

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning 7/01, 2007, and ending 6/30, 2008

B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending. C The Art Institute of Chicago, 111 South Michigan Avenue, Chicago, IL 60603. D Employer Identification Number 36-2167725. E Telephone number 312-443-3600. F Accounting method: Cash, Accrual, Other (specify).

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? Yes No

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? Yes No (If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: www.artic.edu

J Organization type (check only one) 501(c) 3 (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12. 548,014,348.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See *instructions*.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) See Stmt 6 (cash \$ <u>25866528.</u> non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22b	25,866,528.	25,866,528.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	2,591,616.	1,324,656.	1,266,960.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	64,080,937.	52,000,851.	9,441,769.	2,638,317.
27 Pension plan contributions not included on lines 25a, b, and c	27	2,973,929.	2,089,068.	706,016.	178,845.
28 Employee benefits not included on lines 25a - 27	28	9,145,598.	7,330,092.	1,375,373.	440,133.
29 Payroll taxes	29	4,652,637.	3,721,050.	727,033.	204,554.
30 Professional fundraising fees	30	450,311.			450,311.
31 Accounting fees	31	422,587.	4,725.	417,862.	
32 Legal fees	32	295,040.		295,040.	
33 Supplies	33	2,804,088.	2,061,707.	617,317.	125,064.
34 Telephone	34	933,148.	570,167.	280,716.	82,265.
35 Postage and shipping	35	1,712,207.	1,443,191.	68,242.	200,774.
36 Occupancy	36	15,570,735.	14,684,014.	703,112.	183,609.
37 Equipment rental and maintenance	37	1,453,092.	634,371.	815,782.	2,939.
38 Printing and publications	38	3,557,873.	3,065,111.	36,237.	456,525.
39 Travel	39	2,796,177.	2,352,941.	120,490.	322,746.
40 Conferences, conventions, and meetings	40	259,106.	158,556.	88,803.	11,747.
41 Interest	41	7,725,358.	7,338,023.	318,145.	69,190.
42 Depreciation, depletion, etc (attach schedule)	42	12,748,772.	11,194,785.	1,391,449.	162,538.
43 Other expenses not covered above (itemize): a See Statement 7	43a	44,388,140.	41,101,019.	2,310,634.	976,487.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	204,427,879.	176,940,855.	20,980,980.	6,506,044.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>See Statement 8</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 9</u> ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here. ... ▶ <input type="checkbox"/>	176,940,855.
b ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here. ... ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here. ... ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here. ... ▶ <input type="checkbox"/>	
e Other program services..... (Grants and allocations \$ _____) If this amount includes foreign grants, check here. ... ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ▶	176,940,855.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year		
ASSETS	45	Cash — non-interest-bearing.....		45		
	46	Savings and temporary cash investments.....	2,052,117.	46	817,445.	
	47a	Accounts receivable.....	4,561,746.			
		47a				
		b Less: allowance for doubtful accounts.....	1,290,838.	2,665,201.	47c	3,270,908.
		47b				
	48a	Pledges receivable.....	68,732,088.			
		48a				
		b Less: allowance for doubtful accounts.....	7,702,578.	41,536,523.	48c	61,029,510.
		48b				
	49	Grants receivable.....		49		
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)..... See Stmt. 10	186,250.	50a	181,250.	
		50a				
		b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule).....			50b	
	50b					
51a	Other notes and loans receivable (attach schedule)..... See St. 11	3,698,552.				
	51a					
	b Less: allowance for doubtful accounts.....	76,000.	3,487,679.	51c	3,622,552.	
	51b					
52	Inventories for sale or use.....	5,812,184.	52	5,421,441.		
53	Prepaid expenses and deferred charges.....	5,752,852.	53	6,367,245.		
54a	Investments — publicly-traded securities... Stmt. 12... <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	762,644,068.	54a	657,263,992.		
	54a					
	b Investments — other securities (attach sch)..... <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV			54b		
	54b					
55a	Investments — land, buildings, & equipment: basis... 55a					
	55a					
	b Less: accumulated depreciation (attach schedule)..... 55b			55c		
	55b					
56	Investments — other (attach schedule)..... See Stmt. 13	126,419,297.	56	170,304,363.		
57a	Land, buildings, and equipment: basis..... 57a	525,032,500.				
	57a					
	b Less: accumulated depreciation (attach schedule)..... Statement 14... 57b	102,020,907.	319,142,570.	57c	423,011,593.	
	57b					
58	Other assets, including program-related investments (describe ▶ See Statement 15.....)	13,078,084.	58	29,207,598.		
59	Total assets (must equal line 74). Add lines 45 through 58.....	1,282,776,825.	59	1,360,497,897.		
LIABILITIES	60	Accounts payable and accrued expenses.....	52,828,197.	60	53,231,471.	
	61	Grants payable.....		61		
	62	Deferred revenue.....	22,249,146.	62	25,500,121.	
	63	Loans from officers, directors, trustees, and key employees (attach schedule).....		63		
	64a	Tax-exempt bond liabilities (attach schedule)..... See Statement 16.....	192,434,092.	64a	191,686,916.	
		64a				
		b Mortgages and other notes payable (attach schedule)..... See Statement 17.....	6,012,513.	64b	43,598,005.	
		64b				
65	Other liabilities (describe ▶ See Statement 18.....)	26,816,082.	65	37,610,554.		
66	Total liabilities. Add lines 60 through 65.....	300,340,030.	66	351,627,067.		
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted.....	300,879,458.	67	272,785,989.	
	68	Temporarily restricted.....	413,354,263.	68	460,662,199.	
	69	Permanently restricted.....	268,203,074.	69	275,422,642.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds.....		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund.....		71		
	72	Retained earnings, endowment, accumulated income, or other funds.....		72		
	73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21).....	982,436,795.	73	1,008,870,830.	
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73.....	1,282,776,825.	74	1,360,497,897.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	248,618,153.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	-99,636,223.
	2 Donated services and use of facilities	b2	247,881.
	3 Recoveries of prior year grants	b3	
	4 Other (specify): See Stmt 19	b4	-5,705,545.
	Add lines b1 through b4	b	-105,093,887.
c	Subtract line b from line a	c	353,712,040.
d	Amounts included on Part I, line 12, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): See Stmt 20	d2	-10,721,325.
	Add lines d1 and d2	d	-10,721,325.
e	Total revenue (Part I, line 12). Add lines c and d	e	342,990,715.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	215,397,085.
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	247,881.
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify):	b4	
	Add lines b1 through b4	b	247,881.
c	Subtract line b from line a	c	215,149,204.
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): See Stmt 21	d2	-10,721,325.
	Add lines d1 and d2	d	-10,721,325.
e	Total expenses (Part I, line 17). Add lines c and d	e	204,427,879.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 plans	(E) Expense account and other allowances
See Statement 22		2,108,483.	483,133.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings. . . ▶ 45		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s) See Statement 23	X	
c	Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' If 'Yes,' attach a statement that includes the information described in the instructions.		X
d	Does the organization have a written conflict of interest policy?	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
None				

