

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

**2015**

Department of the Treasury  
Internal Revenue Service

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

**Open to Public Inspection**

**For calendar year 2015, or tax year beginning , 2015, and ending**

Name of foundation <b>THE GROVER HERMANN FOUNDATION</b>		<b>A</b> Employer identification number 36-6064489
Number and street (or P O box number if mail is not delivered to street address) 908 KENMARE DRIVE		<b>B</b> Telephone number (see instructions) (630) 908-7800
Room/suite		<b>C</b> If exemption application is pending, check here. ▶ <input type="checkbox"/>
City or town, state or province, country, and ZIP or foreign postal code BURR RIDGE IL 60527		
<b>G</b> Check all that apply		<b>D</b> 1 Foreign organizations, check here . . . . . ▶ <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation . . . . . ▶ <input type="checkbox"/>
<input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		
<b>H</b> Check type of organization:		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here . . . . . ▶ <input type="checkbox"/>
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Other taxable private foundation		<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . . . ▶ <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 27,894,287.		
<b>J</b> Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))				
<b>REVENUE</b>				
1 Contributions, gifts, grants, etc. received (attach schedule) . . . . .	0.			
2 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments . . . . .				
4 Dividends and interest from securities . . . . .	771,075.	771,075.		
5a Gross rents . . . . .				
b Net rental income or (loss) . . . . .				
6a Net gain or (loss) from sale of assets not on line 10 . . . . .				
b Gross sales price for all assets on line 6a . . . . .				
7 Capital gain net income (from Part IV, line 2) . . . . .		902,800.		
8 Net short-term capital gain . . . . .				
9 Income modifications . . . . .				
10a Gross sales less returns and allowances . . . . .				
b Less Cost of goods sold . . . . .				
c Gross profit or (loss) (attach schedule) . . . . .				
11 Other income (attach schedule) . . . . .				
Miscellaneous	-113.	-113.		
12 Total Add lines 1 through 11 . . . . .	770,962.	1,673,762.		
<b>ADMINISTRATIVE</b>				
13 Compensation of officers, directors, trustees, etc. . . . .	173,400.	8,670.		164,730.
14 Other employee salaries and wages . . . . .				
15 Pension plans, employee benefits . . . . .	26,546.			26,546.
16a Legal fees (attach schedule) . . . . .				
b Accounting fees (attach sch) . L-16b Stmt.	115.			115.
c Other prof fees (attach sch) . L-16c Stmt.	192,888.	192,888.		
17 Interest . . . . .				
18 Taxes (attach schedule)(see instrs) See Line.18 Stmt	15,299.	765.		14,534.
19 Depreciation (attach schedule) and depletion . . . . .				
20 Occupancy . . . . .				
21 Travel, conferences, and meetings . . . . .	5,674.			5,674.
22 Printing and publications . . . . .				
23 Other expenses (attach schedule) See Line 23 Stmt	2,156.	111.		2,045.
24 Total operating and administrative expenses Add lines 13 through 23 . . . . .	416,078.	202,434.		213,644.
25 Contributions, gifts, grants paid . . . . .	1,514,000.			1,514,000.
26 Total expenses and disbursements Add lines 24 and 25 . . . . .	1,930,078.	202,434.		1,727,644.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements . . . . .	-1,159,116.			
b Net investment income (if negative, enter -0-) . . . . .		1,471,328.		
c Adjusted net income (if negative, enter -0-) . . . . .				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
ASSETS	1	Cash — non-interest-bearing . . . . .	1,308,478.	190,532.	190,532.
	2	Savings and temporary cash investments . . . . .			
	3	Accounts receivable . . . . . ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable . . . . . ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . . . . .			
	7	Other notes and loans receivable (attach sch) . ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10a	Investments — U.S. and state government obligations (attach schedule) . . . . .			
	b	Investments — corporate stock (attach schedule) . . . . .			
	c	Investments — corporate bonds (attach schedule) . . . . .			
	11	Investments — land, buildings, and equipment basis . . . . . ▶			
	Less: accumulated depreciation (attach schedule) . . . . . ▶				
12	Investments — mortgage loans . . . . .				
13	Investments — other (attach schedule) . . L-13 Stmt . . . . .	27,013,028.	27,461,604.	27,703,755.	
14	Land, buildings, and equipment basis ▶				
	Less: accumulated depreciation (attach schedule) . . . . . ▶				
15	Other assets (describe ▶				
16	<b>Total assets</b> (to be completed by all filers — see the instructions. Also, see page 1, item I) . . . . .	28,321,506.	27,652,136.	27,894,287.	
LIABILITIES	17	Accounts payable and accrued expenses . . . . .			
	18	Grants payable . . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, & other disqualified persons . . . . .			
	21	Mortgages and other notes payable (attach schedule) . . . . .			
	22	Other liabilities (describe ▶			
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .			
NET ASSETS OR FUND BALANCES	<b>Foundations that follow SFAS 117, check here . . . . . ▶ and complete lines 24 through 26 and lines 30 and 31.</b>				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here . . . . . ▶ and complete lines 27 through 31.</b>				
	27	Capital stock, trust principal, or current funds . . . . .	28,321,506.	27,652,136.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29	Retained earnings, accumulated income, endowment, or other funds . . . . .			
30	<b>Total net assets or fund balances</b> (see instructions) . . . . .	28,321,506.	27,652,136.		
31	<b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	28,321,506.	27,652,136.		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) . . . . .	1	28,321,506.
2	Enter amount from Part I, line 27a . . . . .	2	-1,159,116.
3	Other increases not included in line 2 (itemize) . . . . . ▶ <u>Net Asset Adjustment</u>	3	
4	Add lines 1, 2, and 3 . . . . .	4	27,162,390.
5	Decreases not included in line 2 (itemize) . . . . . ▶ <u>Net Asset Adjustment</u>	5	-489,746.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30 . . . . .	6	27,652,136.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a RMB Capital	P	Various	Various
b Merrill Lynch	P	various	various
c JP Morgan	P	various	various
d Edge portfolio	P	various	various
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 1,949,140.	0.	1,906,323.	42,817.
b 5,691,194.	0.	5,526,584.	164,610.
c 10,132,888.	0.	9,310,358.	822,530.
d 3,552,595.	0.	3,679,752.	-127,157.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	
a 0.	0.	0.	42,817.
b 0.	0.	0.	164,610.
c 0.	0.	0.	822,530.
d			-127,157.
e			

