



THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidated Financial Statements and Schedules

September 30, 2019 and 2018

(With Independent Auditors' Report Thereon)

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

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KPMG LLP
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200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Executive Committee
The Chicago Community Trust:

We have audited the accompanying consolidated financial statements of The Chicago Community Trust, which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Chicago Community Trust as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2(k) to the consolidated financial statements, in 2019, The Chicago Community Trust adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information included in schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Chicago, Illinois
April 10, 2020

THE CHICAGO COMMUNITY TRUST
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Consolidated Statements of Financial Position

September 30, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 21,785,822	20,918,948
Investments (note 5)	3,010,449,068	2,881,887,586
Contributions receivable, net (note 7)	5,194,319	8,333,633
Government grants and contracts receivable	—	305,375
Other assets	1,875,627	2,858,976
Land, office equipment, and leasehold improvements, less accumulated depreciation and amortization of \$4,910,668 and \$4,704,123 in 2019 and 2018, respectively	821,395	1,204,774
Beneficial interest in charitable term trusts (note 2(h))	264,989,801	284,944,755
Beneficial interest in charitable perpetual trusts	46,894,979	47,511,526
Total assets	\$ 3,352,011,011	3,247,965,573
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,115,659	5,214,316
Grants payable (note 8)	19,488,404	23,038,564
Annuity payable	375,235	392,863
Funds held for others	39,192,164	38,710,996
Total liabilities	62,171,462	67,356,739
Commitments (note 9)		
Net assets:		
Without donor restrictions	2,932,022,031	2,800,081,388
With donor restrictions	357,817,518	380,527,446
Total net assets	3,289,839,549	3,180,608,834
Total liabilities and net assets	\$ 3,352,011,011	3,247,965,573

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Activities

Years ended September 30, 2019 and 2018

	2019	2018
Without donor restrictions:		
Operating activities:		
Support, revenue, and transfers:		
Investment payout (note 5)	\$ 79,367,531	70,322,770
Contributions	19,963,104	11,213,134
Government grants and contracts revenue	—	681,470
Transfers from nonoperating activities (note 2(e))	280,969,730	303,604,256
Transfers to net assets with donor restrictions	(71,611)	—
Other income	1,749,293	2,691,663
Net assets released from restrictions (note 2(b))	24,925,092	25,969,143
Total operating support, revenue, and transfers	406,903,139	414,482,436
Expenses (note 11):		
Grants, net of refunds	343,498,045	361,739,688
Program-related expenses (note 10)	7,076,635	8,051,946
Program-related expenses – government grants	—	523,175
Investment management and custodian fees	4,893,358	4,712,292
Administrative expenses (note 11)	18,649,657	17,284,045
Other expenses	577,049	37,499
Total operating expenses	374,694,744	392,348,645
Excess of operating support, revenue, and transfers over expenses	32,208,395	22,133,791
Nonoperating activities:		
Contributions	443,889,266	455,376,426
Net return on investments after investment payout (note 5)	(63,680,123)	239,191,875
Investment management and custodian fees (note 11)	(238,534)	(236,805)
Change in value of charitable gift annuity and life insurance policy	(37,891)	(37,777)
Transfer to operating activities (note 2(e))	(280,969,730)	(303,604,256)
Other income	128,647	19,378
Net assets released from restrictions (note 2(b))	640,613	4,134,235
Net nonoperating activities	99,732,248	394,843,076
Increase in net assets without donor restrictions	131,940,643	416,976,867
With donor restrictions:		
Operating activities:		
Support and revenue:		
Investment payout (note 5)	1,040,883	—
Contributions	—	100,000
Transfer from net assets without donor restrictions	71,611	—
Net assets released from restrictions (note 2(b))	(24,925,092)	(25,969,143)
Total operating support and revenue	(23,812,598)	(25,869,143)
Expenses:		
Grants, net of refunds	1,685,391	—
Investment management and custodian fees	218,929	—
Administrative expenses (note 11)	138,634	—
Total operating expenses	2,042,954	—
Excess of operating support and revenue over expenses	(25,855,552)	(25,869,143)
Nonoperating activities:		
Contributions	462,769	714,398
Net gain (loss) on investments after investment payout (note 5)	(938,486)	1,880,559
Gain (loss) on beneficial interest in charitable perpetual trusts	(616,547)	2,584,102
Gain on beneficial interest in charitable term trusts (note 2(h))	4,878,501	25,580,159
Net assets released from restrictions (note 2(b))	(640,613)	(4,134,235)
Net nonoperating activities	3,145,624	26,624,983
Increase (decrease) in net assets with donor restrictions	(22,709,928)	755,840
Increase in net assets	109,230,715	417,732,707
Net assets at beginning of year, as reclassified	3,180,608,834	2,762,876,127
Net assets at end of year	\$ 3,289,839,549	3,180,608,834

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

Years ended September 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase in net assets	\$ 109,230,715	417,732,707
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	392,079	415,234
Net loss (gain) on investments	59,540,521	(261,280,075)
Net gain on beneficial interest in charitable trusts	(4,261,954)	(28,164,261)
Changes in assets and liabilities:		
Contributions receivable	3,139,314	1,280,504
Government grants and contracts receivable	305,375	1,437,061
Other assets	983,349	(1,114,775)
Beneficial interest in charitable trusts	24,833,455	25,298,643
Accounts payable and accrued expenses	(2,098,657)	37,477
Annuity payable	(17,628)	(17,977)
Grants payable	(3,550,160)	(879,291)
Funds held for others	481,168	2,843,760
Net cash provided by operating activities	<u>188,977,577</u>	<u>157,589,007</u>
Cash flows from investing activities:		
Proceeds from sale of investments	878,161,470	647,704,158
Purchase of investments	(1,066,263,473)	(800,929,606)
Capital expenditures	(8,700)	(173,166)
Net cash used in investing activities	<u>(188,110,703)</u>	<u>(153,398,614)</u>
Net increase in cash and cash equivalents	866,874	4,190,393
Cash and cash equivalents at beginning of year	<u>20,918,948</u>	<u>16,728,555</u>
Cash and cash equivalents at end of year	<u>\$ 21,785,822</u>	<u>20,918,948</u>

See accompanying notes to consolidated financial statements.

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September 30, 2019 and 2018

(1) Description of Organization

The Chicago Community Trust (the Trust) is the Chicago region's community foundation, established in 1915 to promote, guide, and manage philanthropy for the benefit of the residents of the greater Chicago area. The mission of the Trust is to lead and inspire philanthropic efforts that measurably improve the quality of life and the prosperity of the region. Over the years, thousands of individuals and families, businesses, and corporations have contributed to the Trust. Today, donors recognizing the importance of the Trust continue to add to these funds with contributions, including provisions for the Trust in their estate planning and establish donor-advised funds to manage their giving during their lifetime. Trust resources are used to respond to the current needs of the community and will be used in the future to respond to the ever-changing needs of the region.

The accompanying consolidated financial statements include all funds held by or created for the benefit of the Trust and its affiliated organizations.

The Trust and its affiliated organizations are recognized as public charities and have received determination letters from the Internal Revenue Service indicating that they are exempt from federal income taxes on related income under Section 501 (a) as organizations described in Section 501 (c)(3) of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Trust; The Chicago Community Foundation (the Foundation); The Burrige D. Butler Memorial Trust of Chicago, Illinois (the Butler Trust); The Lavin Family Supporting Foundation; The Springboard Foundation; The PERT Foundation; The Lake County Community Foundation; The Community Foundation of Will County; Metropolis Strategies; The McHenry County Community Foundation; and The Glasser and Rosenthal Family Foundation. Interorganizational transactions and balances have been eliminated in consolidation.

The Foundation was incorporated in October 1985 for the purpose of providing additional flexibility to donors with respect to the investment of funds and to broaden the geographic area served.

The Butler Trust was created in 1951 under the provisions of the will of Burrige D. Butler. The net income of the Butler Trust, together with any accumulations of net income, is to be distributed by the Trust. Effective December 7, 2018, the Butler Trust was converted to a Total Return Trust, subject to the provisions of the Illinois Trust and Trustees Act. As of September 30, 2019, all net assets are considered to be donor restricted due the conversion to a Total Return Trust.

The Lavin Family Supporting Foundation is a not-for-profit organization incorporated in December 1996 to foster, support, develop, and maintain charitable activities and vital human and educational services by supporting and furthering the charitable objectives of the Trust.

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The Springboard Foundation was created in November 2001 and is a supporting organization of the Trust and the Foundation to improve the quality of life in Chicago's economically challenged neighborhoods by supporting after-school and youth programs at small, not-for-profit organizations throughout the city.

The PERT Foundation was incorporated in December 2002 and is a supporting organization of the Trust and the Foundation for the purpose of furthering the charitable objectives of the Foundation.

The Lake County Community Foundation was incorporated in September 2005 and is a supporting organization of the Trust and the Foundation to improve the mental, moral, intellectual, and physical improvement, assistance, and relief of the inhabitants of Lake County, Illinois, by making grants and otherwise working for the betterment of the quality of life of the inhabitants of Lake County.

The Community Foundation of Will County was incorporated in February 2006 and is a supporting organization of the Trust and the Foundation to improve the mental, moral, intellectual, and physical improvement, assistance, and relief of the inhabitants of Will County, Illinois, by making grants and otherwise working for the betterment of the quality of life of the inhabitants of Will County.

