



**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, 2021 and 2020

(With Independent Auditors' Report Thereon)

**THE CHICAGO COMMUNITY TRUST**  
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## 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, 2021 and 2020, 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 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, 2021 and 2020, 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.

### *Other Matter*

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  
March 25, 2022

**THE CHICAGO COMMUNITY TRUST**  
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Consolidated Statements of Financial Position

September 30, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents (note 2(f))	\$ 22,759,928	20,824,044
Investments (note 5)	4,362,387,206	3,363,529,553
Contributions receivable, net (note 7)	4,751,394	4,535,370
Notes receivable (note 2(h))	2,949,625	3,195,417
Other assets	1,441,860	1,632,612
Land, office equipment, and leasehold improvements, less accumulated depreciation and amortization of \$2,108,297 and \$1,834,122 in 2021 and 2020, respectively (note 2(j))	411,354	1,884,753
Beneficial interest in charitable term trusts (note 2(i))	332,451,706	272,621,598
Beneficial interest in charitable perpetual trusts (note 2(i))	57,176,088	49,413,564
Total assets	<b>\$ 4,784,329,161</b>	<b>3,717,636,911</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,469,767	3,089,383
Grants payable (note 8)	35,011,806	18,880,001
Annuity payable	371,662	393,034
Funds held for others	10,500,133	40,425,197
Total liabilities	50,353,368	62,787,615
Net assets:		
Without donor restrictions	4,290,280,282	3,271,068,996
With donor restrictions	443,695,511	383,780,300
Total net assets	4,733,975,793	3,654,849,296
Total liabilities and net assets	<b>\$ 4,784,329,161</b>	<b>3,717,636,911</b>

See accompanying notes to consolidated financial statements.

**THE CHICAGO COMMUNITY TRUST**  
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Consolidated Statements of Activities

Years ended September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Without donor restrictions:		
Operating activities:		
Support, revenue, and transfers:		
Investment payout (note 5)	\$ 80,799,133	78,423,379
Contributions	3,189,614	6,602,541
Transfers from nonoperating activities (note 2(e))	1,327,978,777	555,423,380
Other income	641,542	1,226,501
Net assets released from restrictions (note 2(b))	30,460,786	27,851,552
Total operating support, revenue, and transfers	1,443,069,852	669,527,353
Expenses (note 11):		
Grants, net of refunds	1,352,486,628	580,645,181
Program-related expenses (note 10)	5,265,722	4,963,221
Investment management and custodian fees	8,490,811	5,954,682
Administrative expenses (note 11)	21,739,604	20,607,792
Other expenses	243,390	222,337
Total operating expenses	1,388,226,155	612,393,213
Excess of operating support, revenue, and transfers over expenses	54,843,697	57,134,140
Nonoperating activities:		
Contributions	1,775,508,687	687,630,062
Net return on investments after investment payout (note 5)	553,697,523	147,997,425
Investment management and custodian fees (note 11)	(278,140)	(243,089)
Change in value of charitable gift annuity and life insurance policy	(30,560)	(76,365)
Transfer to operating activities (note 2(e))	(1,327,978,777)	(555,423,380)
Other loss	(143,371)	(5,828)
Deconsolidation of a supporting organization (note 2(a))	(37,587,262)	—
Net assets released from restrictions (note 2(b))	1,179,489	2,034,000
Net nonoperating activities	964,367,589	281,912,825
Increase in net assets without donor restrictions	1,019,211,286	339,046,965
With donor restrictions:		
Operating activities:		
Support and revenue:		
Investment payout (note 5)	1,061,681	785,228
Contributions	—	147,500
Net assets released from restrictions (note 2(b))	(30,460,786)	(27,851,552)
Total operating support and revenue	(29,399,105)	(26,918,824)
Expenses:		
Program-related expenses – government grants (note 10)	26,172,916	156,009
Investment management and custodian fees	335,609	297,480
Total operating expenses	26,508,525	453,489
Deficiency of operating support and revenue over expenses	(55,907,630)	(27,372,313)
Nonoperating activities:		
Contributions	1,925,513	1,402,551
Government grants and contracts revenue	11,110,000	15,000,000
Net gain on investments after investment payout (note 5)	8,367,330	3,401,527
Gain on beneficial interest in charitable perpetual trusts (note 2(i))	7,762,524	2,518,585
Gain on beneficial interest in charitable term trusts (note 2(ii))	89,420,788	33,046,432
Deconsolidation of a supporting organization (note 2(a))	(1,583,825)	—
Net assets released from restrictions (note 2(b))	(1,179,489)	(2,034,000)
Net nonoperating activities	115,822,841	53,335,095
Increase in net assets with donor restrictions	59,915,211	25,962,782
Increase in net assets	1,079,126,497	365,009,747
Net assets at beginning of year	3,654,849,296	3,289,839,549
Net assets at end of year	\$ 4,733,975,793	3,654,849,296