2 Capital gain net income or (net capital loss). . . . .	[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ] . . . . .	2	902,800.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 . . . . .	[ ] . . . . .	3	0.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? . . . . .  Yes  No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	1,752,547.	25,795,361.	0.067940
2013	1,636,656.	16,193,310.	0.101070
2012	1,508,463.	10,996,377.	0.137178
2011	1,119,348.	8,231,260.	0.135987
2010	1,085,820.	8,142,117.	0.133358

2 Total of line 1, column (d) . . . . .	2	0.575533
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .	3	0.115107
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5. . . . .	4	29,265,801.
5 Multiply line 4 by line 3 . . . . .	5	3,368,699.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	6	14,713.
7 Add lines 5 and 6. . . . .	7	3,383,412.
8 Enter qualifying distributions from Part XII, line 4 . . . . .	8	1,727,644.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.

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

<b>1 a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter. <u>N/A</u> (attach copy of letter if necessary — see instrs)			
<b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	29,427.
<b>c</b> All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
<b>3</b> Add lines 1 and 2.		3	29,427.
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	29,427.
<b>6</b> Credits/Payments.			
<b>a</b> 2015 estimated tax pmts and 2014 overpayment credited to 2015	6 a	29,300.	
<b>b</b> Exempt foreign organizations — tax withheld at source	6 b		
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	6 c		
<b>d</b> Backup withholding erroneously withheld	6 d		
<b>7</b> Total credits and payments Add lines 6a through 6d		7	29,300.
<b>8</b> Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		8	
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	127.
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	0.
<b>11</b> Enter the amount of line 10 to be Credited to 2016 estimated tax Refunded		11	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1 a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
<b>c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation (2) On foundation managers		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
<b>4 a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, col (c), and Part XV</i>	X	
<b>8 a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <u>IL - Illinois</u>		
<b>b</b> If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions) . . . . .	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions) . . . . .	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . Website address . . . . . ▶ N/A	13	X	
14	The books are in care of ▶ Paul K Rhoads Telephone no ▶ (630) 908-7800 Located at ▶ 908 Kenmare Drive Burr Ridge IL ZIP + 4 ▶ 60527			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here . . . . . ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year . . . . . ▶ 15			
16	At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ▶	16		X

