facilities?
- g Athletic programs?
- h Other extracurricular activities?
- If you answered "Yes" to any of the above, please explain If you need more space, use Part II

- 6a Does the organization receive any financial aid or assistance from a governmental agency?
- b Has the organization's right to such aid ever been revoked or suspended?

If you answered "Yes" to either line 6a or line 6b, explain on Part II

- 7 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," explain on Part II

	YES	NO
1	Yes	
2	Yes	
3	Yes	
4a	Yes	
4b	Yes	
4c	Yes	
4d	Yes	
5a		No
5b		No
5c		No
5d		No
5e		No
5f		No
5g		No
5h		No
6a		No
6b		No
7	Yes	

Part III Supplemental Information. Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions)

Identifier	Return Reference	Explanation
Racially nondiscriminatory policy	Schedule E, Part I, Line 3	THE POLICY IS MADE AVAILABLE IN BOTH EMPLOYEE AND STUDENT HANDBOOKS, AS WELL AS ON THE ORGANIZATION'S WEBSITE AND IN PROMOTIONAL MATERIALS USED AT RECRUITING EVENTS

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))	
			<u>DINNER</u>				
			(event type)	(event type)	(total number)		
	1	Gross receipts	718,120			718,120	
	2	Less Contributions	547,793			547,793	
3	Gross income (line 1 minus line 2)	170,327		0	0	170,327	
Direct Expenses	4	Cash prizes				0	
	5	Noncash prizes				0	
	6	Rent/facility costs				0	
	7	Food and beverages				0	
	8	Entertainment				0	
	9	Other direct expenses				0	
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶					(0)
	11	Net income summary Combine line 3, column (d), and line 10 ▶					
							170,327

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Direct Expenses	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in



a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name 

Address 

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No


b If "Yes," enter the amount of gaming revenue received by the organization  \$ _____ and the amount of gaming revenue retained by the third party  \$ _____

c If "Yes," enter name and address of the third party

Name 

Address 

16 Gaming manager information

Name 


Gaming manager compensation  \$

Description of services provided 

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year  \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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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," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization
ERIKSON INSTITUTE

Employer identification number
36-2593545

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 Governments and Organizations in the United States. Complete if the organization answered "Yes" to 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.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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 non-cash assistance	(h) Purpose of grant or assistance

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

▶

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to 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 non-cash assistance
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See Additional Data Table

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	SCHOLARSHIP FUNDS CAN BE USED FOR TUITION, BOOKS AND LIVING EXPENSES IN GENERAL THEY ARE APPLIED FIRST TO TUITION AND BALANCES SENT TO STUDENTS IT IS REVIEWED EVERY SCHOOL TERM AND IS MONITORED IN COMPLIANCE WITH STUDENT AID PROTOCOLS THE STUDENT LOAN PROGRAM IS AUDITED EVERY YEAR IN COMPLIANCE WITH FEDERAL SINGLE AUDIT STANDARDS

Software ID: 12000266
Software Version: v2012.1.0
EIN: 36-2593545
Name: ERIKSON INSTITUTE

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(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 non-cash assistance
HARRIS LEADERSHIP SCHOLARSHIPS	19	141,810			
BOUNCE SCHOLARSHIPS	18	121,260			
GRAND VICTORIA SCHOLARSHIPS	9	40,305			
ANNE SEARLE SCHOLARSHIP	1	3,300			
DOCTORAL SCHOLARSHIPS	3	23,870			
BARBARA T BOWMAN SCHOLARSHIP	8	38,000			
CPS COMMUNITY PARTNERSHIP SCHOLARSHIP	23	90,680			
INFANT STUDIES SCHOLARSHIP	13	83,074			
PARTNERSHIP FOR QUALITY CHILD CARE	1	2,250			
ERIKSON INSTITUTE	100	198,931			
BOEING SCHOLARSHIPS	4	12,051			
PELINO SCHOLARHSIP	1	3,333			
DCYS SCHOLARSHIPS	2	11,760			
CARI SACKS SCHOLARSHIP	1	13,900			
HERR FELLOWSHIP SCHOLARSHIP	2	21,195			

OMB No 1545-0047

Open to Public Inspection

➤ **Attach to Form 990.** ➤ **See separate instructions.**

36-2593545

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 in 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 are not 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 reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)JANA FLEMING DIRECTOR	(i) (ii)	142,027 0	0 0	900 0	10,161 0	4,525 0	157,613 0	0 0
(2)JONATHAN FRANK CHIEF INFORMATION OFFICER	(i) (ii)	142,719 0	0 0	900 0	9,297 0	10,454 0	163,370 0	0 0
(3)RANDY HOLGATE VP FOR INSTITUTIONAL ADVANCEMENT	(i) (ii)	205,543 0	0 0	900 0	14,516 0	0 0	220,959 0	0 0
(4)SAMUEL MEISELS PRESIDENT	(i) (ii)	312,144 0	0 0	8,400 0	18,146 0	8,242 0	346,932 0	0 0
(5)SHIRLEY RAY SENIOR VP AND DEAN OF FACULTY	(i) (ii)	203,822 0	0 0	900 0	10,340 0	4,709 0	219,771 0	0 0
(6)SUSAN WALLACE VP FOR FINANCE & OPERATIONS/CFO	(i) (ii)	190,641 0	0 0	900 0	14,093 0	7,001 0	212,635 0	0 0

Part III Supplemental Information

Complete this part to 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.

