

**Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))**

2018

Department of the Treasury
Internal Revenue Service

For calendar year 2018 or other tax year beginning _____, and ending _____
 ▶ Go to www.irs.gov/Form990T for instructions and the latest information.
 ▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

A Check box if address changed

B Exempt under section
 501 (C) (3)
 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

Name of organization (Check box if name changed and see instructions.)
 Robert R. McCormick Foundation

Number, street, and room or suite no. If a P.O. box, see instructions.
 205 N. Michigan Ave., Suite 4300

City or town State ZIP code
 Chicago IL 60601

Foreign country name Foreign province/state/county Foreign postal code

D Employer identification number (Employees' trust, see instructions.)
 36-3689171

E Unrelated business activity code (See instructions.)
 900099

C Book value of all assets at end of year 254,672,877

F Group exemption number (See instructions.) ▶

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses. ▶ _____ 1 Describe the only (or first) unrelated trade or business here ▶ Invest in LPs & LLCs that own debt-financed property. If only one, complete Parts I–V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade business, then complete Parts III–V.

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . ▶ Yes No
 If "Yes," enter the name and identifying number of the parent corporation ▶

J The books are in care of ▶ Sheau-ming K. Ross Telephone number ▶ (312) 445-5047

Part I Unrelated Trade or Business Income				(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales					
b	Less returns and allowances					
c	Balance ▶	1c	0			
2	Cost of goods sold (Schedule A, line 7)	2				
3	Gross profit. Subtract line 2 from line 1c	3	0			0
4 a	Capital gain net income (attach Schedule D)	4a				
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b				
c	Capital loss deduction for trusts	4c				
5	Income (loss) from a partnership or an S corporation (attach statement)	5	-661,923			-661,923
6	Rent income (Schedule C)	6				
7	Unrelated debt-financed income (Schedule E)	7				
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8				
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9				
10	Exploited exempt activity income (Schedule I)	10				
11	Advertising income (Schedule J)	11				
12	Other income (See instructions; attach schedule)	12				
13	Total. Combine lines 3 through 12	13	-661,923	0		-661,923

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14			
15	Salaries and wages	15			
16	Repairs and maintenance	16			
17	Bad debts	17			
18	Interest (attach schedule) (see instructions)	18			
19	Taxes and licenses	19			250
20	Charitable contributions (See instructions for limitation rules)	20			
21	Depreciation (attach Form 4562)	21			
22	Less depreciation claimed on Schedule A and elsewhere on return	22a			
23	Depletion	23			180,946
24	Contributions to deferred compensation plans	24			
25	Employee benefit programs	25			
26	Excess exempt expenses (Schedule I)	26			
27	Excess readership costs (Schedule J)	27			
28	Other deductions (attach schedule)	28			52,290
29	Total deductions. Add lines 14 through 28	29			233,486
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30			-895,409
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31			
32	Unrelated business taxable income. Subtract line 31 from line 30	32			-895,409

For Paperwork Reduction Act Notice, see instructions.

Part III Total Unrelated Business Taxable Income

33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	-895,409
34	Amounts paid for disallowed fringes	34	22,608
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	0
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	-872,801
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	-872,801

Part IV Tax Computation

39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21) ▶	39	0
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶	40	
41	Proxy tax. See instructions ▶	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	0

Part V Tax and Payments

45 a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a		
b	Other credits (see instructions)	45b		
c	General business credit. Attach Form 3800 (see instructions)	45c		
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d	26,412	
e	Total credits. Add lines 45a through 45d	45e	26,412	
46	Subtract line 45e from line 44	46	-26,412	
47	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	47		
48	Total tax. Add lines 46 and 47 (see instructions)	48	-26,412	
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49		
50 a	Payments: A 2017 overpayment credited to 2018	50a		
b	2018 estimated tax payments	50b	1,000,000	
c	Tax deposited with Form 8868	50c		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d		
e	Backup withholding (see instructions)	50e		
f	Credit for small employer health insurance premiums (attach Form 8941)	50f		
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶	50g	0	
51	Total payments. Add lines 50a through 50g	51	1,000,000	
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	52		
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed ▶	53	0	
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid ▶	54	1,026,412	
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax ▶ 1,000,000 Refunded ▶	55	26,412	

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

56	At any time during the 2018 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶	Yes	No
57	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
58	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		

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

Sign Here
 Signature of officer: _____ Date: _____ Title: **Chief Financial Officer and Treasurer**
 May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only
 Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____
 Firm's name ▶: _____ Firm's EIN ▶: _____
 Firm's address ▶: _____ Phone no.: _____