Metropolis Strategies (formerly, Metropolis 2020) became a supporting organization of the Trust on March 1, 2011. A major goal of Metropolis Strategies is to assist in the advancement of the overall mission of the Trust by leveraging its expertise and program activities to advance opportunities for human and economic development, securing conditions for healthy, safe, just, and caring communities and transforming the region through sustainable development.

The Glasser and Rosenthal Family Foundation was incorporated in October 2011 and is a supporting organization of the Trust to improve the quality of life in the Chicago area through nurturing organizations related to education, civic affairs, urban problems, and cultural activities with the end goal of helping Chicago thrive.

The Community Foundation for McHenry County was incorporated in May 2001 and became a supporting organization of the Trust and the Foundation on January 1, 2013, to meet the social, cultural, educational, and charitable needs throughout McHenry County, Illinois, by making grants and otherwise working for the betterment of the quality of life of the inhabitants of McHenry County.

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The net assets presented below and in the accompanying consolidated statements of financial position include the net assets (net of eliminations) of the organizations described above as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
The Chicago Community Trust	\$ 1,339,705,964	1,364,307,234
The Chicago Community Foundation	1,829,722,998	1,692,403,097
The Burrige D. Butler Memorial Trust of Chicago, Illinois	40,578,419	42,518,976
The Lavin Family Supporting Foundation	15,936,099	15,850,867
The Springboard Foundation	146,093	249,068
The PERT Foundation	9,416,248	10,384,659
The Lake County Community Foundation	13,155,179	12,939,113
The Community Foundation of Will County	4,390,675	4,077,170
Metropolis Strategies	244,715	209,225
The Glasser and Rosenthal Family Foundation	3,400,248	3,466,826
The McHenry County Community Foundation	33,142,911	34,202,599
	<u>\$ 3,289,839,549</u>	<u>3,180,608,834</u>

(b) Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

To ensure the observance of limitations and restrictions placed on the use of available resources, the Trust maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes into funds that are maintained in accordance with activities or objectives of the Trust.

For external reporting purposes, however, the Trust's consolidated financial statements have been prepared to focus on the organization as a whole and to follow the reporting requirements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets – without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and related activities are as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

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FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities (Topic 958)*, and its interpretations provide that if the governing body of the organization has the ability to remove a donor restriction (i.e. variance power), the contribution should be classified as without donor restrictions. Under the Trust's declaration of trust, the assets are held and invested in a manner similar to endowment funds; however, the Trust's Executive Committee has the authority, if it deems it prudent and appropriate, to expend the entirety of the principal or appreciation. Accordingly, all net assets and related activity over which the management of the Trust exercises direct control are classified as net assets without donor restrictions in the accompanying consolidated financial statements.

In addition, the bylaws of the Foundation include a variance power provision giving the board of directors the power, whenever any restriction or condition on the distribution of funds becomes, in effect, unnecessary, undesirable, impractical, or impossible for literal compliance with the terms of such instrument, to modify any restriction without regard to and freed from any specific restriction, limitation, or direction contained in such instrument. Accordingly, all net assets and related activity over which the management of the Foundation exercises direct control are classified as net assets without donor restrictions in the accompanying consolidated financial statements.

The Trust and its related organizations solicit a variety of contributions to fund its grants, including donor-advised funds. Donor-advised funds allow for the donor to recommend distributions to various trust programs or other charitable organizations approved by the Trust and its related organizations. Although the donor's recommendations are generally fulfilled, they are subject to the approval of the governing board, and the variance power described above and are, therefore, classified as net assets without donor restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Trust or by the passage of time. Net assets and related activity from term trusts, whereby the Trust has a beneficial interest in a stream of income over a specified period of time, as well as contributions receivable restricted to use in future periods, are recorded as net assets with donor restrictions. These assets are released from their implicit time restriction when cash is collected.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently. Net assets and related activity from perpetual trusts, whereby the Trust has a beneficial interest in a stream of income in perpetuity, are recorded as net assets with donor restrictions.

Net assets released from restrictions, as reported in the consolidated statements of activities, were \$25,565,705 and \$30,103,378 in fiscal years 2019 and 2018, respectively.

FASB Staff Position FAS 117-1 (FAS 117-1), *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowed Funds* (included in Topic 958), provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FAS 117-1 also improves disclosures about an organization's endowed funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

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The State of Illinois enacted UPMIFA effective June 30, 2009. The Executive Committee has determined that the majority of the consolidated assets of the Trust do not meet the definition of endowment under UPMIFA. As discussed above, the Trust is governed subject to The Declaration of Trust creating The Chicago Community Trust and the assets of the Trust are held and managed by Corporate Trustees. In addition, the governing body has determined that the majority of the assets of the unit Foundation are subject to the bylaws of the Foundation, which contain a variance power provision that grants the governing board the ability to distribute the principal or corpus of the fund and thus excludes the assets as endowments as defined under UPMIFA. While the assets of the Trust and Foundation do not meet the definition of endowment as defined under UPMIFA, the assets, with the exception of donor-advised funds, function as endowments and are managed by the Trust and Foundation similar to endowment funds.

(c) Revenue and Expenses

Revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed time or purpose restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is limited by a donor-imposed time restriction. Expirations of temporary restrictions on net assets (i.e. the stipulated time period has elapsed or the cash has been collected) are reported as net assets released from restrictions.

Contributions, including unconditional pledges, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue.

Grant awards without substantial conditions are recognized in the period in which they are approved by the governing bodies. Grants to be paid after one year are discounted at an appropriate rate commensurate with the risk involved. Amortization of the discount is recorded as additional grant expense. Grants with substantial conditions are not recognized until the conditions on which they depend are met.

(d) Endowment Investment and Spending Policies

The Trust and the Foundation have adopted investment and spending policies for its assets held as funds functioning as endowments that seek to provide a total return that will allow the Trust and the Foundation to provide a predictable stream of resources for current operations while maintaining the purchasing power of the assets. To achieve this investment objective, the Trust and the Foundation have adopted a long-term strategy that invests in cash and short-term investment funds, fixed-income securities (domestic and international), domestic equities, international equities, hedge funds, and other assets. Diversification by asset class, investment style, investment manager, etc., is employed to avoid undue risk concentration and as a means to enhance total return. The primary performance objective is

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to achieve an annualized total rate of return, net of investment fees, that is equal to or greater than 6% plus inflation over long periods of time.

In line with the total return policy, the Trust and the Foundation have adopted a spending policy that moves toward distributing annually an amount in the form of an investment payout equal to 4.50% of a moving 12-quarter average of the fair value of the funds functioning as endowments. The payout percentage is reviewed annually by the board of directors and was 4.50% for the fiscal years ended September 30, 2019 and 2018.

All funds of the Trust and the Foundation, exclusive of donor-advised funds that are not managed similar to endowment funds and funds that are prohibited because of the gift instrument, are subject to the spending policy.

If investment income received is not sufficient to support the total return objective, the balance is provided from accumulated capital gains. If income received is in excess of the objective, the balance is reinvested in the endowment.

(e) Operations

Operating results in the consolidated statements of activities reflect all transactions increasing or decreasing net assets except those items of a long-term capital nature (classified as nonoperating activities), such as contributions of principal assets, donor-advised funds, reinvested investment income, and gains and losses on investments. Transfers from nonoperating activities to operating activities represent dollars that are transferred to match grants that have been committed from funds previously classified as nonoperating. The transfers are primarily from donor-advised funds.

(f) Cash Equivalents

Cash equivalents include amounts held in certificates of deposit and money market accounts with original maturities of three months or less, except for such instruments included within the investment portfolio.

(g) Investments

Investments are reported in the consolidated financial statements at estimated fair value. Marketable investments, including publicly traded securities and commingled funds, are reported at fair value based on quoted market prices or otherwise observable pricing inputs. Alternative investments, including hedge funds, are reported at fair value based on net asset values (NAVs) provided by the external managers and represented approximately 11% and 12% of the total investments at September 30, 2019 and 2018, respectively.

The valuations for these alternative investments involve estimates, appraisals, and assumptions. To minimize the risk of loss, alternative investments are diversified by strategy, external manager, and number of positions. In addition, the activities of all alternative fund managers are regularly reviewed by their independent auditors, Trust staff, and the Trust's outside investment consultant.

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See note 5 for further discussion relating to the classification of the Trust's assets based on the three-tier fair value hierarchy.

(h) Legacies, Bequests, and Beneficial Interest in Trusts

The Trust is a beneficiary under various wills, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when clear title is established and the proceeds are clearly measurable. In the absence of donor-imposed conditions, the Trust recognizes its beneficial interest in a trust as a contribution in the period in which it receives notice that the trust agreement conveys an unconditional right to receive benefits.

The Trust is also the income beneficiary under various charitable term and perpetual trusts, the corpus of which is not controlled by the management of the Trust. Although the Trust has no control over the administration or investment of the funds held in the charitable term trusts, in accordance with generally accepted accounting principles, the current fair value of the beneficial interest in various charitable term trusts is recognized as an asset in the accompanying consolidated financial statements.

The beneficial interest in various charitable term trusts at September 30, 2019 and 2018 is reflected in the accompanying consolidated financial statements as \$264,989,801 and \$284,944,755, respectively. During 2019 and 2018, the beneficial interest in various term trusts increased by \$4,878,501 and \$25,580,159, respectively.