Identifier	Return Reference	Explanation
Housing allowance or residence for personal use	Schedule J, Part I, Line 1a	ERIKSON PROVIDED QUARTERLY HOUSING ALLOWANCE OF \$1,875 TO ITS PRESIDENT

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2012
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization ERIKSON INSTITUTE	Employer identification number 36-2593545
--	---	--

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ILLINOIS FINANCE AUTHORITY	86-1091967	452029AA9	12-12-2007	32,500,000	CONSTRUCT AND EQUIP FACILITY		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0							
2	Amount of bonds legally defeased	0							
3	Total proceeds of issue	32,500,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrows	0							
7	Issuance costs from proceeds	328,294							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	32,171,706							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion	2009							
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 0000%							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 0000%							
6	Total of lines 4 and 5	0 0000%							
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	0 0000%							
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b	Name of provider	BANK OF AMERICA							
c	Term of hedge	30 0							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC	0							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X						

Part VI

Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
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efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493045005194	
<div>SCHEDULE O (Form 990 or 990-EZ)</div> <div>Department of the Treasury Internal Revenue Service</div>	<div>Supplemental Information to Form 990 or 990-EZ</div> <div>Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.</div>				OMB No 1545-0047
					<div>2012</div> <div>Open to Public Inspection</div>
	Name of the organization ERIKSON INSTITUTE			Employer identification number 36-2593545	

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	FORM 990 WAS REVIEWED BY THE PRESIDENT, CHIEF FINANCIAL OFFICER AND THE TREASURER AND WAS DISTRIBUTED TO ERIKSON'S BOARD MEMBERS BEFORE IT WAS FILED WITH THE IRS
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ALL TRUSTEES, OFFICERS AND KEY EMPLOYEES ARE REQUIRED TO COMPLETE ERIKSON'S CONFLICT OF INTEREST POLICY ON AN ANNUAL BASIS AND MUST DISCLOSURE ALL INTERESTS AND RELATIONSHIPS THAT MAY HOLD POTENTIAL FOR RAISING CONFLICT ISSUES ON THE ANNUAL DISCLOSURE STATEMENT THE CHAIRPERSON OF THE TRUSTEESHIP COMMITTEE REVIEWS DISCLOSURE STATEMENTS AND COMMUNICATES ALL POTENTIAL CONFLICTS WITH THE BOARD CHAIR IF A POTENTIAL FOR CONFLICT IS FOUND TO EXIST, THE TRUSTEESHIP COMMITTEE WILL PREPARE A WRITTEN RECOMMENDATION FOR THE EXECUTIVE COMMITTEE ON HOW BEST TO MINIMIZE THE EFFECT OF CONFLICT UPON THE ACTIVITIES OF THE INSTITUTE AND THE TRUSTEE, OFFICER OR KEY EMPLOYEE THE EXECUTIVE COMMITTEE WILL MAKE A FINAL, WRITTEN DETERMINATION AS TO THE HANDLING OF THE CONFLICT ISSUE
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE COMPENSATION COMMITTEE IS APPOINTED BY THE EXECUTIVE COMMITTEE OF THE BOARD THE COMPENSATION COMMITTEE IS CHARGED WITH RECOMMENDING TO THE BOARD THE PRESIDENT'S COMPENSATION, INCLUDING SALARY AND BENEFITS THE COMPENSATION COMMITTEE REVIEWS A COMPENSATION SURVEY OF SIMILAR POSITIONS IN EDUCATIONAL INSTITUTIONS SIMILAR TO ERIKSON, LOCATED WITHIN A METROPOLITAN AREA THIS INFORMATION IS OBTAINED FROM FORM 990'S THIS REVIEW IS CONDUCTED ANNUALLY THE PRESIDENT REVIEWS THE COMPENSATION OF OFFICERS AND KEY EMPLOYEES OF ERIKSON HE REVIEWS A COMPENSATION SURVEY OF SIMILAR POSITIONS IN EDUCATIONAL INSTITUTIONS SIMILAR TO ERIKSON, LOCATED WITHIN A METROPOLITAN AREA THIS REVIEW IS CONDUCTED ANNUALLY
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	ERIKSON INSTITUTE MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND TAX RETURNS AVAILABLE FOR PUBLIC INSPECTION UPON WRITTEN REQUEST THIS INSPECTION TAKES PLACE AT ITS CORPORATE OFFICES AT 451 N LASALLE STREET, CHICAGO, IL
COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEE	FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (D)	REPORTABLE COMPENSATION FOR BARBARA T BOWMAN REPRESENTS INCOME EARNED AS A PROFESSOR AND NOT AS A TRUSTEE OF THE ORGANIZATION
Other changes in net assets or fund balances	Form 990 , Part XI, Line 9	INEREST RATE SWAP - FAIR VALUE ADJUSTMENT - 4849419,