See accompanying notes to consolidated financial statements.

**THE CHICAGO COMMUNITY TRUST**  
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Consolidated Statements of Cash Flows

Years ended September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Increase in net assets	\$ 1,079,126,497	365,009,747
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	274,175	359,973
Net gain on investments	(578,536,812)	(171,853,908)
Net gain on beneficial interest in charitable trusts	(97,183,312)	(35,565,017)
Contributed assets	(1,571,728,691)	(461,326,604)
Proceeds from sale of contributed assets	1,651,993,755	366,069,612
Loss (gain) on sale of contributed assets	103,932	(85,188)
Changes in assets and liabilities:		
Contributions receivable	(216,024)	658,949
Notes receivable	245,792	(3,195,417)
Other assets (note 2(a))	190,752	243,015
Beneficial interest in charitable trusts (note 2(a))	29,590,680	25,414,635
Accounts payable and accrued expenses (note 2(a))	1,380,384	(26,276)
Grants payable (note 2(a))	16,131,805	(608,403)
Annuity payable	(21,372)	17,799
Funds held for others (note 2(a))	(29,925,064)	1,233,033
Net cash provided by operating activities	501,426,497	86,345,950
Cash flows from investing activities:		
Proceeds from sale of contributed assets	1,019,361	11,360,383
Proceeds from sale of investments	493,410,530	1,647,825,624
Purchase of investments	(1,031,410,322)	(1,745,070,404)
Deconsolidation of a supporting organization (note 2(a))	36,290,594	—
Capital expenditures (note 2(a))	1,199,224	(1,423,331)
Net cash used in investing activities	(499,490,613)	(87,307,728)
Net increase (decrease) in cash and cash equivalents	1,935,884	(961,778)
Cash and cash equivalents at beginning of year	20,824,044	21,785,822
Cash and cash equivalents at end of year	\$ 22,759,928	20,824,044
Supplemental disclosure of noncash investing activities:		
Contributed assets	\$ 109,439	83,896,609

See accompanying notes to consolidated financial statements.

**THE CHICAGO COMMUNITY TRUST**  
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September 30, 2021 and 2020

**(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. Inter-organizational 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. 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 as a supporting organization of 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. During fiscal year 2020, the Springboard Foundation dissolved and the assets were transferred to the Chicago Community Foundation, creating a donor-advised fund.

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 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; D.B.A Illinois Justice Project) 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. During fiscal year 2021, the Glasser and Rosenthal Family Foundation dissolved and the assets were distributed to different charitable organizations.

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.

Starting October 1, 2020, The Community Foundation for McHenry County ceased to be a supporting organization of the Trust in their efforts to become a stand-alone, independent charitable organization.

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As a result, the Trust no longer served a governance role to The Community Foundation for McHenry County. Accordingly, the Trust derecognized related assets and liabilities as follows:

	<u>October 1, 2020</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,653,129
Investments	36,290,594
Land and office equipment	1,213,207
Other assets	150,517
Beneficial interest in charitable term trusts	1,583,825
<b>Liabilities:</b>	
Accounts payable and accrued expenses	(644,693)
Grants payable	(6,000)
Funds held for others	(1,069,492)
<b>Net assets deconsolidated:</b>	
Without donor restrictions	\$ 37,587,262
With donor restrictions	1,583,825

The Trust did not receive any consideration in the deconsolidation of The Community Foundation for McHenry County.