In determining the fair value of The Trust's beneficial interest in the various charitable term trusts, the assumed discount rates used in the present value calculations ranged from 1.94% to 7.43% and from 3.13% to 7.62% at September 30, 2019 and 2018, respectively, and the average discount rate was 7.18% and 7.42% at September 30, 2019 and 2018, respectively. Assumed investment returns for the various charitable term trusts that provide payouts based upon the fair value of assets over the life of the trusts range from 6.34% to 7.43% and from 6.64% to 7.62% at September 30, 2019 and 2018, respectively. The fair value of these computations resulted in estimated present values of \$263,408,763 and \$283,284,268 at September 30, 2019 and 2018, respectively. The value reflected on the consolidated statements of financial position at September 30, 2019 and 2018 is the lower of the expected future cash flows or the current fair value of the underlying assets.

In addition, one of the Trust's affiliates is a beneficiary of three charitable remainder unit trusts, for which the affiliate will receive 50% of the income until September 2048. At that time, the proceeds of 50% of the market value of the unit trusts will be distributed to the affiliate. The value of the affiliate's portion of the charitable remainder unit trusts is \$1,581,038 and \$1,660,487 at September 30, 2019 and 2018, respectively.

The Trust received distributions from various term trusts of \$24,833,455 and \$25,298,643 in 2019 and 2018, respectively, which are reported in the net assets released from restrictions financial statement caption.

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In addition to the charitable term trusts noted above, the Trust is also the beneficiary of several charitable perpetual trusts. The beneficial interest in the charitable perpetual trusts is reflected in the consolidated financial statements at the fair value of the underlying assets. The beneficial interest in charitable perpetual trusts at September 30, 2019 and 2018 was \$46,894,979 and \$47,511,526, respectively. The Trust received distributions from various charitable perpetual trusts of \$1,718,573 and \$1,408,613 in 2019 and 2018, respectively, which are reported in the investment payout financial statement caption.

(i) Fixed Assets

Office equipment and leasehold improvements are stated at cost. Depreciation of equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation expense was \$309,351 and \$333,984 in 2019 and 2018, respectively. Leasehold improvements are amortized on a straight-line basis over the term of the leases. Amortization expense was \$82,728 and \$81,250 in 2019 and 2018, respectively.

(j) Use of Estimates

In order to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles, management of the Trust has made a number of estimates and assumptions related to the reporting of assets, including investments in hedge funds, absolute return funds, term and perpetual trusts, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reporting of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from the amounts reflected in the consolidated financial statements and the differences could be material.

(k) Recently Adopted Accounting Standards

During 2019, the Trust implemented Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, applying the changes retrospectively. The new standard had the following impact on the consolidated financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions
- The unrestricted net asset class has been renamed net assets without donor restrictions
- The consolidated financial statements include a disclosure about liquidity and availability of resources (note 4)
- The footnotes include enhanced disclosures of expenses by both functional and natural classification (note 11), including quantitative and qualitative disclosures.

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A summary of the reclassifications based on the adoption of ASU 2016-14 as of October 1, 2017 is as follows:

<u>Net assets classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total net assets</u>
As previously presented:			
Unrestricted	\$ 2,800,081,388	—	2,800,081,388
Temporarily restricted	—	290,568,555	290,568,555
Permanently restricted	—	89,958,891	89,958,891
Net assets, as reclassified	<u>\$ 2,800,081,388</u>	<u>380,527,446</u>	<u>3,180,608,834</u>

(I) Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard replaces substantially most existing revenue recognition guidance. The core principle is to recognize revenue upon the transfer of goods or services to customers at an amount that reflects the consideration expected to be received. Since its issuance, the FASB has amended several aspects of the new guidance, including provisions that address revenue recognition associated with the licensing of intellectual property and principal versus agent considerations. This guidance, including the amendments, is required to be adopted by not-for-profit organizations for annual periods beginning after December 15, 2018. Early application is permitted beginning with fiscal year 2019. The Trust is evaluating the effect that ASU No. 2014-09 will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This guidance establishes the principles that lessees and lessors shall apply to report useful information to users of the financial statements about the amount, timing, and uncertainty of cash flows arising from a lease for more transparency and comparability among organizations. The core principle of the new guidance is that a lessee should recognize the assets and liabilities that arise from leases. This guidance becomes effective for the Trust in fiscal year 2021, with early adoption permitted. The Trust is evaluating the effect that ASU No. 2016-02 will have on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, to provide guidance for the presentation of certain items between operating, investing, or financing in the statement of cash flows, including items such as debt prepayments and extinguishment costs, insurance proceeds, and distributions from equity method investees. ASU No. 2016-15 is effective for the Trust for fiscal year 2020. The Trust does not anticipate any material impact from this update.

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In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made*, to provide guidance for revenue accounting practices of not-for-profit entities. ASU No. 2018-08 becomes effective for the Trust for fiscal year 2020, with early adoption permitted. The Trust is currently assessing the impact that the new guidance will have on its consolidated financial statements and related disclosures.

(m) Reclassification Disclosure

Certain reclassifications have been made to the 2018 consolidated financial statements to conform to the 2019 presentation.

(3) Income Taxes

The Trust and its affiliates received tax determination letters from the Internal Revenue Service indicating that they are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, are exempt from federal and state income taxes. In fiscal year 2019, provision has been made for income taxes in the accompanying consolidated financial statements for unrelated business income of \$119,451.

The Trust accounts for uncertain tax positions in accordance with FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (included in FASB ASC Subtopic 740-10, *Income Taxes – Overall*). There is no impact on the consolidated financial statements as a result of this pronouncement as the Trust has no significant uncertain tax positions.

(4) Liquidity and Available Resources

As of September 30, 2019, financial assets available within one year of the consolidated statement of financial position are as follows:

Cash and cash equivalents	\$ 21,785,822
Investments	2,993,879,463
Contributions receivable, net, due in 2020	1,166,439
Distributions from beneficial interest in charitable term trusts	18,339,174
Distributions from beneficial interest in charitable perpetual trusts	<u>1,718,573</u>
	<u>\$ 3,036,889,471</u>

Investments are shown net of those categorized as level 3 in the fair value hierarchy totaling \$16,569,605. In practice, a proportion of investments measured at NAV may also be unavailable within one year, dependent upon the underlying asset composition of each investment and specific redemption terms such as audit holdbacks.

As of September 30, 2019, the Trust and its affiliates' general expenditures, liabilities, and other obligations that come due within one year are estimated to be \$21,965,945. As part of the Trust's liquidity management, it has a policy to structure its financial assets to be available to pay these obligations.

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(5) Investments

The fair value of investments held at September 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Short-term investment funds	\$ 299,205,846	265,468,942
Fixed income – domestic	554,403,556	531,512,312
Fixed income – international	21,127,410	20,801,441
Domestic equities	1,350,918,718	1,281,298,511
International equities	445,980,841	452,641,523
Hedge funds	285,867,096	267,123,283
Real estate	2,175,400	3,177,500
Other	50,770,201	59,864,074
	<u>\$ 3,010,449,068</u>	<u>2,881,887,586</u>

Return on investments for the years ended September 30, 2019 and 2018 consists of the following (does not include beneficial interest in charitable term trusts):

	<u>2019</u>	<u>2018</u>
Investment return:		
Investment income	\$ 60,429,435	50,115,129
Net realized gain on sale of investments	43,267,544	163,682,346
Unrealized gain (loss) on investments	(87,907,174)	97,597,729
Total return on investments	15,789,805	311,395,204
Investment payout	(80,408,414)	(70,322,770)
Net return on investments after investment payout (includes with donor restrictions net gain or loss on investments)	<u>\$ (64,618,609)</u>	<u>241,072,434</u>

Fair value is defined as the price that the Trust would receive upon selling an asset in an orderly transaction between market participants.

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The Trust has adopted the fair value hierarchy as presented by ASC Subtopic 820-10, *Fair Value Management – Overall*. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices in active markets for identical investments. Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments in Level 1 include listed equities held in the name of the Trust and exclude listed equities and other securities held indirectly through commingled funds.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.). Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 – Significant unobservable inputs (including the Trust’s own assumptions in determining the fair value of investments). Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

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The following table summarizes the Trust's investments and other assets by major category in the fair value hierarchy as of September 30, 2019, as well as the related strategy and liquidity.

	2019			Total	Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3			
Cash and cash equivalents	\$ 21,785,822	—	—	21,785,822	Daily	One
Short-term investment funds	299,205,846	—	—	299,205,846	Daily	One
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	30,088,746	—	—	30,088,746	Daily	One
U.S. corporate and municipal fixed income	—	101,695,240	—	101,695,240	Daily	One
U.S. corporate fixed income funds	421,873,624	745,946	—	422,619,570	Daily	One
Total	451,962,370	102,441,186	—	554,403,556		
Fixed income – international:						
International bonds	—	6,764,600	—	6,764,600	Daily	One
International fixed income funds	14,362,810	—	—	14,362,810	Daily	One
Total	14,362,810	6,764,600	—	21,127,410		
Equities – domestic and international:						
Domestic equities and funds	1,248,859,387	90,962,847	—	1,339,822,234	Daily	One
International equities and funds	378,899,633	8,573,829	—	387,473,462	Daily	One
Total	1,627,759,020	99,536,676	—	1,727,295,696		
Hedge funds and Alternative Investments:						
Hedge funds	35,177,910	—	—	35,177,910	Daily	One
Real estate property	—	—	2,175,400	2,175,400	Illiquid	N/A
Commodity funds	12,558,016	—	—	12,558,016	Daily	One
Private investments	—	—	14,394,205	14,394,205	Illiquid	N/A
Total	47,735,926	—	16,569,605	64,305,531		
Investments measured at NAV	—	—	—	344,111,029		
Total – all investments	2,441,025,972	208,742,462	16,569,605	3,010,449,068		
Other assets:						
Beneficial interest in charitable term trusts	—	—	264,989,801	264,989,801	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	46,894,979	46,894,979	Illiquid	N/A
Total – other assets	—	—	311,884,780	311,884,780		
Total – all assets	\$ 2,462,811,794	208,742,462	328,454,385	3,344,119,670		

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The following table summarizes the Trust's investments and other assets by major category in the fair value hierarchy as of September 30, 2018, as well as the related strategy and liquidity.