Part VI Other Information (See the instructions.)		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . .	X	
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?		X
b	If 'Yes,' enter the name of the organization ▶ N/A and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81 a 0.		
b	Did the organization file Form 1120-POL for this year?		X

Part VI Other Information (continued)		Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82 a	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82 b		247,881.
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83 b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	N/A	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A	
85 a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85 a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c Dues, assessments, and similar amounts from members	85 c		N/A
d Section 162(e) lobbying and political expenditures	85 d		N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e		N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f		N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g		N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h		N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a		N/A
b Gross receipts, included on line 12, for public use of club facilities	86 b		N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a		N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b		N/A
88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88 a	X	
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI	88 b	X	
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.			
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89 e		X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89 f		X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89 g		X
90 a List the states with which a copy of this return is filed ▶ IL MN NY OH VA WI			
b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90 b		2,434
91 a The books are in care of ▶ Patricia Rowlands, Controller Telephone number ▶ 312-499-4050 Located at ▶ 111 South Michigan Avenue Chicago IL ZIP + 4 ▶ 60603			
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91 b	Yes	No
If 'Yes,' enter the name of the foreign country... ▶			X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No

If 'Yes,' enter the name of the foreign country: _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A

and enter the amount of tax-exempt interest received or accrued during the tax year: 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a See Statement 24				1,094,820.	121,360,039.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					4,840,236.
95 Interest on savings & temporary cash invmnts.			14	1,903,100.	
96 Dividends & interest from securities			14	11,034,504.	
97 Net rental income or (loss) from real estate:					
a debt-financed property			30	1,136,024.	
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income	525990	-266,774.			3,157,562.
100 Gain or (loss) from sales of assets other than inventory			18	84,834,746.	
101 Net income or (loss) from special events			1	-84,951.	
102 Gross profit or (loss) from sales of inventory	453220	2,224,283.			6,048,615.
103 Other revenue: a					
b Artwork Settlement					150,000.
c Other	525990	57.	3	4,747.	
d Royalties			15	316,363.	
e _____					
104 Subtotal (add columns (B), (D), and (E))		1,957,566.		100,239,353.	135,556,452.
105 Total (add line 104, columns (B), (D), and (E))					237,753,371.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
1	See Statement 25

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
See Statement 26	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

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

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity. Yes No
X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	See Statement 27			
b				
c				
Totals				754,405.

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity. Yes No
X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? Yes No
X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: Patricia C. Rowlands, Controller Date: 5/14/09

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed: Preparer's SSN or PTIN (See General Instruction X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no.: _____

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Department of the Treasury
Internal Revenue Service

Name of the organization: The Art Institute of Chicago Employer identification number: 36-2167725

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are 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 and other allowances
<u>See Statement 28</u>		972,544.	122,174.	0.
Total number of other employees paid over \$50,000.....▶		336		

Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>Rise Group LLC</u> <u>120 S LaSalle #1350 Chicago, IL 60603</u>	Consultant Services	2,258,474.
<u>Ove Arup & Partners Int'l Ltd</u> <u>13 Fitzroy Street London, W1P 6BQ United Kingdom</u>	Architect Services	1,566,580.
<u>Renzo Piano Building Workshop</u> <u>34, rue des Archives Paris, 75004 France</u>	Architect Services	958,623.
<u>Cambridge Associates LLC</u> <u>100 Summer St Boston, MA 02110-2112</u>	Investment Advisors	721,036.
<u>Deloitte & Touche LLP</u> <u>111 South Wacker Drive Chicago, IL 60606</u>	Audit Services	297,100.
Total number of others receiving over \$50,000 for professional services.....▶		5

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>US Equities Asset Management LLC</u> <u>20 North Michigan Avenue #400 Chicago, IL 60602</u>	Bldg Maint Services	1,293,858.
<u>Mindshare USA LLC</u> <u>PO Box 601689 Charlotte, NC 28260-1689</u>	Media Advertising	1,249,867.
<u>FH Paschen/SN Nielsen Associates LLC</u> <u>8725 W Higgins Ste 200 Chicago, IL 60631</u>	Repairs/Improvements	770,072.
<u>ECS Illinois LLC</u> <u>14026 Thunderbolt Place Ste 700 Chantilly, VA 20151</u>	Engineering Services	728,373.
<u>STL Builders LLC</u> <u>808 N Dearborn Chicago, IL 60610</u>	Repairs/Improvements	161,084.
Total number of other contractors receiving over \$50,000 for other services.....▶		11