Deconsolidation of a supporting organization of \$39,171,087 is reported in the consolidated financial statements in the above categories.

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
The Chicago Community Trust	\$ 1,638,920,334	1,419,707,670
The Chicago Community Foundation	2,995,648,995	2,104,831,979
The Burrige D. Butler Memorial Trust of Chicago, Illinois	49,090,248	42,280,777
The Lavin Family Supporting Foundation	18,041,042	16,124,197
The PERT Foundation	4,676,174	8,799,428
The Lake County Community Foundation	19,182,538	14,843,271
The Community Foundation of Will County	6,673,536	4,674,509
Metropolis Strategies	1,742,926	682,779
The Glasser and Rosenthal Family Foundation	—	3,733,599
The Community Foundation for McHenry County	—	39,171,087
	<u>\$ 4,733,975,793</u>	<u>3,654,849,296</u>

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**(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.

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.

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**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 \$31,640,275 and \$29,885,552 in fiscal years 2021 and 2020, 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.

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.

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Contributions, including unconditional pledges and government grants and contracts, 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.

**(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.

In line with the total return policy, the Trust and the Foundation have adopted a spending policy that distributes annually an amount in the form of an investment payout that is applied to 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 4.5% for the fiscal years ended September 30, 2021 and 2020.

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, gains and losses on investments. Operating results also exclude deconsolidation of a supporting organization. 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.

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**(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. Cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation.

**(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, 2021 and 2020, 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.

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

**(h) Notes Receivable**

The Trust has made loans to several non-profit organizations as part of its impact investing program. These loans are stated at the amount of unpaid principal and accrued interest, are unsecured, and have maturities up to three years. The loans are presented as notes receivables in the accompanying statements of financial position.

**(i) 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.

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The beneficial interest in various charitable term trusts at September 30, 2021 and 2020 is reflected in the accompanying consolidated financial statements as \$332,451,706 and \$272,621,598, respectively. During 2021 and 2020, the beneficial interest in various term trusts increased by \$89,420,788 and \$33,046,432, 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 2.02% to 6.32% and from 1.23% to 6.59% at September 30, 2021 and 2020, respectively, and the average discount rate was 6.18% and 6.34% at September 30, 2021 and 2020, 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 5.50% to 6.32% and from 5.27% to 6.59% at September 30, 2021 and 2020, respectively. The fair value of these computations resulted in estimated present values of \$332,451,706 and \$271,037,773 at September 30, 2021 and 2020, respectively. The value reflected on the consolidated statements of financial position at September 30, 2021 and 2020 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 \$1,583,825 at September 30, 2020. In 2021, the asset was derecognized because The Community Foundation for McHenry County ceased to be a supporting organization of the Trust and the Foundation (see note 2a).

The Trust received distributions from various term trusts of \$28,006,855 and \$25,414,635 in 2021 and 2020, respectively, which are reported in the net assets released from restrictions in the accompanying consolidated statements of activities.

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, 2021 and 2020 was \$57,176,088 and \$49,413,564, respectively. The Trust received distributions from various charitable perpetual trusts of \$2,321,226 and \$1,647,636 in 2021 and 2020, respectively, which are reported in the investment payout in the accompanying consolidated statements of activities.

**(j) 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 \$41,944 and \$242,215 in 2021 and 2020, respectively. Leasehold improvements are amortized on a straight-line basis over the term of the leases. Amortization expense was \$232,231 and \$117,758 in 2021 and 2020, respectively. Depreciation and amortization expenses are reported in administrative expenses in the accompanying consolidated statements of activities.

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**(k) 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.

**(l) Recently Adopted Accounting Standards**

On October 1, 2020, the Trust adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. This guidance eliminates the requirement for entities other than nonpublic entities to disclose the reasons for and amounts of transfers between Level 1 and Level 2 for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis. The disclosure requirements have been amended that in lieu of a rollforward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. The Trust opted to continue with rollforward for Level 3 fair value measurements and has disclosed the redemption of investments measured at NAV, if known. The other disclosures do not have a significant impact on the Trust's consolidated financial statements and related disclosures.