	2018				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 20,918,948	—	—	20,918,948	Daily	One
Short-term investment funds	265,468,942	—	—	265,468,942	Daily	One
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	43,466,044	—	—	43,466,044	Daily	One
U.S. corporate and municipal fixed income	—	101,405,672	—	101,405,672	Daily	One
U.S. corporate fixed income funds	385,064,612	768,647	—	385,833,259	Daily	One
Total	428,530,656	102,174,319	—	530,704,975		
Fixed income – international:						
International bonds	—	2,805,568	—	2,805,568	Daily	One
International fixed income funds	17,995,873	—	—	17,995,873	Daily	One
Total	17,995,873	2,805,568	—	20,801,441		
Equities – domestic and international:						
Domestic equities and funds	1,202,289,335	71,606,784	—	1,273,896,119	Daily	One
International equities and funds	390,168,066	8,785,021	—	398,953,087	Daily	One
Total	1,592,457,401	80,391,805	—	1,672,849,206		
Hedge funds and Alternative Investments:						
Hedge funds	27,482,448	—	—	27,482,448	Daily	One
Real estate property	—	—	3,177,500	3,177,500	Illiquid	N/A
Commodity funds	11,234,989	—	—	11,234,989	Daily	One
Private investments	—	—	14,394,204	14,394,204	Illiquid	N/A
Total	38,717,437	—	17,571,704	56,289,141		
Investments measured at NAV	—	—	—	335,773,881		
Total – all investments	2,343,170,309	185,371,692	17,571,704	2,881,887,586		
Other assets:						
Beneficial interest in charitable term trusts	—	—	284,944,755	284,944,755	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	47,511,526	47,511,526	Illiquid	N/A
Total – other assets	—	—	332,456,281	332,456,281		
Total – all assets	\$ 2,364,089,257	185,371,692	350,027,985	3,235,262,815		

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The following table presents the Trust's activity for the fiscal year ended September 30, 2019 for investments and other assets measured at fair value using unobservable inputs classified in Level 3:

	<u>Investments</u>	<u>Beneficial interest in charitable trusts</u>	<u>Total</u>
Balance at September 30, 2018	\$ 17,571,704	332,456,281	350,027,985
Investment gains and losses, net	(56,099)	—	(56,099)
Net purchases (sales)	(946,000)	—	(946,000)
Gain on beneficial interest in charitable trusts	—	4,261,954	4,261,954
Distributions from charitable trusts	—	(24,833,455)	(24,833,455)
Balance at September 30, 2019	<u>\$ 16,569,605</u>	<u>311,884,780</u>	<u>328,454,385</u>

The following table presents the Trust's activity for the fiscal year ended September 30, 2018 for investments and other assets measured at fair value using unobservable inputs classified in Level 3:

	<u>Investments</u>	<u>Beneficial interest in charitable trusts</u>	<u>Total</u>
Balance at September 30, 2017	\$ 17,571,704	329,590,663	347,162,367
Investment gains and losses, net	—	—	—
Net purchases (sales)	—	—	—
Gain on beneficial interest in charitable trusts	—	28,164,261	28,164,261
Distributions from charitable trusts	—	(25,298,643)	(25,298,643)
Balance at September 30, 2018	<u>\$ 17,571,704</u>	<u>332,456,281</u>	<u>350,027,985</u>

Investments in the hedge fund asset class include two alternative investment strategies: long-short equity and absolute return. Long short equity hedge funds buy stocks that are expected to appreciate and sell short stocks that are expected to decline; they also have the ability to adjust their market exposures over time. These strategies may also have flexibility to adjust their investment strategy by style, market capitalization, and geography, and are not constrained by sector and market cap biases of a market index. Absolute return hedge funds invest across the capital structure of businesses. Investment returns are generated through mispricing of assets or events that will result in the convergence of valuations, rather than by market direction. Examples of absolute return hedge fund strategies include merger arbitrage, distressed debt/credit, convertible arbitrage, and equity restructuring.

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Private equity and venture capital investments are generally made through limited partnerships. Under the terms of these agreements, the Trust is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence and, under such agreements, may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Trust cannot anticipate such changes because they are based on unforeseen events, but should they occur, they might result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital or liquidity calls in any particular future year are uncertain.

(6) Funds Functioning as Endowments

Changes in the fair value of the funds functioning as endowments (quasi-endowments) for the fiscal years ended September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Quasi-endowment net assets, beginning of year	\$ 1,318,280,218	1,252,699,380
Contributions	3,819,641	32,763,803
Interest and dividends	23,976,958	22,075,301
Net realized/unrealized gain (loss)	(6,670,124)	72,957,961
Amounts appropriated for expenditure	(46,594,887)	(62,260,200)
Reclassifications and transfers	<u>6,232,845</u>	<u>43,973</u>
Change in quasi-endowment net assets	<u>(19,235,567)</u>	<u>65,580,838</u>
Quasi-endowment net assets, end of year	<u>\$ 1,299,044,651</u>	<u>1,318,280,218</u>

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(7) Contributions Receivable

At September 30, 2019, outstanding pledges are expected to be collected as follows:

Year ending September 30:	
2020	\$ 1,735,250
2021	712,500
2022	105,000
2023 and beyond	<u>6,397,322</u>
	8,950,072
Less discount	(3,545,753)
Less allowance for uncollectable accounts	<u>(210,000)</u>
	<u>\$ 5,194,319</u>

(8) Grants Payable

Grants were approved by the governing bodies of the following organizations as of September 30, 2019 and 2018; however, the grants were not due for payment until after that date:

	<u>2019</u>	<u>2018</u>
The Chicago Community Trust	\$ 11,364,968	18,343,302
The Chicago Community Foundation	7,696,970	4,165,002
The Lavin Family Supporting Foundation	268,340	402,510
The Lake County Community Foundation	6,000	17,000
The Community Foundation of Will County	82,126	61,500
The McHenry County Community Foundation	<u>70,000</u>	<u>49,250</u>
	<u>\$ 19,488,404</u>	<u>23,038,564</u>

These approved grants as of September 30, 2019 are expected to be paid as follows:

Year ending September 30:	
2020	\$ 17,854,234
2021	<u>1,634,170</u>
	<u>\$ 19,488,404</u>

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(9) Commitments

(a) Leases

The Trust entered into various lease agreements (includes amendments for expansion of office space), under an operating lease, which expires in 2027, for a space located at 225 North Michigan Avenue in Chicago, Illinois. The minimum lease payments have been abated for the first 14 to 18 months of the various leases and will not be payable by the Trust unless the Trust defaults by failing to make timely lease payments. The amount abated is \$728,191. The following is a schedule by years of future minimum lease payments, net of the abatement, required under these operating leases that have initial or remaining noncancelable lease terms as of September 30, 2019:

Year ending September 30:		
2020	\$	620,817
2021		638,640
2022		656,462
2023		674,285
2024		692,107
Thereafter		<u>1,930,771</u>
Total minimum payments required	\$	<u><u>5,213,082</u></u>

The Trust's affiliates also entered into various lease agreements for office space, as reflected on the following schedule as of September 30, 2019:

Year ending September 30:		
2020	\$	97,790
2021		<u>6,301</u>
Total minimum payments required	\$	<u><u>104,091</u></u>

Total rental expense for all operating leases was \$1,211,236 and \$1,173,568 in fiscal years 2019 and 2018, respectively, which is reported in the administrative expenses financial statement caption. There were no contingent or sublease rentals.

(b) Guarantees

On July 17, 2003, the Trust executed a guaranty to secure a line of credit of \$750,000 on behalf of one of its grantees, toward the purchase and renovation of a new building. At September 30, 2019 and 2018, no amounts have been drawn on the guarantee. The guarantee expires on July 1, 2033.

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(10) Program-Related Expenses

Program-related expenses include costs associated with staff and other related expenses incurred by Operating Funder Collaborative Accounts and affiliated organizations of the Trust.

(11) Expenses by Functional Expense Classification

The Trust's mission is to promote, guide, and manage philanthropy for the benefit of the residents of the greater Chicago area. The Trust's grant making is a significant undertaking toward accomplishing its mission. Administrative expenses included under program are incurred in support of direct program activities. The Trust reports expenses by both natural and functional classification. Expenses associated with a program are charged directly to that program. Indirect expenses are further allocated among function based on employee's time and effort.