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

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

		Yes	No
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? ( <b>Exception.</b> Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? . . . . . <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here . . . . . ▶ <input type="checkbox"/>	1 b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015? . . . . .	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
b	Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see instructions.) . . . . .	2 b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2015 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2015.</i> ) . . . . .	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4 a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015? . . . . .	4 b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?. . . . .  Yes  No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? . . . . .  Yes  No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? . . . . .  Yes  No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 4945(d)(4)(A)? (see instructions) . . . . .  Yes  No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . .  Yes  No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? . . . . .

5 b

Organizations relying on a current notice regarding disaster assistance check here . . . . .

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? . . . . .

- Yes  No

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

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .

- Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .

6 b

If 'Yes' to 6b, file Form 8870.

X

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? . . . . .

- Yes  No

7 b

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Paul K Rhoads 908 Kenmare Drive Burr Ridge IL 60527	Director/President 40.00	126,000.	16,204.	0.
Marianne Calhoun 937 S. Adams Street Hinsdale IL 60521	Director 5.00	11,400.	0.	0.
Katheryn V Rhoads 90 Kenmare Drive Burr Ridge, IL IL 60527	Director/Exec Dir 10.00	36,000.	10,342.	0.
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2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter 'NONE.'

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

Total number of other employees paid over \$50,000 . . . . . None

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

**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- -----		0.
----- -----		
----- -----		
----- -----		
----- -----		
<b>Total</b> number of others receiving over \$50,000 for professional services . . . . . ▶		None

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

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

	Expenses
1 NONE ----- -----	0.
2 ----- -----	
3 ----- -----	
4 ----- -----	

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

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

	Amount	
1 NONE ----- -----	0.	
2 ----- -----		
All other program-related investments. See instructions. 3 ----- -----		
<b>Total.</b> Add lines 1 through 3 . . . . . ▶		None

BAA

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

<b>1</b> Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
<b>a</b> Average monthly fair market value of securities . . . . .	<b>1 a</b>	29,640,869.
<b>b</b> Average of monthly cash balances . . . . .	<b>1 b</b>	70,604.
<b>c</b> Fair market value of all other assets (see instructions) . . . . .	<b>1 c</b>	0.
<b>d Total</b> (add lines 1a, b, and c) . . . . .	<b>1 d</b>	29,711,473.
<b>e</b> Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) . . . . .	<b>1 e</b>	
<b>2</b> Acquisition indebtedness applicable to line 1 assets . . . . .	<b>2</b>	
<b>3</b> Subtract line 2 from line 1d . . . . .	<b>3</b>	29,711,473.
<b>4</b> Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions) . . . . .	<b>4</b>	445,672.
<b>5 Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4 . . . . .	<b>5</b>	29,265,801.
<b>6 Minimum investment return.</b> Enter 5% of line 5 . . . . .	<b>6</b>	1,463,290.

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

<b>1</b> Minimum investment return from Part X, line 6 . . . . .	<b>1</b>	1,463,290.
<b>2 a</b> Tax on investment income for 2015 from Part VI, line 5 . . . . .	<b>2 a</b>	29,427.
<b>b</b> Income tax for 2015 (This does not include the tax from Part VI) . . . . .	<b>2 b</b>	
<b>c</b> Add lines 2a and 2b . . . . .	<b>2 c</b>	29,427.
<b>3</b> Distributable amount before adjustments. Subtract line 2c from line 1 . . . . .	<b>3</b>	1,433,863.
<b>4</b> Recoveries of amounts treated as qualifying distributions . . . . .	<b>4</b>	
<b>5</b> Add lines 3 and 4 . . . . .	<b>5</b>	1,433,863.
<b>6</b> Deduction from distributable amount (see instructions) . . . . .	<b>6</b>	
<b>7 Distributable amount as adjusted.</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1 . . . . .	<b>7</b>	1,433,863.