On October 1, 2020, the Trust adopted ASU No. 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*. This guidance improves the definition of term collections and require that a collection-holding entity disclose its policy for the use of proceeds under certain circumstances. The adoption of this ASU did not have a significant impact on the Trust's consolidated financial statements and related disclosures.

**(m) Recently Issued Accounting Standards**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842), as amended*. 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 2023, 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 2018, the FASB issued ASU 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software and hosting arrangements that include an internal use software license. This guidance becomes effective for the



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Trust in fiscal year 2022, with early adoption permitted. The Trust is evaluating the effect that ASU No. 2018-15 will have on its consolidated financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance requires not-for-profit entities to present consolidated nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and disclose contributed nonfinancial assets. This guidance becomes effective for the Trust in fiscal year 2022, with early adoption permitted. The Trust is evaluating the effect that ASU No. 2020-07 will have on its consolidated financial statements and related disclosures.

**(n) Risk Management**

In the normal course of business, the Trust encounters economic risk, including credit risk, and market risk. Credit risk is the risk of default on the Trust's loans to non-profit organizations resulting from the loan recipient's inability or unwillingness to make contractually required payments. Market risk reflects the Trust's exposure to factors that affect performance of the broad financial markets, resulting in changes in the valuation of investments held by the Trust.

Certain impacts from the COVID-19 outbreak may have a significant negative impact on the Trust's operations and performances. These circumstances may continue for an extended period of time and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries, and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Trust will depend on future development, which are highly uncertain and cannot be predicted.

**(o) Reclassification Disclosure**

Certain reclassifications have been made to the 2020 consolidated financial statements to conform to the 2021 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. Income taxes recorded in the accompanying consolidated financial statements for unrelated business income amounted to \$490,000 and \$292,500 in 2021 and 2020, respectively.

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.

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**(4) Liquidity and Available Resources**

As of September 30, 2021 and 2020, financial assets available within one year of the consolidated statement of financial position are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 22,759,928	20,824,044
Investments	3,861,529,613	2,944,882,135
Contributions receivable, net	3,986,023	1,697,822
Notes receivable	2,565,338	1,855,165
Distributions from beneficial interest in charitable term trusts	34,204,128	26,005,071
Distributions from beneficial interest in charitable perpetual trusts	<u>2,321,226</u>	<u>1,647,636</u>
	<u>\$ 3,927,366,256</u>	<u>2,996,911,873</u>

Investments are shown net of those categorized as Level 3 and NAVs in the fair value hierarchy totaling \$500,857,593 and \$418,647,418, respectively.

As of September 30, 2021 and 2020, the Trust and its affiliates' general expenditures, liabilities, and other obligations that come due within one year are estimated to be \$35,153,167 and \$18,749,238, respectively. As part of the Trust's liquidity management, it has a policy to structure its financial assets to be available to pay these obligations.

**(5) Investments**

The fair value of investments held at September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Short-term investment funds	\$ 814,807,940	516,452,374
Fixed income – domestic	662,463,116	593,221,479
Fixed income – international	29,055,545	27,809,395
Domestic equities	1,678,208,543	1,272,108,752
International equities	732,775,538	552,840,875
Hedge funds	330,454,499	303,956,628
Real estate	1,205,185	1,205,185
Other	<u>113,416,840</u>	<u>95,934,865</u>
	<u>\$ 4,362,387,206</u>	<u>3,363,529,553</u>

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Return on investments for the years ended September 30, 2021 and 2020 consists of the following (does not include beneficial interest in charitable term trusts):

	<b>2021</b>	<b>2020</b>
Investment return:		
Investment income	\$ 55,232,639	55,872,229
Net realized gain on sale of investments	166,717,955	101,689,265
Unrealized gain on investments	421,975,073	73,046,065
Total return on investments	643,925,667	230,607,559
Investment payout	(81,860,814)	(79,208,607)
Net return on investments after investment payout	\$ 562,064,853	151,398,952

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

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, 2021, as well as the related strategy and liquidity.