The Trust's expenses by functional classification for the year ended September 30, 2019 are as follows:

	2019			
	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 345,183,436	—	—	345,183,436
Program-related expenses	7,076,635	—	—	7,076,635
Investment management and custodian fees	—	5,350,821	—	5,350,821
Other expenses	—	577,049	—	577,049
Administrative expenses:				
Salaries and benefits	4,565,463	3,261,309	1,865,068	9,691,840
Professional fees	525,021	1,365,664	211,866	2,102,551
Meetings and travel	224,434	211,111	169,960	605,505
Occupancy, utilities, and insurance	665,352	467,414	253,641	1,386,407
Depreciation and amortization	180,356	145,070	66,653	392,079
Printing and publications	162,906	142,237	157,530	462,673
Other administrative expenses	528,844	3,307,702	310,690	4,147,236
Total administrative expenses	6,852,376	8,900,507	3,035,408	18,788,291
Percentage of administrative expenses	36.5 %	47.4 %	16.1 %	100.0 %
Total expenses	\$ 359,112,447	14,828,377	3,035,408	376,976,232
Percentage of total expenses	95.3 %	3.9 %	0.8 %	100.0 %

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The Trust's expenses by functional classification for the year ended September 30, 2018 are as follows:

	2018			
	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 361,739,688	—	—	361,739,688
Program-related expenses	8,051,946	—	—	8,051,946
Program-related expenses – government grants	523,175	—	—	523,175
Investment management and custodian fees	—	4,949,097	—	4,949,097
Other expenses	—	37,499	—	37,499
Administrative expenses:				
Salaries and benefits	4,275,229	2,265,363	2,231,365	8,771,957
Professional fees	289,299	1,163,332	198,484	1,651,115
Meetings and travel	201,890	141,260	155,133	498,283
Occupancy, utilities, and insurance	660,838	345,808	331,566	1,338,212
Depreciation and amortization	199,312	116,266	99,656	415,234
Printing and publications	118,096	97,843	114,525	330,464
Other administrative expenses	535,415	3,485,748	257,617	4,278,780
Total administrative expenses	6,280,079	7,615,620	3,388,346	17,284,045
Percentage of administrative expenses	36.3 %	44.1 %	19.6 %	100.0 %
Total expenses	\$ <u>376,594,888</u>	<u>12,602,216</u>	<u>3,388,346</u>	<u>392,585,450</u>
Percentage of total expenses	95.9 %	3.2 %	0.9 %	100.0 %

For fiscal years 2019 and 2018, nonoperating investment management and custodian fees of \$238,534 and \$236,805, respectively, are reported in the consolidated statements of activities and are included in the above analysis.

(12) Retirement Plans

The Trust has a 401 (k) plan. Eligible employees include full-time employees who are at least 21 years of age and have at least one year of service with the Trust. Employees are 100% vested upon the attainment of normal retirement age, or if earlier, upon the completion of three years of vesting service. Elective employee contributions can be made on the first quarter following their hired date. After one year of service, the Trust provides an employer matching contribution to the 401 (k) plan equal to 100% of the employee's elective contribution up to 4% of eligible compensation.

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The Trust has the sole discretionary right to determine the amount of the employer contribution for a plan year.

Total retirement benefit costs for the years ended September 30, 2019 and 2018 were approximately \$471,855 and \$415,000, respectively.

(13) Transactions with Affiliates

During the years ended September 30, 2019 and 2018, the Trust approved grant awards totaling \$3,608,349 and \$7,570,055, respectively, to the Foundation.

During the years ended September 30, 2019 and 2018, the Trust approved grant awards totaling \$12,600 and \$181,580, respectively, to The Lake County Community Foundation.

During the year ended September 30, 2018, the Trust approved grant awards totaling \$150,550 to The Community Foundation of Will County.

During the years ended September 30, 2019 and 2018, the Trust approved grant awards totaling \$105,000 and \$110,000, respectively, to Metropolis Strategies.

During the years ended September 30, 2019 and 2018, the Foundation approved grant awards totaling \$1,234,356 and \$1,371,982, respectively, to the Trust.

During the years ended September 30, 2019 and 2018, the Foundation approved grant awards totaling \$49,664 and \$33,751, respectively, to The Springboard Foundation.

During the year ended September 30, 2019, the Foundation approved grant awards totaling \$15,750 to The Lake County Community Foundation.

During the years ended September 30, 2019 and 2018, the Foundation approved grant awards totaling \$152,916 and \$228,500, respectively, to The Community Foundation of Will County.

During the years ended September 30, 2019 and 2018, the Foundation approved grant awards totaling \$120,000 and \$50,000, respectively, to The Community Foundation for McHenry County.

During the years ended September 30, 2019 and 2018, The PERT Foundation approved grant awards totaling \$225,000 and \$17,265,000, respectively, to the Foundation.

During the years ended September 30, 2019 and 2018, The PERT Foundation approved grant awards totaling \$70,000 and \$150,000, respectively, to the Trust.

During the year ended September 30, 2018, The PERT Foundation approved grant awards totaling \$25,000 to the Lake County Community Foundation.

During the year ended September 30, 2018, The PERT Foundation approved grant awards totaling \$25,000 to The Community Foundation of Will County.

THE CHICAGO COMMUNITY TRUST
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Notes to Consolidated Financial Statements
September 30, 2019 and 2018

During the years ended September 30, 2019 and 2018, The Glasser and Rosenthal Family Foundation approved grant awards totaling \$22,386 and \$16,392, respectively, to the Foundation.

During the years ended September 30, 2019 and 2018, the Butler Trust approved grants totaling \$1,685,391 and \$625,858, respectively, to the Trust.

During the year ended September 30, 2019, The Springboard Foundation approved grants totaling \$130,000 to the Foundation.

During the year ended September 30, 2018, The Lavin Family Supporting Foundation approved grants totaling \$30,000 to the Trust.

Each of these affiliate transactions have been eliminated in consolidation.

(14) Subsequent Events

In December 2019, a novel strain of coronavirus (COVID-19) emerged in China. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The outbreak has now spread to the United States, infections have been reported globally and has unleashed significant volatility in investment markets, including those of the Trust.

In connection with the preparation of the consolidated financial statements and in accordance with FASB ASC Topic 855, *Subsequent Events*, the Trust's management evaluated subsequent events after the consolidated statement of financial position date of September 30, 2019 through April 10, 2020, the date the consolidated financial statements were available to be issued, and determined there are no additional items to disclose, except as noted above.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
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Consolidating Statement of Financial Position

September 30, 2019

Assets	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The Springboard Foundation	The PERT Foundation	The Lake County Community Foundation
Cash and cash equivalents	\$ 14,026,039	3,768,375	297,579	1,539,838	194,461	5,519	499,401
Investments:							
Short-term investment funds	104,876,701	190,702,261	—	—	—	194,640	262,105
Fixed income – domestic	189,446,568	344,338,518	13,687,689	—	—	2,248,359	2,968,129
Fixed income – international	12,516,249	7,653,800	811,253	—	—	—	—
Domestic equities	477,802,061	813,416,596	14,549,301	6,190,263	—	4,514,813	6,776,303
International equities	169,485,292	259,226,615	288,360	4,082,864	—	2,464,034	3,005,591
Hedge funds	66,522,795	203,911,699	11,034,237	4,398,365	—	—	—
Real estate	900,000	1,275,400	—	—	—	—	—
Other	11,589,524	39,180,677	—	—	—	—	—
Total investments	<u>1,033,139,190</u>	<u>1,859,705,566</u>	<u>40,370,840</u>	<u>14,671,492</u>	<u>—</u>	<u>9,421,846</u>	<u>13,012,128</u>
Contributions receivable	50,000	11,276,497	—	—	—	—	—
Government grants and contracts receivable	—	—	—	—	—	—	—
Land, office equipment, and leasehold improvements, net	821,395	—	—	—	—	—	—
Other assets	3,238,499	134,124	—	—	—	—	2,201
Beneficial interest in charitable term trusts	263,408,763	—	—	—	—	—	—
Beneficial interest in charitable perpetual trusts	46,894,979	—	—	—	—	—	—
Total assets	<u>\$ 1,361,578,865</u>	<u>1,874,884,562</u>	<u>40,668,419</u>	<u>16,211,330</u>	<u>194,461</u>	<u>9,427,365</u>	<u>13,513,730</u>
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 2,750,520	1,089,447	90,000	6,891	48,368	11,117	49,541
Annuity payable	375,235	—	—	—	—	—	—
Grants payable	17,747,146	7,696,970	—	268,340	—	—	6,000
Funds held for others	1,000,000	36,375,147	—	—	—	—	303,010
Total liabilities	<u>21,872,901</u>	<u>45,161,564</u>	<u>90,000</u>	<u>275,231</u>	<u>48,368</u>	<u>11,117</u>	<u>358,551</u>
Net assets:							
Without donor restrictions	1,029,352,222	1,818,446,501	—	15,936,099	146,093	9,416,248	13,155,179
With donor restrictions	310,353,742	11,276,497	40,578,419	—	—	—	—
Total net assets	<u>1,339,705,964</u>	<u>1,829,722,998</u>	<u>40,578,419</u>	<u>15,936,099</u>	<u>146,093</u>	<u>9,416,248</u>	<u>13,155,179</u>
Total liabilities and net assets	<u>\$ 1,361,578,865</u>	<u>1,874,884,562</u>	<u>40,668,419</u>	<u>16,211,330</u>	<u>194,461</u>	<u>9,427,365</u>	<u>13,513,730</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
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Consolidating Statement of Financial Position