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

<b>1</b> Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
<b>a</b> Expenses, contributions, gifts, etc — total from Part I, column (d), line 26 . . . . .	<b>1 a</b>	1,727,644.
<b>b</b> Program-related investments — total from Part IX-B. . . . .	<b>1 b</b>	0.
<b>2</b> Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes . . . . .	<b>2</b>	
<b>3</b> Amounts set aside for specific charitable projects that satisfy the		
<b>a</b> Suitability test (prior IRS approval required) . . . . .	<b>3 a</b>	
<b>b</b> Cash distribution test (attach the required schedule) . . . . .	<b>3 b</b>	
<b>4 Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 . . . . .	<b>4</b>	1,727,644.
<b>5</b> Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) . . . . .	<b>5</b>	0.
<b>6 Adjusted qualifying distributions.</b> Subtract line 5 from line 4 . . . . .	<b>6</b>	1,727,644.

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

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

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7 . . . . .				1,433,863.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only . . . . .			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2015				
a From 2010 . . . . .	683,646.			
b From 2011 . . . . .	711,477.			
c From 2012 . . . . .	969,866.			
d From 2013 . . . . .	840,497.			
e From 2014 . . . . .	492,041.			
f Total of lines 3a through e . . . . .	3,697,527.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ 1,727,644.				
a Applied to 2014, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required — see instructions) . . . . .				
c Treated as distributions out of corpus (Election required — see instructions) . . . . .				
d Applied to 2015 distributable amount . . . . .				1,433,863.
e Remaining amount distributed out of corpus . . . . .	293,781.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	3,991,308.			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount — see instructions . . . . .		0.		
e Undistributed income for 2014 Subtract line 4a from line 2a Taxable amount — see instructions . . . . .			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016 . . . . .				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required — see instructions) . . . . .				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions) . . . . .	683,646.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a . . . . .	3,307,662.			
10 Analysis of line 9				
a Excess from 2011 . . . . .	711,477.			
b Excess from 2012 . . . . .	969,866.			
c Excess from 2013 . . . . .	840,497.			
d Excess from 2014 . . . . .	492,041.			
e Excess from 2015 . . . . .	293,781.			

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

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling. . . . . ▶

**b** Check box to indicate whether the foundation is a private operating foundation described in section  4942(j)(3) or  4942(j)(5)

	Prior 3 years				(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> 'Assets' alternative test — enter:					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> 'Support' alternative test — enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

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

**1 Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

Paul K Rhoads, President  
908 Kenmare Drive  
Burr Ridge IL 60527 (630) 908-7800

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

See Application Procedures

**c** Any submission deadlines

See Application Procedures

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

See Contribution Guidelines

**Part XV Supplementary Information (continued)**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p><i>a Paid during the year</i></p> <p>See Schedule Attached Miscellaneous -</p>	None	Public Charities	Charitable	1,514,000.
<b>Total</b> . . . . . ▶ <b>3 a</b>				1,514,000.
<b>b Approved for future payment</b>				
<b>Total</b> . . . . . ▶ <b>3 b</b>				





Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Foreign Taxes	3,939.	197.		3,742.
Employer Taxes	11,360.	568.		10,792.
<b>Total</b>	<b>15,299.</b>	<b>765.</b>		<b>14,534.</b>

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Telephone & Fax	425.	21.		404.
Dues/Subscriptions	0.			
Payroll Service	491.	25.		466.
Miscellaneous	449.	25.		424.
Filing Fees	25.	1.		24.
Computer Expense	251.	13.		238.
Postage	219.	11.		208.
Tax preparation	296.	15.		281.
<b>Total</b>	<b>2,156.</b>	<b>111.</b>		<b>2,045.</b>

Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Pierce Riesbeck	Accounting	115.			115.
<b>Total</b>		<b>115.</b>			<b>115.</b>

Form 990-PF, Page 1, Part I

**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
RMB Capital	Investment Manager	70,899.	70,899.		
Merrill Lynch	Investment Manager	84,313.	84,313.		
JP Morgan	Investment Manager	24,232.	24,232.		
Edge Portfolio	Investment Manager	13,444.	13,444.		
<b>Total</b>		<b>192,888.</b>	<b>192,888.</b>		