Erikson Institute

Financial Report
June 30, 2013

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Independent Auditor's Report

To the Board of Trustees
Erikson Institute
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Erikson Institute which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes 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 financial statements based on our audits. We conducted our audits 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Erkson Institute as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

McGladrey LLP

Chicago, Illinois
October 17, 2013

Erikson Institute

**Statements of Financial Position
June 30, 2013 and 2012**

	2013	2012
Assets		
Cash	\$ 1,498,198	\$ 812,664
Receivables, net		
Contributions	6,167,339	6,338,757
Grants	1,291,979	1,238,203
Other	385,368	253,213
Investments	46,510,102	42,082,184
Property and equipment, less accumulated depreciation	27,540,856	28,480,318
Deferred compensation plan	895,369	760,970
Other assets	73,295	115,644
	<u>\$ 84,362,506</u>	<u>\$ 80,081,953</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 1,074,546	\$ 883,465
Unearned tuition and deposits	137,116	75,150
Interest rate swap agreement	7,145,758	11,995,177
Deferred compensation plan payable	895,369	760,970
Long-term debt	32,500,000	32,500,000
	<u>41,752,789</u>	<u>46,214,762</u>
 Net assets		
Unrestricted		
Operating	(6,474,769)	(9,637,560)
Board designated - funds functioning as endowment	22,727,404	18,239,455
	<u>16,252,635</u>	<u>8,601,895</u>
 Temporarily restricted	9,816,906	8,725,870
Permanently restricted	16,540,176	16,539,426
	<u>42,609,717</u>	<u>33,867,191</u>
	<u>\$ 84,362,506</u>	<u>\$ 80,081,953</u>

See Notes to Financial Statements

Erikson Institute

Statements of Activities and Changes in Net Assets
Years Ended June 30, 2013 and 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Student tuition and fees, net of scholarships and stipends of \$805,719 and \$1,018,947	\$ 2,996,524	\$ -	\$ -	\$ 2,996,524
Special events less direct expenses of \$170,327 and \$205,906	547,793	-	-	547,793
Contributions	1,926,969	4,397,402	750	6,325,121
Grants	4,659,452	-	-	4,659,452
Consulting fees	1,295,400	-	-	1,295,400
Investment income	1,524,935	59,874	-	1,584,809
Miscellaneous	106,826	-	-	106,826
Net assets released from restrictions	3,366,240	(3,366,240)	-	-
	<u>16,424,139</u>	<u>1,091,036</u>	<u>750</u>	<u>17,515,925</u>
Expenses				
Program services	13,826,775	-	-	13,826,775
Management and general	3,247,438	-	-	3,247,438
Fundraising	626,120	-	-	626,120
	<u>17,700,333</u>	<u>-</u>	<u>-</u>	<u>17,700,333</u>
Increase (decrease) in net assets before non-operating items	<u>(1,276,194)</u>	<u>1,091,036</u>	<u>750</u>	<u>(184,408)</u>
Non-operating items				
Investment income (loss)	4,077,515	-	-	4,077,515
Interest rate swap fair value adjustment	4,849,419	-	-	4,849,419
	<u>8,926,934</u>	<u>-</u>	<u>-</u>	<u>8,926,934</u>
Increase (decrease) in net assets	<u>7,650,740</u>	<u>1,091,036</u>	<u>750</u>	<u>8,742,526</u>
Net assets				
Beginning of year	<u>8,601,895</u>	<u>8,725,870</u>	<u>16,539,426</u>	<u>33,867,191</u>
End of year	<u>\$ 16,252,635</u>	<u>\$ 9,816,906</u>	<u>\$ 16,540,176</u>	<u>\$ 42,609,717</u>

See Notes to Financial Statements

2012			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 2,744,735	\$ -	\$ -	\$ 2,744,735
391,162	-	-	391,162
1,167,711	2,110,315	800,000	4,078,026
5,082,529	-	-	5,082,529
1,324,408	-	-	1,324,408
1,458,766	39,149	-	1,497,915
69,763	-	-	69,763
2,652,919	(2,652,919)	-	-
14,891,993	(503,455)	800,000	15,188,538
13,518,727	-	-	13,518,727
2,896,946	-	-	2,896,946
562,925	-	-	562,925
16,978,598	-	-	16,978,598
(2,086,605)	(503,455)	800,000	(1,790,060)
(579,194)	-	-	(579,194)
(7,365,282)	-	-	(7,365,282)
(7,944,476)	-	-	(7,944,476)
(10,031,081)	(503,455)	800,000	(9,734,536)
18,632,976	9,229,325	15,739,426	43,601,727
\$ 8,601,895	\$ 8,725,870	\$ 16,539,426	\$ 33,867,191