September 30, 2019

Assets	The Community Foundation of Will County	Metropolis Strategies	The Glasser and Rosenthal Family Foundation	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Cash and cash equivalents	\$ 869,946	239,810	7,805	337,049	21,785,822	—	21,785,822
Investments:							
Short-term investment funds	90,067	—	326,049	2,754,023	299,205,846	—	299,205,846
Fixed income – domestic	1,191,836	—	522,457	—	554,403,556	—	554,403,556
Fixed income – international	146,108	—	—	—	21,127,410	—	21,127,410
Domestic equities	1,812,030	—	1,177,292	24,680,059	1,350,918,718	—	1,350,918,718
International equities	997,731	—	1,370,633	5,059,721	445,980,841	—	445,980,841
Hedge funds	—	—	—	—	285,867,096	—	285,867,096
Real estate	—	—	—	—	2,175,400	—	2,175,400
Other	—	—	—	—	50,770,201	—	50,770,201
Total investments	4,237,772	—	3,396,431	32,493,803	3,010,449,068	—	3,010,449,068
Contributions receivable	—	250,000	—	—	11,576,497	(6,382,178)	5,194,319
Government grants and contracts receivable	—	—	—	—	—	—	—
Land, office equipment, and leasehold improvements, net	—	—	—	—	821,395	—	821,395
Other assets	—	—	—	145,451	3,520,275	(1,644,648)	1,875,627
Beneficial interest in charitable term trusts	—	—	—	1,581,038	264,989,801	—	264,989,801
Beneficial interest in charitable perpetual trusts	—	—	—	—	46,894,979	—	46,894,979
Total assets	\$ 5,107,718	489,810	3,404,236	34,557,341	3,360,037,837	(8,026,826)	3,352,011,011
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 328,748	245,095	3,988	136,592	4,760,307	(1,644,648)	3,115,659
Annuity payable	—	—	—	—	375,235	—	375,235
Grants payable	82,126	—	—	70,000	25,870,582	(6,382,178)	19,488,404
Funds held for others	306,169	—	—	1,207,838	39,192,164	—	39,192,164
Total liabilities	717,043	245,095	3,988	1,414,430	70,198,288	(8,026,826)	62,171,462
Net assets:							
Without donor restrictions	4,390,675	(5,285)	3,400,248	31,561,873	2,925,799,853	6,222,178	2,932,022,031
With donor restrictions	—	250,000	—	1,581,038	364,039,696	(6,222,178)	357,817,518
Total net assets	4,390,675	244,715	3,400,248	33,142,911	3,289,839,549	—	3,289,839,549
Total liabilities and net assets	\$ 5,107,718	489,810	3,404,236	34,557,341	3,360,037,837	(8,026,826)	3,352,011,011

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
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Consolidating Statement of Financial Position

September 30, 2018

Assets	The Chicago Community Trust	The Chicago Community Foundation	The Burrige D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The Springboard Foundation	The PERT Foundation	The Lake County Community Foundation
Cash and cash equivalents	\$ 14,789,198	3,709,321	760,794	717,203	270,626	5,519	175,053
Investments:							
Short-term investment funds	85,412,535	175,470,216	—	—	—	176,715	—
Fixed income – domestic	181,122,090	330,381,710	13,351,094	—	—	2,149,544	2,808,229
Fixed income – international	14,663,130	4,937,967	1,060,254	—	—	—	—
Domestic equities	495,153,744	724,005,180	17,426,618	5,853,008	—	4,786,445	7,091,113
International equities	203,504,514	230,572,745	960,952	3,964,134	—	3,266,436	2,936,109
Hedge funds	51,447,412	201,010,708	8,942,664	5,722,499	—	—	—
Real estate	900,000	2,277,500	—	—	—	—	—
Other	10,021,544	49,842,529	—	—	—	—	—
Total investments	1,042,224,969	1,718,498,555	41,741,582	15,539,641	—	10,379,140	12,835,451
Contributions receivable	2,906,470	12,742,437	—	—	—	—	175,000
Government grants and contracts receivable	305,375	—	—	—	—	—	—
Land, office equipment, and leasehold improvements, net	1,204,774	—	—	—	—	—	—
Other assets	4,343,214	—	104,000	—	—	—	1,767
Beneficial interest in charitable term trusts	283,284,268	—	—	—	—	—	—
Beneficial interest in charitable perpetual trusts	47,511,526	—	—	—	—	—	—
Total assets	\$ <u>1,396,569,794</u>	<u>1,734,950,313</u>	<u>42,606,376</u>	<u>16,256,844</u>	<u>270,626</u>	<u>10,384,659</u>	<u>13,187,271</u>
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 4,731,121	1,622,769	87,400	3,467	21,558	—	112,665
Annuity payable	392,863	—	—	—	—	—	—
Grants payable	26,138,576	4,165,002	—	402,510	—	—	17,000
Funds held for others	1,000,000	36,759,445	—	—	—	—	118,493
Total liabilities	32,262,560	42,547,216	87,400	405,977	21,558	—	248,158
Net assets:							
Without donor restrictions	1,033,314,803	1,679,660,660	71,611	15,850,867	249,068	10,384,659	12,764,113
With donor restrictions	330,992,431	12,742,437	42,447,365	—	—	—	175,000
Total net assets	1,364,307,234	1,692,403,097	42,518,976	15,850,867	249,068	10,384,659	12,939,113
Total liabilities and net assets	\$ <u>1,396,569,794</u>	<u>1,734,950,313</u>	<u>42,606,376</u>	<u>16,256,844</u>	<u>270,626</u>	<u>10,384,659</u>	<u>13,187,271</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
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Consolidating Statement of Financial Position

September 30, 2018

Assets	The Community Foundation of Will County	Metropolis Strategies	The Glasser and Rosenthal Family Foundation	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Cash and cash equivalents	\$ 107,882	180,572	7,835	194,945	20,918,948	—	20,918,948
Investments:							
Short-term investment funds	37,194	—	329,099	4,043,183	265,468,942	—	265,468,942
Fixed income – domestic	1,204,530	—	526,700	—	531,543,897	—	531,543,897
Fixed income – international	140,090	—	—	—	20,801,441	—	20,801,441
Domestic equities	1,798,384	—	1,167,333	23,985,102	1,281,266,927	—	1,281,266,927
International equities	939,198	—	1,437,340	5,060,095	452,641,523	—	452,641,523
Hedge funds	—	—	—	—	267,123,283	—	267,123,283
Real estate	—	—	—	—	3,177,500	—	3,177,500
Other	—	—	—	—	59,864,073	—	59,864,073
Total investments	4,119,396	—	3,460,472	33,088,380	2,881,887,586	—	2,881,887,586
Contributions receivable	150,000	155,000	—	—	16,128,907	(7,795,274)	8,333,633
Government grants and contracts receivable	—	—	—	—	305,375	—	305,375
Land, office equipment, and leasehold improvements, net	—	—	—	—	1,204,774	—	1,204,774
Other assets	—	—	—	125,934	4,574,915	(1,715,939)	2,858,976
Beneficial interest in charitable term trusts	—	—	—	1,660,487	284,944,755	—	284,944,755
Beneficial interest in charitable perpetual trusts	—	—	—	—	47,511,526	—	47,511,526
Total assets	<u>\$ 4,377,278</u>	<u>335,572</u>	<u>3,468,307</u>	<u>35,069,746</u>	<u>3,257,476,786</u>	<u>(9,511,213)</u>	<u>3,247,965,573</u>
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 87,269	126,347	1,481	136,178	6,930,255	(1,715,939)	5,214,316
Annuity payable	—	—	—	—	392,863	—	392,863
Grants payable	61,500	—	—	49,250	30,833,838	(7,795,274)	23,038,564
Funds held for others	151,339	—	—	681,719	38,710,996	—	38,710,996
Total liabilities	300,108	126,347	1,481	867,147	76,867,952	(9,511,213)	67,356,739
Net assets:							
Without donor restrictions	3,927,170	54,225	3,466,826	32,542,112	2,792,286,114	7,795,274	2,800,081,388
With donor restrictions	150,000	155,000	—	1,660,487	388,322,720	(7,795,274)	380,527,446
Total net assets	4,077,170	209,225	3,466,826	34,202,599	3,180,608,834	—	3,180,608,834
Total liabilities and net assets	<u>\$ 4,377,278</u>	<u>335,572</u>	<u>3,468,307</u>	<u>35,069,746</u>	<u>3,257,476,786</u>	<u>(9,511,213)</u>	<u>3,247,965,573</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – Without Donor Restrictions