Part III Statements About Activities (See instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . ▶ \$ <u>13,809.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
See Statement 29		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
See Form 990, Part V		
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.) Stmt. 30	3a	X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement.	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
d Enter the total number of donor advised funds owned at the end of the tax year. ▶		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year. ▶		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts. ▶		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year. ▶		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) ...	N/A				
16 Membership fees received.....					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose					
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975...					
19 Net income from unrelated business activities not included in line 18.....					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.....					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.....					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.....					
23 Total of lines 15 through 22.....					
24 Line 23 minus line 17.....					
25 Enter 1% of line 23.....					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24..... N/A ...					26 a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.....					26 b
c Total support for section 509(a)(1) test: Enter line 24, column (e).....					26 c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26 b _____					26 d
e Public support (line 26c minus line 26d total).....					26 e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).....					26 f %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27 c
d Add: Line 27a total..... and line 27b total.....					27 d
e Public support (line 27c total minus line 27d total).....					27 e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ..					27 f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)).....					27 g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).....					27 h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. N/A					

Part V Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 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?	X	
30 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?	X	
31 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?	X	
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)		
<u>The nondiscriminatory policy is publicized in a variety of materials, including the student bulletin, the course schedule issued each semester, initial marketing material, and the student handbook.</u>		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	X	
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?	X	
b Has the organization's right to such aid ever been revoked or suspended?		X
If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35 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,' attach an explanation.	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying).....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying).....	37	
38	Total lobbying expenditures (add lines 36 and 37).....	38	
39	Other exempt purpose expenditures.....	39	
40	Total exempt purpose expenditures (add lines 38 and 39).....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table --		
	If the amount on line 40 is --		
	The lobbying nontaxable amount is --		
	Not over \$500,000.....	20% of the amount on line 40.....	
	Over \$500,000 but not over \$1,000,000.....	\$100,000 plus 15% of the excess over \$500,000.....	
	Over \$1,000,000 but not over \$1,500,000.....	\$175,000 plus 10% of the excess over \$1,000,000.....	
	Over \$1,500,000 but not over \$17,000,000.....	\$225,000 plus 5% of the excess over \$1,500,000.....	
	Over \$17,000,000.....	\$1,000,000.....	
41		41	
42	Grassroots nontaxable amount (enter 25% of line 41).....	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.....	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.....	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50.)

	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	Lobbying nontaxable amount.....				
46	Lobbying ceiling amount (150% of line 45(e)).....				
47	Total lobbying expenditures.....				
48	Grassroots non-taxable amount.....				
49	Grassroots ceiling amount (150% of line 48(e)).....				
50	Grassroots lobbying expenditures.....				

Part VI-B Lobbying Activity by Nonelecting Public Charities (See instructions.)
(For reporting only by organizations that did not complete Part VI-A)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers.....		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.).....		X	
c Media advertisements.....		X	
d Mailings to members, legislators, or the public.....		X	
e Publications, or published or broadcast statements.....		X	
f Grants to other organizations for lobbying purposes.....	X		13,809.
g Direct contact with legislators, their staffs, government officials, or a legislative body.....		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means.....		X	
i Total lobbying expenditures (add lines c through h.).....			13,809.

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 31

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

	Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:		
(i) Cash		X
(ii) Other assets		X
b Other transactions:		
(i) Sales or exchanges of assets with a noncharitable exempt organization		X
(ii) Purchases of assets from a noncharitable exempt organization		X
(iii) Rental of facilities, equipment, or other assets		X
(iv) Reimbursement arrangements		X
(v) Loans or loan guarantees		X
(vi) Performance of services or membership or fundraising solicitations	X	
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
b (vi)	14,918.	Fed. of Indep IL Colleges	Membership fees

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If 'Yes,' complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

The Art Institute of Chicago

36-2167725

Statement 1
Form 990, Part I, Line 7
Other Investment Income

Real Asset/Oth Investment.....	\$	2,194,369.
Vent Cap/Private Equity.....		696,419.
	Total \$	<u>2,890,788.</u>

Statement 2
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price:	153,638,829.
Cost or Other Basis:	114,290,067.

Total Gain (Loss) Publicly Traded Securities \$ 39,348,762.

Nonpublicly Traded Securities

Description:	Hedge Funds
Date Acquired:	Various
How Acquired:	Purchased
Date Sold:	Various
To Whom Sold:	
Gross Sales Price:	40,254,236.
Cost or Other Basis:	28,079,319.

Gain (Loss) 12,174,917.

Description:	Real Assets
Date Acquired:	Various
How Acquired:	Purchased
Date Sold:	Various
To Whom Sold:	
Gross Sales Price:	8,349,715.
Cost or Other Basis:	5,525,755.

Gain (Loss) 2,823,960.

Description:	Venture Capital/Private Equity
Date Acquired:	Various
How Acquired:	Purchased
Date Sold:	Various
To Whom Sold:	
Gross Sales Price:	76,894,274.
Cost or Other Basis:	46,407,167.

Gain (Loss) 30,487,107.

Total Gain (Loss) Nonpublicly Traded Securities \$ 45,485,984.

Total Net Gain (Loss) From Noninventory Sales \$ 84,834,746.