Erikson Institute

Statement of Functional Expenses
Year Ended June 30, 2013

	Program Services			Supporting Services		
	Academic Programs	Special Projects	Total	Management and General	Fund - raising	Total
Compensation	\$ 3,147,215	\$ 5,231,599	\$ 8,378,814	\$ 1,802,599	\$ 424,248	\$ 2,226,847
Contracted services	125,341	1,564,503	1,689,844	405,601	85,960	491,561
Legal and audit fees	11,730	4,999	16,729	95,631	-	95,631
Occupancy and insurance	422,776	72,091	494,867	222,920	9,809	232,729
Books and library materials	72,318	48,254	120,572	3,060	226	3,286
Office expenses	54,170	109,512	163,682	139,772	26,994	166,766
Meeting and travel expense	66,207	309,009	375,216	30,707	19,140	49,847
Miscellaneous	207,527	147,847	355,374	235,752	7,843	243,595
Interest	1,418,391	-	1,418,391	197,915	32,986	230,901
Depreciation	813,286	-	813,286	113,481	18,914	132,395
	<u>\$ 6,338,961</u>	<u>\$ 7,487,814</u>	<u>\$ 13,826,775</u>	<u>\$ 3,247,438</u>	<u>\$ 626,120</u>	<u>\$ 3,873,558</u>
						<u>\$ 17,700,333</u>

See Notes to Financial Statements.

Erikson Institute

Statement of Functional Expenses
Year Ended June 30, 2012

	Program Services			Supporting Services		
	Academic Programs	Special Projects	Total	Management and General	Fund - raising	Total
Compensation	\$ 3,351,352	\$ 4,786,067	\$ 8,137,419	\$ 1,850,866	\$ 400,855	\$ 2,251,721
Contracted services	136,935	1,392,631	1,529,566	204,519	57,232	261,751
Legal and audit fees	14,295	-	14,295	104,656	-	104,656
Occupancy and insurance	407,852	57,599	465,451	174,292	8,324	182,616
Books and library materials	86,659	70,386	157,045	696	-	696
Office expenses	267,638	69,677	337,315	35,069	25,283	60,352
Meeting and travel expenses	75,322	262,343	337,665	25,981	9,752	35,733
Miscellaneous	252,199	193,102	445,301	122,312	11,005	133,317
Interest	1,292,840	-	1,292,840	233,646	31,153	264,799
Depreciation	801,830	-	801,830	144,909	19,321	164,230
	<u>\$ 6,686,922</u>	<u>\$ 6,831,805</u>	<u>\$ 13,518,727</u>	<u>\$ 2,896,946</u>	<u>\$ 562,925</u>	<u>\$ 3,459,871</u>
						<u>\$ 16,978,598</u>

See Notes to Financial Statements.

Erikson Institute

Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 8,742,526	\$ (9,734,536)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities.		
Depreciation	945,681	966,060
Realized and unrealized gains on investments	(5,154,452)	(465,802)
Interest rate swap fair value adjustment	(4,849,419)	7,365,282
Change in assets and liabilities		
Contributions receivable	(831,932)	1,479,402
Grants receivable	(53,776)	546,438
Other receivables	(132,155)	(158,369)
Other assets	42,349	43,909
Accounts payable and accrued liabilities	191,081	115,851
Unearned tuition and deposits	61,966	46,650
Net cash (used in) provided by operating activities	(1,038,131)	204,885
Cash Flows from Investing Activities		
Additions to property and equipment	(6,219)	(17,684)
Proceeds from sale of investments	9,155,437	9,144,807
Purchase of investments	(8,428,903)	(10,153,123)
Net cash provided by (used in) investing activities	720,315	(1,026,000)
Cash Flows from Financing Activities		
Proceeds from contributions restricted for permanent endowment	1,003,350	813,600
Net increase (decrease) in cash	685,534	(7,515)
Cash		
Beginning of year	812,664	820,179
End of year	\$ 1,498,198	\$ 812,664
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	\$ 1,649,292	\$ 1,557,639

See Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Erikson Institute (Institute) is an independent institution of higher education located in Chicago, Illinois, that prepares child development professionals for leadership. Through its academic programs, applied research, and community service and engagement, the Institute advances the ability of practitioners and researchers to improve life for children and their families. The Institute is a catalyst for discovery and change, continually bringing the newest scientific knowledge on children's development and learning into its classrooms and out to the community so that professionals serving children and families are informed, inspired and responsive.

Accounting policies The Institute follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, changes in net assets, and cash flows. References to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the *FASB Accounting Standards Codification*TM, sometimes referred to as the Codification or ASC.

In order to ensure the observance of limitations and restrictions placed on the use of available resources, the Institute maintains its financial accounts in accordance with the principles and practices of fund accounting. This is the procedure by which resources for various purposes are classified into funds established in accordance with their nature and purpose. For financial reporting purposes, fund balances and related activities of the various funds are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor-imposed restrictions.

The Institute has designated a portion of the unrestricted net assets as an endowment. These funds are reflected in the financial statements as funds functioning as endowment.

Revenue recognition. Revenue is recorded on the accrual basis of accounting, whereby revenue is recognized when earned. Tuition revenue is recognized as the classes take place. Student fees and consulting revenue are recognized as the services are provided. Grant and consulting revenue are recognized when the services are provided.