Year ended September 30, 2019

	The Chicago Community Trust	The Chicago Community Foundation	The Burrige D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The Springboard Foundation	The PERT Foundation	The Lake County Community Foundation
Operating activities:							
Support, revenue, and transfers:							
Investment payout	\$ 39,010,459	37,497,957	—	88,919	9,020	219,711	325,675
Contributions	23,881,700	1,008,400	—	—	524,074	—	402,346
Government grants and contracts revenue	—	—	—	—	—	—	—
Transfer from nonoperating activities	1,093,373	276,852,722	—	94,014	—	789,383	607,599
Transfers to net assets with donor restrictions	—	—	(71,611)	—	—	—	—
Other income	8,412,730	845,945	—	—	—	920	17,042
Net assets released from restrictions	24,902,195	—	—	—	—	—	175,000
Total operating support, revenue, and transfers	<u>97,300,457</u>	<u>316,205,024</u>	<u>(71,611)</u>	<u>182,933</u>	<u>533,094</u>	<u>1,010,014</u>	<u>1,527,662</u>
Expenses:							
Grants, net of refunds	58,845,542	287,274,463	—	150,000	519,033	920,000	607,599
Program-related expenses	7,035,511	3,905,523	—	—	—	—	—
Program-related expenses – government grants	—	—	—	—	—	—	—
Investment management and custodian fees	2,733,738	2,070,410	—	30	—	48,691	—
Administrative expenses	14,686,710	5,459,248	—	32,903	115,837	41,323	426,963
Other expenses	35,203	—	—	—	1,199	—	916
Total operating expenses	<u>83,336,704</u>	<u>298,709,644</u>	<u>—</u>	<u>182,933</u>	<u>636,069</u>	<u>1,010,014</u>	<u>1,035,478</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>13,963,753</u>	<u>17,495,380</u>	<u>(71,611)</u>	<u>—</u>	<u>(102,975)</u>	<u>—</u>	<u>492,184</u>
Nonoperating activities:							
Contributions	1,784,178	439,632,207	—	—	—	—	712,600
Net return on investments after investment payout	(18,302,481)	(43,898,404)	—	179,246	—	(179,028)	(206,119)
Investment management and custodian fees	(238,534)	—	—	—	—	—	—
Change in value of charitable gift annuity and life insurance policy	(61,004)	—	—	—	—	—	—
Transfer to operating activities	(1,093,373)	(276,852,722)	—	(94,014)	—	(789,383)	(607,599)
Other income	(15,120)	143,767	—	—	—	—	—
Net assets released from restrictions	—	2,265,613	—	—	—	—	—
Net nonoperating activities	<u>(17,926,334)</u>	<u>121,290,461</u>	<u>—</u>	<u>85,232</u>	<u>—</u>	<u>(968,411)</u>	<u>(101,118)</u>
Increase (decrease) in net assets	<u>(3,962,581)</u>	<u>138,785,841</u>	<u>(71,611)</u>	<u>85,232</u>	<u>(102,975)</u>	<u>(968,411)</u>	<u>391,066</u>
Net assets at beginning of year	<u>1,033,314,803</u>	<u>1,679,660,660</u>	<u>71,611</u>	<u>15,850,867</u>	<u>249,068</u>	<u>10,384,659</u>	<u>12,764,113</u>
Net assets at end of year	<u>\$ 1,029,352,222</u>	<u>1,818,446,501</u>	<u>—</u>	<u>15,936,099</u>	<u>146,093</u>	<u>9,416,248</u>	<u>13,155,179</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – Without Donor Restrictions

Year ended September 30, 2019

	The Community Foundation of Will County	Metropolis Strategies	The Glasser and Rosenthal Family Foundation	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Operating activities:							
Support, revenue, and transfers:							
Investment payout	\$ 116,258	1,020	147,572	1,950,940	79,367,531	—	79,367,531
Contributions	70,032	553,000	—	155,913	26,595,465	(6,632,361)	19,963,104
Government grants and contracts revenue	—	—	—	—	—	—	—
Transfer from nonoperating activities	257,169	—	—	1,275,470	280,969,730	—	280,969,730
Transfers to net assets with donor restrictions	—	—	—	—	(71,611)	—	(71,611)
Other income	2,240	30,000	—	25,374	9,334,251	(7,584,958)	1,749,293
Net assets released from restrictions	150,000	—	—	77,897	25,305,092	(380,000)	24,925,092
Total operating support, revenue, and transfers	<u>595,699</u>	<u>584,020</u>	<u>147,572</u>	<u>3,485,594</u>	<u>421,500,458</u>	<u>(14,597,319)</u>	<u>406,903,139</u>
Expenses:							
Grants, net of refunds	270,521	—	147,386	2,194,913	350,929,457	(7,431,412)	343,498,045
Program-related expenses	—	—	—	41,124	10,982,158	(3,905,523)	7,076,635
Program-related expenses – government grants	—	—	—	—	—	—	—
Investment management and custodian fees	10,965	—	—	29,524	4,893,358	—	4,893,358
Administrative expenses	241,479	643,530	18,361	662,738	22,329,092	(3,679,435)	18,649,657
Other expenses	380	—	—	539,351	577,049	—	577,049
Total operating expenses	<u>523,345</u>	<u>643,530</u>	<u>165,747</u>	<u>3,467,650</u>	<u>389,711,114</u>	<u>(15,016,370)</u>	<u>374,694,744</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>72,354</u>	<u>(59,510)</u>	<u>(18,175)</u>	<u>17,944</u>	<u>31,789,344</u>	<u>419,051</u>	<u>32,208,395</u>
Nonoperating activities:							
Contributions	664,395	—	—	1,463,033	444,256,413	(367,147)	443,889,266
Net return on investments after investment payout	(16,075)	—	(48,403)	(1,208,859)	(63,680,123)	—	(63,680,123)
Investment management and custodian fees	—	—	—	—	(238,534)	—	(238,534)
Change in value of charitable gift annuity and life insurance policy	—	—	—	23,113	(37,891)	—	(37,891)
Transfer to operating activities	(257,169)	—	—	(1,275,470)	(280,969,730)	—	(280,969,730)
Other income	—	—	—	—	128,647	—	128,647
Net assets released from restrictions	—	—	—	—	2,265,613	(1,625,000)	640,613
Net nonoperating activities	<u>391,151</u>	<u>—</u>	<u>(48,403)</u>	<u>(998,183)</u>	<u>101,724,395</u>	<u>(1,992,147)</u>	<u>99,732,248</u>
Increase (decrease) in net assets	<u>463,505</u>	<u>(59,510)</u>	<u>(66,578)</u>	<u>(980,239)</u>	<u>133,513,739</u>	<u>(1,573,096)</u>	<u>131,940,643</u>
Net assets at beginning of year	<u>3,927,170</u>	<u>54,225</u>	<u>3,466,826</u>	<u>32,542,112</u>	<u>2,792,286,114</u>	<u>7,795,274</u>	<u>2,800,081,388</u>
Net assets at end of year	<u>\$ 4,390,675</u>	<u>(5,285)</u>	<u>3,400,248</u>	<u>31,561,873</u>	<u>2,925,799,853</u>	<u>6,222,178</u>	<u>2,932,022,031</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – Without Donor Restrictions

Year ended September 30, 2018

	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The Springboard Foundation	The PERT Foundation	The Lake County Community Foundation
Operating activities:							
Support, revenue, and transfers:							
Investment payout	\$ 36,424,933	31,106,921	920,638	81,682	5,200	344,039	297,358
Contributions	12,609,661	429,800	—	—	417,242	—	149,321
Government grants and contracts revenue	681,470	—	—	—	—	—	—
Transfer from nonoperating activities	1,182,068	280,799,858	—	1,258,391	—	18,090,873	425,514
Other income	4,828,780	1,955,532	—	—	—	252	4,101
Net assets released from restrictions	25,560,288	—	—	—	—	—	175,000
Total operating support, revenue, and transfers	<u>81,287,200</u>	<u>314,292,111</u>	<u>920,638</u>	<u>1,340,073</u>	<u>422,442</u>	<u>18,435,164</u>	<u>1,051,294</u>
Expenses:							
Grants, net of refunds	53,721,380	312,435,978	625,858	1,305,000	402,111	18,290,000	569,310
Program-related expenses	3,266,338	5,215,100	—	—	—	—	6,071
Program-related expenses – government grants	583,379	—	—	—	—	—	—
Investment management and custodian fees	2,579,323	1,808,465	191,090	—	—	77,121	—
Administrative expenses	13,383,899	5,214,121	134,212	35,073	98,701	68,043	389,395
Other expenses	36,602	—	—	—	—	—	897
Total operating expenses	<u>73,570,921</u>	<u>324,673,664</u>	<u>951,160</u>	<u>1,340,073</u>	<u>500,812</u>	<u>18,435,164</u>	<u>965,673</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>7,716,279</u>	<u>(10,381,553)</u>	<u>(30,522)</u>	<u>—</u>	<u>(78,370)</u>	<u>—</u>	<u>85,621</u>
Nonoperating activities:							
Contributions	2,009,455	474,066,819	—	—	—	—	431,846
Net return on investments after investment payout	38,380,316	195,272,983	—	1,008,585	—	936,851	824,712
Investment management and custodian fees	(236,805)	—	—	—	—	—	—
Change in value of charitable gift annuity and life insurance policy	(43,155)	—	—	—	—	—	—
Transfer to operating activities	(1,182,068)	(280,799,858)	—	(1,258,391)	—	(18,090,873)	(425,514)
Other income	10,202	9,176	—	—	—	—	—
Net assets released from restrictions	—	5,229,235	—	—	—	—	—
Net nonoperating activities	<u>38,937,945</u>	<u>393,778,355</u>	<u>—</u>	<u>(249,806)</u>	<u>—</u>	<u>(17,154,022)</u>	<u>831,044</u>
Increase (decrease) in net assets	46,654,224	383,396,802	(30,522)	(249,806)	(78,370)	(17,154,022)	916,665
Net assets at beginning of year	<u>986,660,579</u>	<u>1,296,263,858</u>	<u>102,133</u>	<u>16,100,673</u>	<u>327,438</u>	<u>27,538,681</u>	<u>11,847,448</u>
Net assets at end of year	<u>\$ 1,033,314,803</u>	<u>1,679,660,660</u>	<u>71,611</u>	<u>15,850,867</u>	<u>249,068</u>	<u>10,384,659</u>	<u>12,764,113</u>