The Art Institute of Chicago

36-2167725

Statement 3
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contri- butions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Glamorama	403,589.	202,095.	201,494.	206,214.	-4,720.
Other Museum/School Events	368,234.	152,879.	215,355.	177,001.	38,354.
Womans Board-Jasper Johns Opening Gala	363,150.	294,510.	68,640.	164,596.	-95,956.
Photography SNAP Gala	239,002.	134,127.	104,875.	127,504.	-22,629.
Total	<u>\$ 1,373,975.</u>	<u>\$ 783,611.</u>	<u>\$ 590,364.</u>	<u>\$ 675,315.</u>	<u>\$ -84,951.</u>

Statement 4
Form 990, Part I, Line 10
Gross Profit (Loss) From Sales Of Inventory

Museum Shop Sales-UBI	\$ 3,222,654.
Ballroom Rental-UBI	314,222.
Concessions Sales	80,438.
Miscellaneous Retail Sales	2,047,753.
Retail Sales of Books	2,510,998.
Retail Sales of Developed Merchandise	3,392,385.
Retail Sales of Trade Merchandise	5,143,672.
Gross Sales	<u>\$ 16,712,122.</u>
Less Returns & Allowances	0.
Net Sales	<u>\$ 16,712,122.</u>
Less Cost Of Goods Sold	8,439,224.
Gross Profit From Sales Of Inventory	<u>\$ 8,272,898.</u>

Statement 5
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Pension Related Changes other than Net Periodic Pension Cost	\$ -6,787,033.
Unrealized Depreciation on Funds Held in Trust	-5,705,545.
Unrealized Depreciation on Investments	-99,636,223.
Total	<u>\$ -112,128,801.</u>

Statement 6
Form 990, Part II, Line 22b
Other Grants and Allocations

Cash Grants and Allocations

Donee's Name: Refer to Fed Supplemental Info
Donee's Address: 111 South Michigan Avenue
Chicago, IL 60603
Amount Given: \$ 25,866,528.

The Art Institute of Chicago

36-2167725

Statement 6 (continued)
Form 990, Part II, Line 22b
Other Grants and Allocations

Cash Grants and Allocations _____

Total Grants and Allocations \$ 25,866,528.

Statement 7
Form 990, Part II, Line 43
Other Expenses

	(A) Total	(B) Program Services	(C) Management & General	(D) Fundraising
Accessions/Books/Other Art	17,593,061.	17,593,061.		
Accretion Expense	234,261.	213,013.	21,248.	
Advertising and Promotional	2,910,364.	2,824,460.		85,904.
Auxiliary List Rental	200,838.	200,838.		
Bad Debt & Collection Expense	554,011.	554,011.		
Commissions Paid	616,171.	459,200.		156,971.
Debt Related Fees	374,633.	347,143.	27,490.	
Exhibition Related Expenses	1,842,427.	1,842,427.		
Fines, Penalties & Judgments	75,025.		75,025.	
Furniture, Fixtures, Equipment	3,856,661.	3,296,339.	542,594.	17,728.
Insurance-Other	1,694,190.	908,272.	785,918.	
Membership Dues & Accreditation	286,455.	263,062.	18,243.	5,150.
Miscellaneous Fundraising	118,719.			118,719.
Miscellaneous Library Expenses	457,625.	457,625.		
Miscellaneous Mgmt & General	150,359.		150,359.	
Other Contracted Services	10,430,113.	9,148,341.	689,757.	592,015.
Other Program Museum	1,526,267.	1,526,267.		
Other Program SAIC	1,466,960.	1,466,960.		
Total	<u>\$44,388,140.</u>	<u>\$41,101,019.</u>	<u>\$ 2,310,634.</u>	<u>\$ 976,487.</u>

Statement 8
Form 990, Part III
Organization's Primary Exempt Purpose

The Art Institute of Chicago's primary exempt purpose is to found, build, maintain and operate museums, schools, libraries of art and theatres; to provide support facilities in connection therewith; to conduct appropriate activities conducive to the artistic development of the region; and to conduct and participate in activities of national and international significance.

The Art Institute of Chicago

36-2167725

Statement 9
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
<p>The Museum provides a variety of educational programs focusing on the collection, conservation, research, publication, exhibition, and interpretation of the museum's internationally significant permanent collection of art. The museum also presents temporary exhibitions of international importance, which include loaned objects from other collections. Included in the exhibition programming for FY2008 were two ticketed exhibitions, Water Colors by Winslow Homer: The Color of Light and Edward Hopper, which were presented concurrently for a single exhibition admission fee. Additional non-ticketed exhibitions for FY2008 include Gates of Paradise, Jeff Wall; Jasper Johns: Gray; Richard Misrach: On The Beach; The Other Side of Light/Girls on the Verge. These exhibitions and other educational programming presented at the museum contributed to the museum's attendance of 1.43 million visitors during the year.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		73,366,666.
<p>The School of the Art Institute is an accredited post-secondary institution of higher learning which provides both graduate and undergraduate study. This curriculum provides for the preparation of visual artists, teachers of art, designers and others in areas that include written, spoken, and media formats. Overall full-time-equivalent enrollment of degree-seeking students was 2,608, an increase of 3.7% over last year. Two new graduate programs were introduced. International initiatives have attracted students from 42 countries.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		103574189.
	<u>\$ 0.</u>	<u>\$ 176940855.</u>

Statement 10
Form 990, Part IV, Line 50a
Receivables Due from Officers, Directors, Trustees, and Key Employees