Form 990-PF, Page 2, Part II, Line 13

**L-13 Stmt**

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
RMB Capital	9,430,689.	9,182,835.
Merrill Lynch	11,421,842.	11,520,875.
JP Morgan	79,704.	79,706.
Edge Portfolio	6,529,369.	6,920,339.
Total	<u>27,461,604.</u>	<u>27,703,755.</u>

# THE GROVER HERMANN FOUNDATION

908 Kenmare Drive, Burr Ridge, IL 60527  
Phone (630) 908-7800 Fax (630) 756-4156  
Email [groverhermannfoundation@gmail.com](mailto:groverhermannfoundation@gmail.com)

## CONTRIBUTION GUIDELINES

*The Grover Hermann Foundation plans to sunset around the end of 2018. Our very strong focus is upon organizations that we have supported in the past; grants to others are not likely. Any organization not previously supported by the Foundation may submit a simple letter - electronically via email - briefly describing its proposed funding. It then will be notified whether a full grant request pursuant to these Guidelines will be considered.*

### Fields of Interest

The Foundation will entertain grant requests in the areas set forth below:

**Community.** Organizations established for youth, the aged, the disadvantaged, local development, cultural, and other community related activities. Only organizations in the areas of metropolitan Chicago, Illinois and Monterey County, California will be considered.

**Education.** Scholarships, fellowships, challenge grants and grants for capital expenditures. Private colleges and universities are strongly favored over tax supported institutions. Pre-college programs are eligible for grants, but higher education will receive the greatest consideration.

**Health.** Medical facilities, medical research, disease-specific organizations and other health programs having demonstrable significance.

**Public Policy.** Organizations and projects dedicated to the improvement of our governmental, economic and social systems and that recognize and promote the values of individual liberty, a strong work ethic, free-market competition and limited government.

**Religious.** Established religious organizations, solely for assistance in furthering well-defined secular causes in the Chicago, Illinois metropolitan area.

### Other Considerations

The Foundation supports specific programs having a positive impact on a significant number of people, and discourages requests for funding general operating expenses. It does not favor organizations whose revenues include a significant percentage of local, state, or federal government funding. It will not provide funds for athletic, foreign, fraternal, political, or non-exempt organizations, or for individuals or other private foundations.

## **APPLICATION PROCEDURES**

The Grover Hermann Foundation has no formal application form. An organization with a funding proposal that fits clearly within the Foundation's Contribution Guidelines may submit an application online, to [groverhermannfoundation@gmail.com](mailto:groverhermannfoundation@gmail.com). All of the following documentation should be submitted as email attachments (if there is concern about confidentiality you may send them password-protected, and notify us of the password separately, via phone or fax):

1. A brief communication setting forth a concise description of (a) the proposed project or other use of the requested funds, (b) the specific needs or problems to be addressed and objectives to be accomplished, and (c) the methods the organization will use to evaluate the results of the proposed project.
2. A budget showing how the requested funds will be used.
3. A brief history of the organization, identity of board members and their affiliations; and identity and qualifications of key management staff, including individuals (full time and part time) responsible for the proposed project or other use of the requested funds.
4. The most recent audited financial statements of the organization.
5. A copy of the organization's most recent determination of its federal tax-exempt status, accompanied by a separate letter stating that no change in that status has occurred since it was issued or is currently anticipated.
6. A listing of major grants from corporate and foundation contributors, including the amounts given, during the past twelve months or fiscal year.

Please do not send extraneous materials, such as brochures, marketing materials, and particularly newspaper or magazine clippings or booklets containing the same.

## **FOUNDATION DECISIONS**

The Foundation receives more proposals than it can support. Some grant requests may be either approved or rejected in the discretion of the President or the Executive Director of the Foundation, under guidelines established by the Board of Directors. Other requests are considered by the Board at regular meetings.

The Board now meets regularly three times per year, in January, May, and September. A request will be considered at any of those meetings if a complete application is received at least one month in advance of the month of the meeting (i.e., by December 1<sup>st</sup>, April 1<sup>st</sup>, or August 1<sup>st</sup>, as the case may be). The Foundation will advise each pending applicant of its decision shortly following the Board meeting at which the request is considered.