All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as revenue when a notice of an award or a pledge is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Institute, or in permanently restricted net assets if such contributions are non-expendable. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Expense allocation The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on estimates made by management.

Cash. Cash includes cash on hand, demand deposits and time deposits with original maturities of less than three months.

The Institute maintains funds in accounts that at times are in excess of Federal Deposit Insurance Corporation insurance limits, however, the Institute minimizes this risk by maintaining deposits in high-quality financial institutions. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Grants receivable: Grants receivable are reported at their estimated realizable value and recognized as unrestricted revenue at the time the Institute performs the services. Management reviews the receivables for collectability and records an allowance for any accounts deemed uncollectible.

Contributions receivable. Contributions receivable are reported at their estimated realizable value and recognized as revenue at the time an unconditional promise to give is received from a donor. If the pledge is receivable over an extended period of time, the present value of the pledge is recorded.

Investments Investments in marketable securities held by the Institute are stated at fair value.

Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Interest rate swap agreement The Institute's interest rate swap agreement is recognized as either an asset or liability at its fair value in the statement of financial position with changes in the fair value reported as non-operating income or loss. For the years ended June 30, 2013 and 2012, the Institute recognized a gain of \$4,849,419 and a loss of \$7,365,282, respectively, on this instrument.

Property and equipment. Property and equipment are recorded at cost. Erikson capitalizes all expenditures for property and equipment in excess of \$5,000. Depreciation is being provided on a straight-line basis over the estimated useful lives of the assets as follows.

Furniture and equipment	10 years
Computer equipment	5 years
Building	39 years

Assets retired or otherwise disposed of are removed from the accounts at their net book value and the gain or loss is recognized as the difference between proceeds, if any, and the net book value. Repairs and maintenance are charged to expense as incurred.

Unearned tuition and deposits Tuition and deposits received for classes to be held subsequent to year-end are recorded as an unearned tuition and deposits liability at year-end.

Fair value of financial instruments The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable and short-term borrowings approximate fair value due to the short maturity of these instruments. The carrying amount of long-term debt and the swap agreement approximates fair value because the interest rates fluctuate with market interest rates.

Accounting estimates The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes. The Institute is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Institute may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Institute and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities during the periods covered by these financial statements.

The Institute files Forms 990 in the U.S. federal jurisdiction and the State of Illinois. The Institute is generally no longer subject to examination by the Internal Revenue Service for tax years before 2010.

Reclassification Certain items on the 2012 financial statements have been reclassified to correspond to the 2013 presentation. These reclassifications have no effect on the 2012 change in net assets.

Subsequent events Erikson Institute has evaluated subsequent events for potential recognition and/or disclosure through October 17, 2013, the date the financial statements were available to be issued.

Note 2. Contributions Receivable

Contributions receivable at June 30, 2013 and 2012 are due as follows:

	2013	2012
Amounts due in less than one year	\$ 3,099,184	\$ 2,718,666
Amounts due in one to five years	3,290,333	3,880,628
	6,389,517	6,599,294
Less: Present value discount	(222,178)	(260,537)
	<u>\$ 6,167,339</u>	<u>\$ 6,338,757</u>

The receivables are discounted using a present value discount rate of 3 percent. Significant pledges include those from the Irving Harris Foundation for the Irving B. Harris Excellence Scholarship and for the Capital Campaign.

Erikson Institute

Notes to Financial Statements

Note 3. Grants and Other Receivables

Grants receivables at June 30, 2013 and 2012 are composed of the following

	2013	2012
Grants receivables	\$ 1,361,003	\$ 1,298,958
Less Allowance for uncollectible accounts	(69,024)	(60,755)
	<u>\$ 1,291,979</u>	<u>\$ 1,238,203</u>

The allowance for uncollectible grant receivables provides for amounts which have been outstanding for over one year

Other receivables at June 30, 2013 and 2012 are composed of the following.

	2013	2012
Other receivables	\$ 446,123	\$ 284,227
Less Allowance for uncollectible accounts	(60,755)	(31,014)
	<u>\$ 385,368</u>	<u>\$ 253,213</u>

The allowance for uncollectible student loans, tuition receivables and consulting receivables provides for amounts due from students that have been outstanding for greater than two years

Note 4. Investments

Investments at June 30, 2013 and 2012 are composed of the following

	June 30, 2013		June 30, 2012	
	Fair Value	Cost	Fair Value	Cost
Short-term investments	\$ 5,176,667	\$ 5,176,667	\$ 4,793,513	\$ 4,792,012
Mutual funds:				
Commodities	709,591	807,007	722,584	807,008
Fixed income	8,885,795	8,719,030	7,379,991	6,861,304
Equities	13,500,244	11,668,893	13,211,073	12,982,023
Corporate stocks	5,261,982	4,425,814	4,667,503	4,218,179
Hedge funds and other investments				
Private equity	2,578,217	1,155,874	2,200,628	1,028,874
Absolute return	5,239,469	4,500,855	4,742,913	4,500,855
Equity	5,158,137	3,876,585	4,363,979	3,850,345
	<u>\$ 46,510,102</u>	<u>\$ 40,330,725</u>	<u>\$ 42,082,184</u>	<u>\$ 39,040,600</u>