Receivables Reported Separately	Balance Due
Borrower's Name: James Cuno	
Borrower's Title: Dir/Pres of Museum	
Date of Note: 6/15/2004	
Maturity Date: 9/30/2019	
Repayment Terms: 15 years monthly pymt	
Security Provided: Secured by property	
Purpose of Loan: Mortgage	
Consideration: Cash	
Original Amount: \$ 200,000.	
Balance Due:	\$ 181,250.
Total Receivables Reported Separately	<u>\$ 181,250.</u>

The Art Institute of Chicago

36-2167725

Statement 11
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

<u>Notes and Loans Reported Separately</u>	<u>Balance Due</u>	<u>Doubtful Accounts Allowance</u>
Borrower's Name: Perkins Loan Program		
Borrower's Title:		
Date of Note:		
Maturity Date:		
Repayment Terms: Varying repayment terms		
Interest Rate: 1.00%		
Security Provided:		
Purpose of Loan: Loans due from Students		
Borrower Relationship:		
Consideration: Varying interest rates		
Consideration FMV:		
Original Amount:		
Balance Due:	\$ 3,698,552.	
Doubtful Acct. Allow.:		\$ 76,000.
Total Notes and Loans Reported Separately	<u>\$ 3,698,552.</u>	<u>\$ 76,000.</u>
		<u>Total Net Receivables \$ 3,622,552.</u>

Statement 12
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Amount</u>
Equity Securities	Market Value	\$ 298782661.
	Total	<u>\$ 298782661.</u>
<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Amount</u>
Fixed Income Securities	Market Value	82,427,646.
	Total	<u>\$ 82,427,646.</u>
<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Amount</u>
Cash Held for Investment	Market Value	22,522,379.
Hedge Funds	Market Value	203153236.
Assets Held in Trust by Others	Market Value	50,378,070.
	Total	<u>\$ 276053685.</u>
Publicly Traded Securities		<u>\$ 657263992.</u>

Statement 13
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Real Assets	Market Value	\$ 123,848,148.
Venture Capital/Private Equity	Market Value	46,456,215.
	Total	<u>\$ 170,304,363.</u>

Statement 14
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 3,319,268.	\$ 2,334,632.	\$ 984,636.
Machinery and Equipment	11,339,877.	8,844,467.	2,495,410.
Buildings	55,117,838.	16,507,898.	38,609,940.
Improvements	443930829.	74,333,910.	369596919.
Land	11,324,688.		11,324,688.
Total	<u>\$ 525032500.</u>	<u>\$ 102020907.</u>	<u>\$ 423011593.</u>

Statement 15
Form 990, Part IV, Line 58
Other Assets

Accr. Income on Investments.....	\$ 1,060,682.
Collateral Held for Securities.....	16,795,766.
Property Receivable.....	11,351,150.
Total	<u>\$ 29,207,598.</u>

Statement 16
Form 990, Part IV, Line 64a
Tax-Exempt Bond Liabilities

		Balance Due
Purpose of Issue:	Series 2003-Revenue Refunding	
Bond Retirement Date:	3/01/2023	
Outstanding Issue Amount:		\$ 15,281,916.
Purpose of Issue:	Series 2000A-Bldg Purch/Renov	
Bond Retirement Date:	3/01/2034	
Outstanding Issue Amount:		78,525,000.
Purpose of Issue:	Series 1998A-Bldg Purch/Renov	
Bond Retirement Date:	3/01/2030	
Outstanding Issue Amount:		29,880,000.
Purpose of Issue:	Series 1996-Refin. 1987 Bonds	
Bond Retirement Date:	3/01/2027	

The Art Institute of Chicago

36-2167725

Statement 16 (continued)
Form 990, Part IV, Line 64a
Tax-Exempt Bond Liabilities

Balance Due

Outstanding Issue Amount:		\$ 31,700,000.
Purpose of Issue:	Series 1995-Bldg Purch/Renov	
Bond Retirement Date:	3/01/2027	
Outstanding Issue Amount:		18,300,000.
Purpose of Issue:	Series 1992-Bldg Purch/Renov	
Bond Retirement Date:	3/01/2027	
Outstanding Issue Amount:		18,000,000.
	Total	<u>\$ 191,686,916.</u>

Statement 17
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Lender's Name:	Amalgamated Bank	
Maturity Date:	3/01/2030	
Interest Rate:	3.85%	
Purpose of Loan:	Series 1998B-IS Upgrades/Renov	
Balance Due:		\$ 3,835,000.
Lender's Name:	JP Morgan Chase	
Interest Rate:	3.20%	
Purpose of Loan:	Working Capital LOC	
Balance Due:		\$ 2,400,000.
Lender's Name:	Bon Appetit	
Maturity Date:	5/01/2013	
Interest Rate:	4.24%	
Purpose of Loan:	Auxiliary Activity Note	
Balance Due:		\$ 663,005.
Lender's Name:	JP Morgan Chase	
Interest Rate:	2.68%	
Purpose of Loan:	Interim Construction LOC	
Balance Due:		\$ 36,700,000.
	Total	<u>\$ 43,598,005.</u>

Statement 18
Form 990, Part IV, Line 65
Other Liabilities

Pension Liability.....	\$ 17,741,619.
Refund. Advances.....	3,073,169.
Securities Loan Payable.....	16,795,766.
Total	<u>\$ 37,610,554.</u>

The Art Institute of Chicago

36-2167725

Statement 19
Form 990, Part IV-A, Line b(4)
Other Amounts

Net Unreal Losses on Funds Held in Trust..... \$ -5,705,545.
Total \$ -5,705,545.