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ▶

1 Inventory at beginning of year . . .	1		6 Inventory at end of year . . .	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	0
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4 a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5	0			

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0	Total 0
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0

Schedule E—Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%	0	0
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals ▶			Enter here and on page 1, Part I, line 7, column (A). 0	Enter here and on page 1, Part I, line 7, column (B). 0
Total dividends-received deductions included in column 8 ▶				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). 0	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 0

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				0
(2)				0
(3)				0
(4)				0
Totals ▶		Enter here and on page 1, Part I, line 9, column (A). 0		Enter here and on page 1, Part I, line 9, column (B). 0

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals ▶		Enter here and on page 1, Part I, line 10, col. (A). 0	Enter here and on page 1, Part I, line 10, col. (B). 0			Enter here and on page 1, Part II, line 26. 0

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶		0	0	0	0	0

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals from Part I ▶	0	0				0
Totals, Part II (lines 1-5) ▶	0	0				0

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0

▶ **Attach to the corporation's tax return.**
▶ **Go to www.irs.gov/Form8827 for the latest information.**

Name		Employer identification number	
Robert R. McCormick Foundation		36-3689171	
1	Alternative minimum tax (AMT) for 2017. Enter the amount from line 14 of the 2017 Form 4626	1	52,823
2	Minimum tax credit carryforward from 2017. Enter the amount from line 9 of the 2017 Form 8827	2	
3	Enter any 2017 unallowed qualified electric vehicle credit (see instructions)	3	
4	Add lines 1, 2, and 3	4	52,823
5	Enter the corporation's 2018 regular income tax liability minus allowable tax credits (see instructions)	5	
6	Enter the refundable minimum tax credit (see instructions)	6	26,412
7	Add lines 5 and 6	7	26,412
8a	Enter the smaller of line 4 or line 7. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	8a	26,412
b	Current year minimum tax credit. Enter the smaller of line 4 or line 5 here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 6, go to line 8c. Otherwise, skip line 8c	8b	
c	Subtract line 8b from line 8a. This is the current year refundable minimum tax credit. Include this amount on Form 1120, Schedule J, Part III, line 20c (or the applicable line of your return)	8c	26,412
9	Minimum tax credit carryforward to 2019. Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9	26,411

Robert R. McCormick Foundation
EIN: 36-3689171
2018 Form 990-T
Part I, Line 5 Attachment

Income (loss) from partnerships and S corporations:

Partnership	Income (loss)
AG Energy Credit Opportunities Fund LP	\$ 709
Ares Management, L.P.	\$ 160
The Blackstone Group L.P.	\$ 1,667
Flexpoint Fund II, LP	\$ (18,087)
Flexpoint Fund III, LP	\$ (2,102)
Flexpoint Fund III AIV (Cayman), LP	\$ (7,273)
Flexpoint Special Assets Fund, L.P.	\$ 5,328
Flexpoint Special Assets Fund AIV (Cayman), L.P.	\$ (6,473)
Fortress Credit Opportunities Fund III (B) LP	\$ 64
GAIP 2017 AIV A, LP	\$ (54,733)
Kayne Anderson Energy Fund VI, L.P.*	\$ (1,247,075)
Kayne Credit Opportunities Fund (QP), L.P.	\$ (58,493)
Madison Dearborn Capital Partners VI-B, LP	\$ 533,929
Madison Dearborn Capital Partners VII-A, L.P.	\$ (35,887)
Madison Dearborn Capital Partners VII-B, LP	\$ (65,191)
Oaktree Power Opportunities Fund V, LP	\$ (38,477)
Oaktree Senior Loan Fund, L.P.	\$ 2,146
Walton Street Real Estate Fund VI, L.P.	\$ 27,094
Walton Street Real Estate Fund VII, L.P.	\$ 478,952
Walton Street Real Estate Fund VIII, L.P.	\$ (178,181)
Total income (loss) from partnerships and S corporations	\$ (661,923)

Several of the above listed partnerships generated unrelated debt financed income ("UDFI"), however, the amount of UDFI was computed at the partnership level. These partnerships do not provide the Taxpayer with sufficient detail to complete all of the columns on Schedule E. Accordingly, the net amount of UDFI computed by the partnerships is included above and not on Schedule E.

* Net of \$180,946 depletion reported on line 23.

Robert R. McCormick Foundation
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2018 Form 990-T
Part II, Line 28 Attachment

Other Deductions

Other Deductions	Amount	
Legal Fees	\$	52,290
Total deductions	\$	52,290