Erikson Institute

Notes to Financial Statements

Note 4. Investments (Continued)

Components of investment income at June 30, 2013 and 2012 are as follows

	2013	2012
Net realized and unrealized gains	\$ 5,154,452	\$ 465,802
Interest and dividends	597,132	535,955
Investment fees and expenses	(89,260)	(83,036)
	<u>\$ 5,662,324</u>	<u>\$ 918,721</u>

The Board of Trustees designates only a portion of the Institute's cumulative investment return for support of current operations, the remainder is retained to support operations of future years and to offset potential market declines. The Institute considers the investment earnings allocation from the endowment assets to be operating income, with the remaining investment income recorded as non-operating. These amounts are reflected as investment income (loss) in the statements of activities as follows

	2013	2012
Support and revenue	\$ 1,584,809	\$ 1,497,915
Non-operating revenue (loss)	4,077,515	(579,194)
	<u>\$ 5,662,324</u>	<u>\$ 918,721</u>

Note 5. Fair Value Measurements

The Institute follows ASC Topic, Fair Value Measurements and Disclosure, which provides the framework for measuring fair value under generally accepted accounting principles. This Topic applies to all financial instruments that are being measured and reported on a fair value basis. As defined in the Topic, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Institute uses various methods including market, income, and cost approaches. Based on these approaches, the Institute often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Institute utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used on the valuation techniques, the Institute is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Note 5. Fair Value Measurements (Continued)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories

Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 assets primarily include listed equities, money market funds, government securities, and mutual funds. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities. Level 2 assets primarily include equities traded in over-the-counter markets.

Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Institute's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

For fiscal years 2013 and 2012, the application of valuation techniques applied to similar assets and liabilities has been consistent with techniques used in previous years. The valuation methodologies used for instruments at fair value are described below.

Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation, other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short sales positions and call options written, for which the last quoted asked price is used. The fair values of the Institute's short-term investments, including cash and cash equivalents approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. Restricted securities and other securities for which quotations are not readily available are valued at fair value as determined by the general partner.

Hedge funds and other investments, which generally are investment partnerships, are valued at fair value based on the applicable percentage ownership of the underlying partnerships' net assets as of the measurement date, as determined by the general partner. In determining fair value, the general partner utilizes valuations provided by the underlying investment partnerships. The underlying investment partnerships value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment partnerships, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective other investment partnership and may not reflect amounts that could be realized upon immediate sale, or amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Institute's investment partnerships generally represents the amount the Institute would expect to receive if it were to liquidate its investment in the investment partnerships excluding any redemption charges that may apply. The current partnership has quarterly redemption periods with a 60 day notice period. At June 30, 2013 and 2012, the Institute had \$2,076,116 and \$729,576, respectively, of unfunded commitments related to these investments.

Erikson Institute

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

The following table sets forth the fair value of investments in certain entities that calculate net asset value per share (or its equivalent)

	June 30, 2012 Fair Value	June 30, 2013 Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investment					
Hedge Funds and other investments					
William Harris Investors	\$ 1,676,465	\$ 2,090,006	\$ -	Quarterly	60 days
Common Sense Long-Biased Offshore, LTD	1,796,493	1,926,724	-	Quarterly	Over 90 days
Blackstone Partners Offshore Fund LTD	4,742,913	5,239,469	-	Quarterly	Over 90 days

These funds include investments in foreign and domestic common stocks and mutual funds. Investments in the category that can be redeemed within 90 days following advanced written notice at the current net asset value per share based on the fair value of underlying assets are classified as Level 2 while the investments in the category that cannot be redeemed within 90 days are classified as Level 3. The fair value of investments in these categories has been estimated using the net asset value per share of the investment.

The Institute assesses the levels of financial instruments at each measurement date, and transfers between levels are recognized on the actual date of the event of change in circumstances that caused the transfer in accordance with the Institute's accounting policy regarding recognition of transfers between levels of the fair value hierarchy. There were no such transfers for fiscal 2013 or 2012.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Institute's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Institute's valuation of the interest-rate swap agreement is based on widely-accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of the interest-rate swap agreement. This analysis reflects the contractual terms of the agreement, including the period to maturity, and uses observable market-based inputs, including LIBOR rate curves.