	2021				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 22,759,928	—	—	22,759,928	Daily	One
Short-term investment funds	814,698,502	—	—	814,698,502	Daily	One
Short-term investment funds – pending settlement	109,438	—	—	109,438		
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	97,174,563	—	—	97,174,563	Daily	One
U.S. corporate and municipal fixed income	—	152,672,724	—	152,672,724	Daily/None	One/Not applicable
U.S. corporate fixed income funds	412,377,519	238,310	—	412,615,829	Daily	One
Total	509,552,082	152,911,034	—	662,463,116		
Fixed income – international:						
International bonds	—	21,798,078	—	21,798,078	Daily	One
International fixed income funds	7,257,467	—	—	7,257,467	Daily	One
Total	7,257,467	21,798,078	—	29,055,545		
Equities – domestic and international:						
Domestic equities and funds	1,607,445,112	55,776,266	—	1,663,221,378	Daily	One
International equities and funds	598,946,096	62,548,385	—	661,494,481	Daily to Monthly	One to Ten
Total	2,206,391,208	118,324,651	—	2,324,715,859		
Hedge funds and Alternative Investments:						
Hedge funds	27,910,635	—	3,688,492	31,599,127	Daily/None	One/Not applicable
Real estate property	—	—	1,205,185	1,205,185	Illiquid	N/A
Commodity funds	2,576,518	—	—	2,576,518	Daily	One
Private investments	—	—	25,573,397	25,573,397	Illiquid	N/A
Total	30,487,153	—	30,467,074	60,954,227		
Investments measured at NAV	—	—	—	470,390,519		
Total – all investments	3,568,495,850	293,033,763	30,467,074	4,362,387,206		
Other assets:						
Beneficial interest in charitable term trusts	—	—	332,451,706	332,451,706	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	57,176,088	57,176,088	Illiquid	N/A
Total – other assets	—	—	389,627,794	389,627,794		
Total – all assets	\$ 3,591,255,778	293,033,763	420,094,868	4,774,774,928		

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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, 2020, as well as the related strategy and liquidity.

	2020				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 20,824,044	—	—	20,824,044	Daily	One
Short-term investment funds	299,205,846	—	—	299,205,846	Daily	One
Short-term investment funds – pending settlement	81,230,100	—	—	81,230,100		
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	105,973,520	—	—	105,973,520	Daily	One
U.S. corporate and municipal fixed income	—	124,340,305	—	124,340,305	Daily/None	One/Not applicable
U.S. corporate fixed income funds	362,356,697	550,957	—	362,907,654	Daily	One
Total	468,330,217	124,891,262	—	593,221,479		
Fixed income – international:						
International bonds	—	21,364,058	—	21,364,058	Daily	One
International fixed income funds	6,445,337	—	—	6,445,337	Daily	One
Total	6,445,337	21,364,058	—	27,809,395		
Equities – domestic and international:						
Domestic equities and funds	1,193,984,268	68,540,976	—	1,262,525,244	Daily	One
International equities and funds	452,413,987	49,252,913	—	501,666,900	Daily to Monthly	One to Ten
Total	1,646,398,255	117,793,889	—	1,764,192,144		
Hedge funds and Alternative Investments:						
Hedge funds	36,505,378	—	—	36,505,378	Daily	One
Real estate property	—	—	1,205,185	1,205,185	Illiquid	N/A
Commodity funds	6,701,365	—	—	6,701,365	Daily	One
Private investments	—	—	14,394,205	14,394,205	Illiquid	N/A
Total	43,206,743	—	15,599,390	58,806,133		
Investments measured at NAV	—	—	—	403,048,028		
Total – all investments	2,544,816,498	264,049,209	15,599,390	3,227,513,125		
Other assets:						
Beneficial interest in charitable term trusts	—	—	272,621,598	272,621,598	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	49,413,564	49,413,564	Illiquid	N/A
Total – other assets	—	—	322,035,162	322,035,162		
Total – all assets	\$ 2,565,640,542	264,049,209	337,634,552	3,570,372,331		

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The Trust has positions in two funds that calculate net asset value whose terms did not allow for redemptions at September 30, 2021, but subsequent to the date of these financial statements, disclosed updated distribution timetables. These investments were valued at a combined value of \$3,753,700 at September 30, 2021 and the Trust has since received \$3,719,522 in distributions from the funds.