Statement 20
Form 990, Part IV-A, Line d(2)
Other Amounts

Cost of Goods Sold..... \$ -8,439,224.
Rental Expenses..... -1,606,786.
Special Events-Direct Expenses..... -675,315.
Total \$ -10,721,325.

Statement 21
Form 990, Part IV-B, Line d(2)
Other Amounts

Cost of Goods Sold..... \$ -8,439,224.
Rental Expenses..... -1,606,786.
Special Events-Direct Expenses..... -675,315.
Total \$ -10,721,325.

Statement 22
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Anne Searle Bent 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	\$ 0.	\$ 0.	\$ 0.
Robert H. Bergman 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Neil G. Bluhm 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Barbara S. Bluhm-Kaul 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.

The Art Institute of Chicago

36-2167725

Statement 22 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Norman R. Bobins 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	\$ 0.	\$ 0.	\$ 0.
Linda Buonanno 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
A. Steven Crown 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
William M. Daley 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Janet Duchossois 111 South Michigan Avenue Chicago, IL 60303	Trustee 1.00	0.	0.	0.
John A. Edwardson 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Marshall Field 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Karen Frank 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Denise Gardner 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Roxanna Beatty Goebel 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Kenneth C. Griffin 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Ann Grube 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.

The Art Institute of Chicago

36-2167725

Statement 22 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Caryn Harris 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	\$ 0.	\$ 0.	\$ 0.
John W. Jordan II 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Anstiss Hammond Krueck 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Lawrence F. Levy 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Elizabeth Souder Louis 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Barry L. MacLean 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
John Manley 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Nancy Lauter McDougal 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Eric T. McKissack 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Cary D. McMillan 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Alexandra C. Nichols 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Thomas J. Pritzker 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.

The Art Institute of Chicago

36-2167725

Statement 22 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Linda Johnson Rice 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	\$ 0.	\$ 0.	\$ 0.
Andrew M. Rosenfield 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
John W. Rowe 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Shirley Welsh Ryan 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Gordon Segal 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Brenda Shapiro 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Stephanie Sick 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Joan Small 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Edward Byron Smith, Jr. 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Melinda Martin Sullivan 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Louis B. Susman 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Oakleigh Thorne 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.

The Art Institute of Chicago

36-2167725

Statement 22 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Byron D. Trott 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	\$ 0.	\$ 0.	\$ 0.
David J. Vitale 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Fredrick H. Waddell 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
Edward J. Zander 111 South Michigan Avenue Chicago, IL 60603	Trustee 1.00	0.	0.	0.
James Cuno 111 South Michigan Avenue Chicago, IL 60603	President 40.00	500,060.	126,175.	0.
Anthony E. Jones 111 South Michigan Avenue Chicago, IL 60603	President 40.00	370,761.	162,907.	0.
Patricia A. Woodworth 111 South Michigan Avenue Chicago, IL 60603	CFO 40.00	370,354.	28,258.	0.
Julia E. Getzels 111 South Michigan Avenue Chicago, IL 60603	Vice President 40.00	275,240.	65,924.	0.
Edward J. McNulty 111 South Michigan Avenue Chicago, IL 60603	COO 40.00	228,545.	63,371.	0.
Meredith Mack 111 South Michigan Avenue Chicago, IL 60603	COO 40.00	209,672.	25,596.	0.
Carol Becker 111 South Michigan Avenue Chicago, IL 60603	Vice President 40.00	153,851.	10,902.	0.
	Total	<u>\$ 2,108,483.</u>	<u>\$ 483,133.</u>	<u>\$ 0.</u>

The Art Institute of Chicago

36-2167725

Statement 23
Form 990, Part V-A, Line 75b

Name and Relationship

R. Bergman/A. Rosenfield
Trustee Andrew Rosenfield's spouse is the sister of Trustee Robert Bergman.

Statement 24
Form 990, Part VII, Line 93
Program Service Revenue

<u>Program Service Revenue</u>	<u>(A) Busi- ness Code</u>	<u>(B) Unrelated Business Amount</u>	<u>(C) Exclu- sion Code</u>	<u>(D) Excluded Amount</u>	<u>(E) Related or Exempt Function</u>
Audio Tour Revenues					\$ 256,959.
Cafeteria Rental Comm.			3	\$ 104,771.	
Copy Center Income			3	9,338.	
Exhibition Loan Fees					198,931.
Film Center Admissions					410,660.
Hotel Program					4,905.
Lecture Income					119,555.
Locker/Checkroom Fees			3	259,883.	
Member Program Revenues					1,016,568.
Miscellaneous Other, Net					406,420.
Museum Admissions					6,910,809.
Museum Restaurant Comm.			3	690,675.	
Other Program Revenues					2,192,968.
Proceeds from Sale of Art					9,225,881.
School Store Commission			3	30,153.	
Student Newspaper					31,905.
Teacher Workshop					44,123.
Tuition and Fees					100201485.
Video Data Bank Rentals					338,870.
Total		\$ 0.		\$ 1,094,820.	\$ 121360039.