Erikson Institute

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

The following tables present the Institute's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2013 and 2012

June 30, 2013

Description	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments	\$ 5,176,667	\$ 5,176,667	\$ -	\$ -
Mutual funds				
Commodities	709,591	709,591	-	-
Fixed income	8,885,795	8,885,795	-	-
Equities	13,500,244	13,500,244	-	-
Corporate stocks	5,261,982	5,261,982	-	-
Hedge funds and other investments				
Equity	2,090,006	-	2,090,006	-
Private equity	2,578,217	-	-	2,578,217
Absolute return	5,239,469	-	-	5,239,469
Limited partnerships	3,068,131	-	-	3,068,131
	<u>\$ 46,510,102</u>	<u>\$ 33,534,279</u>	<u>\$ 2,090,006</u>	<u>\$ 10,885,817</u>
Interest rate swap	\$ (7,145,758)	\$ -	\$ (7,145,758)	\$ -

June 30, 2012

Description	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments	\$ 4,793,513	\$ 4,793,513	\$ -	\$ -
Mutual funds				
Commodities	722,584	722,584	-	-
Fixed income	7,379,991	7,379,991	-	-
Equities	13,211,073	13,211,073	-	-
Corporate stocks	4,667,503	4,667,503	-	-
Hedge funds and other investments				
Equity	1,676,465	-	1,676,465	-
Private equity	2,200,628	-	-	2,200,628
Absolute return	4,742,913	-	-	4,742,913
Limited partnerships	2,687,514	-	-	2,687,514
	<u>\$ 42,082,184</u>	<u>\$ 30,774,664</u>	<u>\$ 1,676,465</u>	<u>\$ 9,631,055</u>
Interest rate swap	\$ (11,995,177)	\$ -	\$ (11,995,177)	\$ -

Erikson Institute

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

The following table sets forth the activity for the Level 3 private equity investments.

	Private Equity	Absolute Return	Limited Partnerships	Total
Balance, July 1, 2011	\$ 1,689,058	\$ 4,537,617	\$ 1,774,931	\$ 8,001,606
2012 activity				
Net change in unrealized gain (loss) on investments	268,855	205,296	(61,176)	412,975
Purchases	1,500,000	-	973,759	2,473,759
Sales	(1,257,285)	-	-	(1,257,285)
Balance, June 30, 2012	2,200,628	4,742,913	2,687,514	9,631,055
2013 activity				
Net change in unrealized gain on investments	250,589	496,556	380,617	1,127,762
Purchases	127,000	-	-	127,000
Balance, June 30, 2013	\$ 2,578,217	\$ 5,239,469	\$ 3,068,131	\$ 10,885,817

Note 6. Property and Equipment

Property and equipment are composed of the following at June 30, 2013 and 2012

	2013	2012
Land	\$ 2,692,677	\$ 2,692,677
Building	27,299,163	27,299,162
Furniture and equipment	3,960,728	3,954,510
Other	52,500	52,500
	34,005,068	33,998,849
Less Accumulated depreciation	(6,464,212)	(5,518,531)
	\$ 27,540,856	\$ 28,480,318

Depreciation expense totaled \$945,681 and \$966,060 for fiscal years 2013 and 2012, respectively

Notes to Financial Statements

Note 7. Long-Term Debt

On December 12, 2007, the Institute entered into a bond trust agreement with the Illinois Finance Authority (IFA) to issue Adjustable Rate Demand Educational Facility Revenue Bonds, Series 2007, for \$32,500,000. The bonds are non-amortizing and have a term of thirty years. These funds were used to construct its building at 451 North LaSalle Street, Chicago, Illinois.

The bonds are secured by a transferable irrevocable letter of credit issued by Bank of America with a maturity date of November 29, 2013. The Institute also has a reimbursement agreement with Bank of America. As collateral, Bank of America has a negative pledge on all business assets of the Institute. Bank of America also requires the Institute to comply with certain financial covenants which are monitored on a quarterly and annual basis.

In order to reduce exposure to adjustable interest rates on variable rate debt, the Institute entered into a 30-year interest rate swap agreement in March 2008. The agreement has the effect of fixing the rate of interest at 3.5 percent for the variable rate debt. The notional amount of the swap agreement at June 30, 2013, is \$32,500,000. The fair value of the swap agreement is the estimated amount that the Institute would pay or receive to terminate the agreement as of the statement of financial position date, taking into account current interest rates and the current creditworthiness of the swap counterparty. As of June 30, 2013 and 2012, the fair value of the interest rate swap agreement was a liability of \$7,145,758 and \$11,995,177 and is presented on the statements of financial position as "Interest rate swap agreement." The Institute recorded a gain in the amount of \$4,849,419 and a loss of \$7,365,282, respectively, for the change in the fair value of the swap agreement, which is presented in the statements of activities as "Interest rate swap fair value adjustment."

Note 8. Retirement Plans

Pension expense for the Institute's defined contribution retirement plan was \$425,615 and \$407,945 in fiscal years 2013 and 2012, respectively. The plan covers all employees who have worked one year or were covered by a prior plan, and worked more than 1,000 hours during the year. Under this plan, pension benefits and costs are calculated separately for each participant and are funded currently.

The Institute has a nonqualified 457(b) deferred compensation plan for certain employees. Contributions to the plan are invested under the direction of the individual qualified employee from the same options available for the 403(b) plan. Eligible employees made contributions of \$65,313 and \$66,000 for the fiscal years ended 2013 and 2012, respectively. At June 30, 2013 and 2012, \$895,369 and \$760,970, as of June 30, 2013 and 2012, respectively, were accrued as a liability and set aside in a separate account for this benefit. The Plan is intended to constitute an unfunded plan and all amounts held are allocated to the employer.