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – Without Donor Restrictions

Year ended September 30, 2018

	The Community Foundation of Will County	Metropolis Strategies	The Glasser and Rosenthal Family Foundation	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Operating activities:							
Support, revenue, and transfers:							
Investment payout	\$ 91,740	595	159,307	890,357	70,322,770	—	70,322,770
Contributions	69,367	226,000	—	51,384	13,952,775	(2,739,641)	11,213,134
Government grants and contracts revenue	—	—	—	—	681,470	—	681,470
Transfer from nonoperating activities	159,140	—	—	1,688,412	303,604,256	—	303,604,256
Other income	644	—	—	34,704	6,824,013	(4,132,350)	2,691,663
Net assets released from restrictions	150,000	493,333	—	83,855	26,462,476	(493,333)	25,969,143
Total operating support, revenue, and transfers	470,891	719,928	159,307	2,748,712	421,847,760	(7,365,324)	414,482,436
Expenses:							
Grants, net of refunds	210,354	—	136,392	1,995,417	389,691,800	(27,952,112)	361,739,688
Program-related expenses	—	100,833	—	54,172	8,642,514	(590,568)	8,051,946
Program-related expenses – government grants	—	—	—	—	583,379	(60,204)	523,175
Investment management and custodian fees	10,332	—	—	45,961	4,712,292	—	4,712,292
Administrative expenses	302,249	566,402	17,939	555,589	20,765,623	(3,481,578)	17,284,045
Other expenses	—	—	—	—	37,499	—	37,499
Total operating expenses	522,935	667,235	154,331	2,651,139	424,433,107	(32,084,462)	392,348,645
Excess (deficiency) of operating support, revenue, and transfers over expenses	(52,044)	52,693	4,976	97,573	(2,585,347)	24,719,138	22,133,791
Nonoperating activities:							
Contributions	479,618	—	—	1,796,335	478,784,073	(23,407,647)	455,376,426
Net return on investments after investment payout	155,805	—	(12,355)	2,624,978	239,191,875	—	239,191,875
Investment management and custodian fees	—	—	—	—	(236,805)	—	(236,805)
Change in value of charitable gift annuity and life insurance policy	—	—	—	5,378	(37,777)	—	(37,777)
Transfer to operating activities	(159,140)	—	—	(1,688,412)	(303,604,256)	—	(303,604,256)
Other income	—	—	—	—	19,378	—	19,378
Net assets released from restrictions	—	—	—	—	5,229,235	(1,095,000)	4,134,235
Net nonoperating activities	476,283	—	(12,355)	2,738,279	419,345,723	(24,502,647)	394,843,076
Increase (decrease) in net assets	424,239	52,693	(7,379)	2,835,852	416,760,376	216,491	416,976,867
Net assets at beginning of year	3,502,931	1,532	3,474,205	29,706,260	2,375,525,738	7,578,783	2,383,104,521
Net assets at end of year	\$ 3,927,170	54,225	3,466,826	32,542,112	2,792,286,114	7,795,274	2,800,081,388

See accompanying independent auditors' report.

THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – With Donor Restrictions
Year ended September 30, 2019

	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The Lake County Community Foundation	The Community Foundation of Will County	Metropolis Strategies	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Operating activities:										
Support, revenue, and transfers:										
Investment payout	\$ —	—	1,040,883	—	—	—	—	1,040,883	—	1,040,883
Contributions	—	—	—	—	—	95,000	—	95,000	(95,000)	—
Gain on beneficial interest in charitable term trusts	—	—	—	—	—	—	—	—	—	—
Transfer from net assets without donor restrictions	—	—	71,611	—	—	—	—	71,611	—	71,611
Other income	—	—	—	—	—	—	—	—	—	—
Net assets released from restrictions	(24,902,195)	—	—	(175,000)	(150,000)	—	(77,897)	(25,305,092)	380,000	(24,925,092)
Total operating support, revenue, and transfers	(24,902,195)	—	1,112,494	(175,000)	(150,000)	95,000	(77,897)	(24,097,598)	285,000	(23,812,598)
Expenses:										
Grants, net of refunds	—	—	1,685,391	—	—	—	—	1,685,391	—	1,685,391
Program-related expenses	—	—	—	—	—	—	—	—	—	—
Investment management and custodian fees	—	—	218,929	—	—	—	—	218,929	—	218,929
Administrative expenses	—	—	138,634	—	—	—	—	138,634	—	138,634
Other expenses	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	—	2,042,954	—	—	—	—	2,042,954	—	2,042,954
Deficiency of operating support, revenue, and transfers over expenses	(24,902,195)	—	(930,460)	(175,000)	(150,000)	95,000	(77,897)	(26,140,552)	285,000	(25,855,552)
Nonoperating activities:										
Contributions	—	799,673	—	—	—	—	—	799,673	(336,904)	462,769
Net gain on investments after investment payout	—	—	(938,486)	—	—	—	—	(938,486)	—	(938,486)
Investment management and custodian fees	—	—	—	—	—	—	—	—	—	—
Gain on beneficial interest in charitable perpetual trusts	(616,547)	—	—	—	—	—	—	(616,547)	—	(616,547)
Gain on beneficial interest in charitable term trusts	4,880,053	—	—	—	—	—	(1,552)	4,878,501	—	4,878,501
Change in value of charitable gift annuity	—	—	—	—	—	—	—	—	—	—
Other income	—	—	—	—	—	—	—	—	—	—
Net assets released from restrictions	—	(2,265,613)	—	—	—	—	—	(2,265,613)	1,625,000	(640,613)
Net nonoperating activities	4,263,506	(1,465,940)	(938,486)	—	—	—	(1,552)	1,857,528	1,288,096	3,145,624
Decrease in net assets	(20,638,689)	(1,465,940)	(1,868,946)	(175,000)	(150,000)	95,000	(79,449)	(24,283,024)	1,573,096	(22,709,928)
Net assets at beginning of year, as reclassified	330,992,431	12,742,437	42,447,365	175,000	150,000	155,000	1,660,487	388,322,720	(7,795,274)	380,527,446
Net assets at end of year	\$ 310,353,742	11,276,497	40,578,419	—	—	250,000	1,581,038	364,039,696	(6,222,178)	357,817,518

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THE CHICAGO COMMUNITY TRUST
(Funds Held by the Trustees or Created for the
Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – With Donor Restrictions

Year ended September 30, 2018

	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The Lake County Community Foundation	The Community Foundation of Will County	Metropolis Strategies	The Community Foundation for McHenry County	Total	Eliminations	Consolidated
Operating activities:										
Support and revenue:										
Investment payout	\$ —	—	—	—	—	—	—	—	—	—
Contributions	—	—	—	175,000	150,000	155,000	—	480,000	(380,000)	100,000
Other income	—	—	—	—	—	—	—	—	—	—
Net assets released from restrictions	(25,560,288)	—	—	(175,000)	(150,000)	(493,333)	(83,855)	(26,462,476)	493,333	(25,969,143)
Total operating support and revenue	(25,560,288)	—	—	—	—	(338,333)	(83,855)	(25,982,476)	113,333	(25,869,143)
Expenses:										
Grants, net of refunds	—	—	—	—	—	—	—	—	—	—
Program-related expenses	—	—	—	—	—	—	—	—	—	—
Investment management and custodian fees	—	—	—	—	—	—	—	—	—	—
Administrative expenses	—	—	—	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	—	—	—	—
Total operating expenses	—	—	—	—	—	—	—	—	—	—
Deficiency of operating support and revenue over expenses	(25,560,288)	—	—	—	—	(338,333)	(83,855)	(25,982,476)	113,333	(25,869,143)
Nonoperating activities:										
Contributions	—	2,139,222	—	—	—	—	—	2,139,222	(1,424,824)	714,398
Net gain on investments after investment payout	—	—	1,880,559	—	—	—	—	1,880,559	—	1,880,559
Investment management and custodian fees	—	—	—	—	—	—	—	—	—	—
Gain on beneficial interest in charitable perpetual trusts	2,584,102	—	—	—	—	—	—	2,584,102	—	2,584,102
Gain on beneficial interest in charitable term trusts	25,513,099	—	—	—	—	—	67,060	25,580,159	—	25,580,159
Change in value of charitable gift annuity	—	—	—	—	—	—	—	—	—	—
Other income	—	—	—	—	—	—	—	—	—	—
Net assets released from restrictions	—	(5,229,235)	—	—	—	—	—	(5,229,235)	1,095,000	(4,134,235)
Net nonoperating activities	28,097,201	(3,090,013)	1,880,559	—	—	—	67,060	26,954,807	(329,824)	26,624,983
Increase (decrease) in net assets	2,536,913	(3,090,013)	1,880,559	—	—	(338,333)	(16,795)	972,331	(216,491)	755,840
Net assets at beginning of year, as reclassified	328,455,518	15,832,450	40,566,806	175,000	150,000	493,333	1,677,282	387,350,389	(7,578,783)	379,771,606
Net assets at end of year, as reclassified	\$ 330,992,431	12,742,437	42,447,365	175,000	150,000	155,000	1,660,487	388,322,720	(7,795,274)	380,527,446

See accompanying independent auditors' report.