The following table presents the Trust's activity for the fiscal year ended September 30, 2021 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, 2020	\$ 15,599,390	322,035,162	337,634,552
Investments gains and losses, net	14,368,684	—	14,368,684
Net purchases (sales)	499,000	—	499,000
Gain on beneficial interest in charitable trusts	—	97,183,312	97,183,312
Distributions from charitable trusts	—	(28,006,855)	(28,006,855)
Deconsolidation of a supporting organization (note 2a)	—	(1,583,825)	(1,583,825)
Balance at September 30, 2021	<u>\$ 30,467,074</u>	<u>389,627,794</u>	<u>420,094,868</u>

The following table presents the Trust's activity for the fiscal year ended September 30, 2020 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, 2019	\$ 16,569,605	311,884,780	328,454,385
Investments gains and losses, net	—	—	—
Net purchases (sales)	(970,215)	—	(970,215)
Gain on beneficial interest in charitable trusts	—	35,565,017	35,565,017
Distributions from charitable trusts	—	(25,414,635)	(25,414,635)
Balance at September 30, 2020	<u>\$ 15,599,390</u>	<u>322,035,162</u>	<u>337,634,552</u>

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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. Hedge fund investments valued at NAV have monthly to annual redemption terms, with varying notice periods. Lock-up provisions are also present for certain hedge fund investments. Liquidity provisions of private equity investments are set by the terms of the limited partnership, and generally have fund lives of ten years or more.

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. The Trust has made contractual commitments totaling \$17,603,577 with private equity investment funds. As of September 30, 2021, the Trust's unfunded capital commitments related to these funds total \$3,750,430. 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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Quasi-endowment net assets, beginning of year	\$ 1,358,761,866	1,299,044,651
Contributions	11,163,274	16,263,773
Interest and dividends	19,680,877	22,566,398
Net realized/unrealized gain	281,710,639	84,526,855
Amounts appropriated for expenditure	(60,943,667)	(50,628,251)
Reclassifications and transfers	<u>(9,347,970)</u>	<u>(13,011,560)</u>
Change in quasi-endowment net assets	<u>242,263,153</u>	<u>59,717,215</u>
Quasi-endowment net assets, end of year	<u>\$ 1,601,025,019</u>	<u>1,358,761,866</u>

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**(7) Contributions Receivable, net**

At September 30, 2021, outstanding pledges are expected to be collected as follows:

Year ending September 30:	
2022	\$ 4,622,000
2023	985,000
2024	605,000
2025 and beyond	<u>62,866</u>
	6,274,866
Less discount	(1,373,472)
Less allowance for uncollectable accounts	<u>(150,000)</u>
	<u>\$ 4,751,394</u>

**(8) Grants Payable**

Grants were approved by the governing bodies of the following organizations as of September 30, 2021 and 2020; however, the grants were not due for payment until after that date:

	<u>2021</u>	<u>2020</u>
The Chicago Community Trust	\$ 27,761,827	15,490,424
The Chicago Community Foundation	7,175,479	3,194,138
The Lavin Family Supporting Foundation	—	134,170
The Lake County Community Foundation	74,500	—
The Community Foundation of Will County	—	55,269
The Community Foundation for McHenry County	<u>—</u>	<u>6,000</u>
	<u>\$ 35,011,806</u>	<u>18,880,001</u>

These approved grants as of September 30, 2021 are expected to be paid as follows:

Year ending September 30:	
2022	\$ 28,984,306
2023	4,827,500
2024	600,000
2025 and beyond	<u>600,000</u>
	<u>\$ 35,011,806</u>



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**(9) Commitments**

**(a) Leases**

The Trust lease agreement for the space located at 225 North Michigan Avenue in Chicago, Illinois will be terminated effective May 2022 resulting in a penalty payment of \$1,388,674.