Note 9. Funds Functioning as Endowment

The Board of Trustees has designated certain amounts of unrestricted revenues to be classified as funds functioning as endowment. The income on these funds will be used to support ongoing operations. As of June 30, 2013 and 2012, these funds were established for the following purposes.

	2013	2012
Facilities	\$ 15,551,232	\$ 14,715,610
General operations	7,010,723	3,363,325
Scholarships	165,449	160,520
	<u>\$ 22,727,404</u>	<u>\$ 18,239,455</u>

Notes to Financial Statements

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of gifts and other resources restricted by the donor that were receivable, or received and unexpended, as of June 30, 2013 and 2012. These net assets are restricted for:

	2013	2012
Special projects	\$ 3,304,538	\$ 4,024,815
Program support	3,995,955	3,050,733
Scholarships	1,916,413	1,050,322
Library	600,000	600,000
	<u>\$ 9,816,906</u>	<u>\$ 8,725,870</u>

Temporarily restricted net assets were released from restrictions as follows for the years ended June 30, 2013 and 2012

	2013	2012
Special projects	\$ 2,278,761	\$ 1,031,262
Program support	593,584	1,064,838
Scholarships	493,895	556,819
Library	-	-
	<u>\$ 3,366,240</u>	<u>\$ 2,652,919</u>

Note 11. Permanently Restricted Net Assets

Permanently restricted net assets consist of endowment funds. The income earned on the investment of permanently restricted endowment assets is generally restricted to the programs and activities outlined in the endowed funds, primarily providing scholarships and supporting the Institute's education and research programs.

Permanently restricted net assets consist of the following as of June 30, 2013 and 2012

	2013	2012
Endowed chairs	\$ 6,607,397	\$ 6,607,397
Program support	5,703,000	5,703,000
Scholarship endowments	4,229,779	4,229,029
	<u>\$ 16,540,176</u>	<u>\$ 16,539,426</u>

Notes to Financial Statements

Note 12. Endowment Funds

Interpretation of Relevant Law

The Institute's Board of Trustees has interpreted Uniform Prudent Management of Invested Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds

- 1) The duration and preservation of the fund,
- 2) The purpose of the Institute and the donor-restricted endowment fund,
- 3) General economic conditions,
- 4) The possible effect of inflation and deflation,
- 5) The expected total return from income and the appreciation of investments,
- 6) Other resources of the Institute, and
- 7) The investment policies of the Institute

The Institute's endowment net asset composition by type of fund is as follows for the years ended June 30, 2013 and 2012:

2013			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board designated	\$ 22,727,404	\$ -	\$ 22,727,404
Donor restricted	-	3,693,291	16,540,176
			20,233,467
Total	\$ 22,727,404	\$ 3,693,291	\$ 16,540,176
			\$ 42,960,871

2012			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board designated	\$ 18,239,455	\$ -	\$ 18,239,455
Donor restricted	-	3,693,291	16,539,426
			20,232,717
Total	\$ 18,239,455	\$ 3,693,291	\$ 16,539,426
			\$ 38,472,172

Erikson Institute

Notes to Financial Statements

Note 12. Endowment Funds (Continued)

The changes in endowment net assets for the Institute were as follows for the years ended June 30, 2013 and 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 18,239,455	\$ 3,693,291	\$ 16,539,426	\$ 38,472,172
Investment income	5,662,324	-	-	5,662,324
Contributions	-	-	750	750
Board designated amounts transferred from operations	404,000	-	-	404,000
Appropriation of endowment assets for expenditures	(1,578,375)	-	-	(1,578,375)
Endowment net assets, end of year	<u>\$ 22,727,404</u>	<u>\$ 3,693,291</u>	<u>\$ 16,540,176</u>	<u>\$ 42,960,871</u>

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 18,056,532	\$ 3,993,435	\$ 15,739,426	\$ 37,789,393
Investment income	909,515	-	-	909,515
Contributions	-	-	800,000	800,000
Board designated amounts transferred from operations	443,824	-	-	443,824
Appropriation of endowment assets for expenditures	(1,170,416)	(300,144)	-	(1,470,560)
Endowment net assets, end of year	<u>\$ 18,239,455</u>	<u>\$ 3,693,291</u>	<u>\$ 16,539,426</u>	<u>\$ 38,472,172</u>

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding. Funds functioning as endowment are only released by the Board of Trustees for spending based on organizational spending and investment policies or specifically directed spending in accordance with donor-specified uses. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the various indices set in the investment policy, while assuming a moderate level of investment risk.

Note 12. Endowment Funds (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Institute has a policy of appropriating for distribution a percentage of its endowment fund's average fair value over the prior 12 quarters through the calendar year proceeding the fiscal year in which the distribution is planned. The policy is coordinated with its investment policy such that over the long-term, its endowment will be able to maintain its purchasing power over time.