Statement 25
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93a	Audio Tour Revenues - Revenues derived from the rental of digital recorders to the general public while at the Institute. The recordings provide information about the art on display and aid the patron in their understanding of the art objects.
93a	Exhibition Loan Fees - Fees generated for the use or loaning of art for the purposes of inclusion in an exhibition.
93a	Film Center Admissions - Represents income derived from the sales of admissions to the Gene Siskel Film Center. The Film Center shows films primarily of a documentary or other educational nature to the general

The Art Institute of Chicago

36-2167725

Statement 25 (continued)
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
	public.
93a	Hotel Program - Represents proceeds received in conjunction with a joint promotional effort by the Institute and a number of Chicago area hotels to encourage tourists to the city of Chicago and to The Art Institute of Chicago. The program, which is conducted at a net loss, is funded by the proceeds received from the hotels, from government grants, and also from the Institute's operating budget.
93a	Lecture Income - Represents income derived from payments made by individuals to attend lectures.
93a	Member Program Revenues - This income is derived from payments received from members for their participation in various events or programs hosted by the Institute. In all cases, the purpose of the programs and events is centered on the viewing of exhibited art, or other art education purposes.
93a	Miscellaneous Other, Net - This income is derived from payments received from members or the general public for their participation in various events or programs hosted by the Institute or by the School of the Art Institute. In all cases, the purpose of the programs and events is centered on the viewing of exhibited art, on other museum art-related topics or school art education purposes. This line item also includes miscellaneous library revenues which represent library fines derived from the exempt purposes of the Institute.
93a	Museum Admissions - Admission Income is derived from the activity of the general public coming to the museum to view the art collection that is currently being presented.
93a	Other Program Revenues - This income is derived from payments received from members or the general public for their participation in various events or programs hosted by the Institute or by the School of the Art Institute. In all cases, the purpose of the programs and events is centered on the viewing of exhibited art, on other museum art-related topics or school art education purposes.
93a	Proceeds from Sale of Art - Represents income derived from the sale of art objects which were originally part of the Institute's collection, the proceeds of which are used to purchase art objects to be included in the collection.
93a	Teacher Workshop - Income derived from various art educational lectures and workshops.
93a	Tuition and Fees - These revenues are derived from amounts paid by students to attend the School of the Art Institute in order to receive a formal education in the arts.
93a	Video Data Bank Rentals - This income is derived from the sale and rental of art educational videotapes to other not-for-profit organizations, primarily for use in education curricula.
93a	Student Newspaper - Represents amounts received for advertising in the student newspaper of the School of the Art Institute. The newspaper is

The Art Institute of Chicago

36-2167725

Statement 25 (continued)
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
	produced solely by the students, who are enhancing their formal education by participating in one of the forms of business that is relevant to their professional development (i.e. advertising/graphic design).
94	Membership Dues and Assessments - This line item consists of three categories: Membership income, Film Center membership income and Special society memberships. Membership income is received from individuals who want to support our mission and receive frequent access and exclusive benefits.
102	Gross Profit from Sales of Inventory - Represents gross profit from the sale of merchandise that is primarily related to the exempt purposes of the Institute, including books, gifts (derived from the collection), exhibition catalogues, art-related paper goods, maps of the galleries, and reproductions (posters) of art objects.
103b	Artwork Settlement - Represents monies received for artwork dispute for item in the Institute's collection.

Statement 26
Form 990, Part IX
Information Regarding Taxable Subsidiaries

Name, Address and EIN of Corporation, Partnership, or Disregarded Entity	% of Owner Int.	Nature of Activities	Total Income	End of Year Assets
AICCB LLC 111 South Michigan Avenue Chicago, IL 60603 20-5052348	100.00%	Investments	471.	1,756,620.
AICGS LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	0.	2,576,108.
AICHP LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	131,683.	247,483.
AIC AA LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	101,540.	1,371,599.
AIC AX LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	0.	559,784.
AIC BLK LLC	100.00%	Investments	0.	4,677,689.

The Art Institute of Chicago

36-2167725

Statement 26 (continued)
Form 990, Part IX
Information Regarding Taxable Subsidiaries

Name, Address and EIN of Corporation, Partnership, or Disregarded Entity	% of Owner Int.	Nature of Activities	Total Income	End of Year Assets
111 South Michigan Avenue Chicago, IL 60603 36-2167725				
AIC MS SS LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	0.	3,425,899.
AIC GS MEZZ LLC 111 South Michigan Avenue Chicago, IL 60603 36-2167725	100.00%	Investments	0.	2,451,662.

Statement 27
Form 990, Part XI, Line 106
Transfers to Controlled Entity

Controlled Entity Name and Address	Federal EIN	Description of Transfer	Amount of Transfer
Ox-Bow 3435 Rupprecht Way Saugatuck, MI 49453	38-1081760	Tuition and aid collected by the Institute, net of reimbursable items paid by the Institute	630,539.
Ox-Bow 3435 Rupprecht Way Saugatuck, MI 49453	38-1081760	Sponsorship contribution	60,000.
Ox-Bow 3435 Rupprecht Way Saugatuck, MI 49453	38-1081760	Capital Projects Contribution	63,866.
Total			\$ 754,405.

Statement 28
Schedule A, Part I
Compensation of Five Highest Paid Employees

Name and Address	Title & Average Hours Worked	Compensation	Contribut. EBP & DC	Expense Account
Mary J. Drews 111 South Michigan Avenue Chicago, IL 60603	VP Mus Develop 40.00	237,363.	26,450.	0.
Elizabeth Grainer	VP Aux Ops	184,938.	42,184.	0.

The Art Institute of Chicago

36-2167725

Statement 28 (continued)
 Schedule A, Part I
 Compensation of Five Highest Paid Employees

Name and Address	Title & Average Hours Worked	Compen- sation	Contribut. EBP & DC	Expense Account
111 South Michigan Avenue Chicago, IL 60603	40.00			
Jonathan Lindsay 111 South Michigan Avenue Chicago, IL 60603	VP Enroll Mgmt 40.00	187,638.	10,110.	0.
Eugene Adams Jr. 111 South Michigan Avenue Chicago, IL 60603	VP Info Service 40.00	187,209.	30,489.	0.
Samuel Quigley 111 South Michigan Avenue Chicago, IL 60603	VP Collect Mgmt 40.00	175,396.	12,941.	0.
		Total \$ 972,544.	\$ 122,174.	\$ 0.