The Trust entered into a new lease agreement, under an operating lease, which expires in 2037, for a space located at 11 East Madison Street, Chicago Illinois. The minimum lease payments have been abated for the following lease months: the first lease month of lease years 5-10 and the first and second lease months of lease years 11-15 and will not be payable by the Trust unless the Trust defaults by failing to make timely lease payments. The amount abated is \$2,195,298. 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, 2021:

Year ending September 30:	
2022	\$ 1,226,252
2023	1,138,949
2024	1,248,036
2025	1,283,107
2026	1,281,601
Thereafter	<u>14,395,603</u>
Total minimum payments required	<u>\$ 20,573,548</u>

The Trust's affiliates also entered into various lease agreements for office space, as reflected on the following schedule as of September 30, 2021:

Year ending September 30:	
2022	\$ 101,180
2023	25,540
2024	<u>17,505</u>
Total minimum payments required	<u>\$ 144,225</u>

Total rental expense for all operating leases was \$907,657 and \$1,253,356 in fiscal years 2021 and 2020, respectively, which is reported in the administrative expenses in the accompanying consolidated statements of activities. There were no contingent or sublease rentals.

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**(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, 2021 and 2020, no amounts have been drawn on the guarantee. The guarantee expires on July 1, 2033.

**(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. In addition, program-related expenses include expenses incurred in the completion of activities associated with governmental sourced awards.

**(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.

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The Trust's expenses by functional classification for the year ended September 30, 2021 are as follows:

	<b>2021</b>			
	<b>Program</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
Grants	\$ 1,352,486,628	—	—	1,352,486,628
Program-related expenses	31,438,638	—	—	31,438,638
Investment management and custodian fees	—	9,104,560	—	9,104,560
Other expenses	—	243,390	—	243,390
Administrative expenses:				
Salaries and benefits	4,393,828	5,583,586	2,226,588	12,204,002
Professional fees	826,622	2,182,230	285,562	3,294,414
Meetings and travel	27,812	81,725	18,593	128,130
Occupancy, utilities, and insurance	893,732	1,134,007	452,042	2,479,781
Depreciation and amortization	94,176	129,621	50,378	274,175
Printing and publications	43,759	38,735	40,605	123,099
Other administrative expenses	751,633	2,021,112	463,258	3,236,003
Total administrative expenses	7,031,562	11,171,016	3,537,026	21,739,604
Percentage of administrative expenses	32.3 %	51.4 %	16.3 %	100.0 %
Total expenses	\$ 1,390,956,828	20,518,966	3,537,026	1,415,012,820
Percentage of total expenses	98.3 %	1.5 %	0.2 %	100.0 %

**THE CHICAGO COMMUNITY TRUST**  
(Funds Held by the Trustees or Created for the  
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Notes to Consolidated Financial Statements

September 30, 2021 and 2020

The Trust's expenses by functional classification for the year ended September 30, 2020 are as follows:

	<b>2020</b>			
	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 580,645,181	—	—	580,645,181
Program-related expenses	5,119,230	—	—	5,119,230
Investment management and custodian fees	—	6,495,251	—	6,495,251
Other expenses	—	222,337	—	222,337
Administrative expenses:				
Salaries and benefits	4,154,649	5,750,775	2,084,172	11,989,596
Professional fees	410,160	1,431,627	131,013	1,972,800
Meetings and travel	86,840	91,338	28,333	206,511
Occupancy, utilities, and insurance	511,349	679,931	247,875	1,439,155
Depreciation and amortization	119,680	178,099	62,194	359,973
Printing and publications	74,053	80,563	65,921	220,537
Other administrative expenses	579,035	3,435,901	404,284	4,419,220
Total administrative expenses	5,935,766	11,648,234	3,023,792	20,607,792
Percentage of administrative expenses	<u>28.8 %</u>	<u>56.5 %</u>	<u>14.7 %</u>	<u>100.00 %</u>
Total expenses	<u>\$ 591,700,177</u>	<u>18,365,822</u>	<u>3,023,792</u>	<u>613,089,791</u>
Percentage of total expenses	96.5 %	3.0 %	0.5 %	100.00 %

For fiscal years 2021 and 2020, nonoperating investment management and custodian fees of \$278,140 and \$243,089, 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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September 30, 2021 and 2020

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, 2021 and 2020 were approximately \$682,063 and \$494,390, respectively, which is included in administrative expenses in the accompanying consolidated statements of activities.