# Grants - 2015 - 2015

1/1/2015 through 12/31/2015 (Cash Basis)

4/10/2016

Page 1

Date	Description	Amount
<b>EXPENSES</b>		<b>-1,514,000</b>
<b>Grants-Community</b>		<b>-466,000</b>
5/14/2015	Wellness House	-15,000
2/2/2015	St Labre Indian School Education Association	-10,000
9/26/2015	SPCA For Monterey County	-40,000
9/26/2015	Southwest Chicago PADS	-10,000
9/26/2015	Salvation Army Monterey	-20,000
9/26/2015	Salvation Army Chicago Metropolitan Division	-25,000
12/16/2015	Salvation Army Chicago Metropolitan Division	-6,500
2/13/2015	Salt Creek Ballet	-20,000
12/16/2015	Salt Creek Ballet	-3,500
2/2/2015	North Shore Aminal League	-10,000
9/26/2015	New Moms, Inc	-15,000
2/2/2015	National Audubon Society	-10,000
2/13/2015	Midtown Educational Foundation	-12,000
3/31/2015	Lucky Plush Productions	-2,500
5/14/2015	Lucky Plush Productions	-20,000
12/22/2015	Lucky Plush Productions	-20,000
5/14/2015	Lifeline Theatre	-8,000
5/14/2015	House of the Good Shepherd	-7,500
2/13/2015	Good News Partners	-10,000
2/2/2015	Father Flanagan's Boys' Home	-10,000
5/14/2015	Disabled Patriot Fund, Inc	-10,000
12/16/2015	Disabled Patriot Fund, Inc	-5,000
9/26/2015	Chicago Youth Programs	-20,000
9/26/2015	Chicago Shakespeare Theater	-25,000
2/13/2015	CASA of DuPage County	-16,000
5/14/2015	CASA of Cook County	-15,000
9/26/2015	Carmel Bach Festival	-20,000
2/2/2015	Cal Farley's Boys Ranch	-10,000
5/14/2015	Bright Hope International	-10,000
5/14/2015	Breakthrough Urban Ministries	-25,000
9/26/2015	Boys & Girls Clubs Monterey	-25,000
2/2/2015	Anti-Cruelty Society	-10,000
<b>Grants-Education</b>		<b>-197,500</b>
9/26/2015	Stevenson School	-15,000
9/26/2015	Santa Catalina School	-20,000
2/13/2015	High Jump, Inc	-7,500
5/14/2015	Cumberland College	-50,000
5/14/2015	Big Shoulders Fund	-25,000
12/16/2015	Big Shoulders Fund	-5,000
9/26/2015	Alice Lloyd College	-75,000
<b>Grants-Health</b>		<b>-100,000</b>
2/2/2015	University of Chicago Cancer Research Foundation	-10,000
2/2/2015	Readers Digest Partners For Sight	-10,000
2/2/2015	National Federation of the Blind	-10,000
2/2/2015	Guide Dog Foundation for the Blind	-10,000
9/26/2015	Central Coast VNA & Hospice	-50,000
2/2/2015	American Heart Association - Midwest Affiliate	-10,000
<b>Grants-Public Policy</b>		<b>-740,500</b>
12/16/2015	Tax Foundation	-15,000

## Grants - 2015 - 2015

1/1/2015 through 12/31/2015 (Cash Basis)

4/10/2016

Page 2

Date	Description	Amount
9/26/2015	State Policy Network	-30,000
5/14/2015	Reason Foundation	-25,000
2/13/2015	Property & Environment Research Center (PERC)	-25,000
9/26/2015	Philanthropy Roundtable	-50,000
5/14/2015	Jack Miller Center	-25,000
2/13/2015	Institute For Justice	-100,000
12/16/2015	Institute for Humane Studies	-15,000
9/26/2015	Illinois Policy Institute	-50,000
5/14/2015	Heritage Foundation	-315,500
5/14/2015	Federalist Society	-35,000
5/14/2015	Cato Institute	-10,000
2/13/2015	B U I L D	-15,000
2/13/2015	American Transparency	-10,000
2/13/2015	American Enterprise Institute	-20,000
<b>Grants-Religion</b>		<b>-10,000</b>
2/2/2015	Missionary Servants of the Most Holy Trinity	-10,000
<b>OVERALL TOTAL</b>		<b>-1,514,000</b>