Statement 29
 Schedule A, Part III, Line 2
 Transactions with Trustees, Directors, Etc.

All members of the Board of Trustees, Board of Governors, and Standing and Advisory Committees, and all officers and assistant officers of the Institute (collectively known as "Related Parties") must act in the best interests of the Institute, without regard to their business, family, or personal activities and concerns. If a Related Party believes he or she has an actual or potential financial conflict of interest, the Related Party shall immediately disclose such conflict to the Chairman of the Board and to the Institute's General Counsel. The Related Party may not vote on, approve, or recommend any action or matter in which he or she has an actual or potential conflict of interest. The Related Party shall not be counted for purposes of determining whether there is a quorum. Financial interests or other activities that would constitute a conflict of interest if undertaken by a Related Party also constitute a conflict of interest if undertaken by an immediate family member of the Related Party and must be disclosed by the Related Party. All Related Parties, other than members of the curatorial and library Advisory Committees, are required to attest annually to their familiarity with this policy and to provide any information the Institute deems relevant concerning any possible conflicts of interest.

Statement 29 (continued)
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

The Institute engages in arms length transactions in the normal course of business with entities where a Trustee relationship exists. These transactions are subject to the Institute's policies such as competitive bidding and management approvals. The transactions are as follows:

- There are three Trustees and one Trustee's spouse that are officers/Board members of banking institutions that conduct business with the Art Institute.
- The Institute is invested in three private equity funds in which two Trustees were Directors at the time of investment.
- The Institute contracted with an entity for insurance services in which a Trustee's spouse is a Director of the entity.
- The Institute contracted with an entity for event related services in which a Trustee's spouse is a Director of the entity.
- The Institute also contracted with an entity for utility services in which a Trustee is Chairman of the Board.
- The Institute contracted with an entity for computer equipment and related services in which a Trustee is Chairman of the Board.

Additionally, The Art Institute has provided one officer with a mortgage. This loan is taken into account in valuing the reasonableness of the officer's total compensation in accordance with the Institute's policy.

Statement 30
Schedule A, Part III, Line 3a
Qualifications of Recipients Receiving Grants or Loans

The School of the Art Institute makes grants for scholarships, fellowships, student loans, etc. using a number of different programs. Determining eligibility for aid sources begins with a needs analysis document. Such a document acts as an application for federal, state, and institutional aid, and it is designed to evaluate the each family's ability to contribute towards the student's educational expenses. Many points are taken into consideration, including the income and assets of the parent(s) and/or student. The academic program in which one enrolls, dependency status as defined by Congress, academic level, living arrangements, and many other factors determine the type and composition of an aid package. Once the expected financial contribution of the family has been established, the contribution is subtracted from the estimated cost of attending the School, and the difference between the two figures represents the applicant's need.

Statement 31
Schedule A, Part VI-B, Line i
Descriptions of the Lobbying Activities

The amount represents the Art Institute of Chicago's portion of funds utilized by Museums in the Park for lobbying activities.

Form 990, Part I, Line 9a, Special events and activities - Please note advance ticket sales recognized as revenue in the prior year are not included in the current year event gross revenues.

Form 990, Part II, Line 22, Grants and allocations - Approximately 2,410 students of the School of the Art Institute received scholarships and stipends aggregating \$25,866,528. All students have been selected on a non-discriminatory basis.

Form 990, Part II, Line 25a and Part V-A, Columns C-E, Compensation of officers, directors, key employees etc. - The amounts presented were calculated using calendar year 2007 information.

Form 990, Part V-A, Column B - The amount of hours per week devoted to position has been noted as 1 hour for all Trustees. The amount of hours per week devoted by Trustees varies depending on the position held and the committees the Trustee devotes time to.

Schedule A, Part I Columns C-E, Compensation of the five highest paid employees other than officers, directors, and trustees - The amounts presented were calculated using calendar year 2007 information.

Schedule A, Part IV, Line 6 - Although The Art Institute of Chicago is exempt under two categories listed in Part IV, box 6 which describes a school, section 170(b)(1)(A)(ii) and box 11a which describes an organization that normally receives a substantial part of its support from a governmental unit or from the general public, Section 170(b)(1)(A)(vi). The Art Institute of Chicago has selected box 6, because per instructions only one applicable box should be checked.

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2007, or fiscal year beginning 7/01, 2007, and ending 6/30, 2008.

▶ Do not send to the IRS. Keep for your records.
▶ See instructions.

2007

Department of the Treasury
Internal Revenue Service

Return ID (20-digit number) ▶ 36511920081130200003

Name of exempt organization

Employer identification number

The Art Institute of Chicago

36-2167725

Name and title of officer

Patricia C. Rowlands

Controller

Part I Tax Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount from the return if any. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1 a Form 990 check here.	▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, line 12)	1 b	<u>342,990,715.</u>
2 a Form 990-EZ check here.	▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2 b	
3 a Form 1120-POL check here.	▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3 b	
4 a Form 990-PF check here.	▶ <input type="checkbox"/>	b Tax Based on Investment Income (Form 990-PF, Part VI, line 5)	4 b	
5 a Form 8868 check here.	▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5 b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2007 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize _____ to enter my PIN _____ as my signature
ERO firm name do not enter all zeros

on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2007 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____

Date ▶ 5/14/09

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2007 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers.

ERO's signature ▶ _____

Date ▶ 5/14/09

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**