**(13) Transactions with Affiliates**

During the years ended September 30, 2021 and 2020, the Trust approved grant awards totaling \$11,151,576 and \$4,680,916, respectively, to the Foundation.

During the years ended September 30, 2021 and 2020, the Trust approved grant awards totaling \$150,000 and \$225,000, respectively, to The Lake County Community Foundation.

During the years ended September 30, 2021 and 2020, the Trust approved grant awards totaling \$100,000 to The Community Foundation of Will County.

During the year ended September 30, 2021, the Trust approved grant awards totaling \$100,000 to Metropolis Strategies.

During the years ended September 30, 2021 and 2020, the Foundation approved grant awards totaling \$2,752,623 and \$1,731,274, respectively, to the Trust.

During the year ended September 30, 2020, the Foundation approved grant awards totaling \$30,493 to The Springboard Foundation.

During the years ended September 30, 2021 and 2020, the Foundation approved grant awards totaling \$46,250 and \$7,500, respectively, to The Lake County Community Foundation.

During the year ended September 30, 2020, the Foundation approved grant awards totaling \$14,011 to The Community Foundation of Will County.

During the year ended September 30, 2020, the Foundation approved grant awards totaling \$1,602,500 to The Community Foundation for McHenry County.

During the year ended September 30, 2021 and 2020, the Foundation approved grant awards totaling \$109,750 and \$10,000, respectively, to Metropolis Strategies.

During the years ended September 30, 2021 and 2020, The PERT Foundation approved grant awards totaling \$3,225,000 and \$25,000, respectively, to the Foundation.

During the years ended September 30, 2021 and 2020, The PERT Foundation approved grant awards totaling \$1,250,000 and \$100,000, respectively, to the Trust.

During the year ended September 30, 2021, The PERT Foundation approved grant awards totaling \$175,000 to The Lake County Community Foundation.

**THE CHICAGO COMMUNITY TRUST**  
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Notes to Consolidated Financial Statements

September 30, 2021 and 2020

During the years ended September 30, 2021 and 2020, The Glasser and Rosenthal Family Foundation approved grant awards totaling \$1,270,000 and \$11,844, respectively, to the Foundation.

During the year ended September 30, 2021, The Glasser and Rosenthal Family Foundation approved grant awards totaling \$890,000 to the Trust.

During the years ended September 30, 2021 and 2020, the Butler Trust approved grants totaling \$2,091,093 and \$2,059,464, respectively, to the Trust.

During the year ended September 30, 2021, The Lake County Community Foundation approved grants totaling \$20,000 to the Foundation.

During the year ended September 30, 2020, The Springboard Foundation approved grants totaling \$292,401 to the Foundation.

During the year ended September 30, 2020, The Lavin Family Supporting Foundation approved grants totaling \$10,000 to the Trust.

During the year ended September 30, 2020, The Lavin Family Supporting Foundation approved grants totaling \$304,000 to the Foundation.

Each of these affiliate transactions have been eliminated in consolidation.

**(14) Subsequent Events**

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, 2021 through March 25, 2022, 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, 2021

	The Chicago Community Trust	The Chicago Community Foundation	The Burrigge D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The PERT Foundation	The Lake County Community Foundation
<b>Assets</b>						
Cash and cash equivalents	\$ 14,898,201	4,876,012	1,831,277	2,968	9,129	147,272
Investments:						
Short-term investment funds	107,201,623	706,218,267	—	—	119,275	83,245
Fixed income – domestic	236,093,583	408,882,480	11,073,072	—	827,186	3,540,695
Fixed income – international	16,992,482	11,753,478	241,847	—	—	—
Domestic equities	627,998,433	1,006,136,618	16,780,686	8,494,622	2,794,679	13,476,813
International equities	203,879,420	519,295,482	144,602	3,973,397	949,810	2,434,321
Hedge funds	75,382,209	230,290,755	19,169,665	5,611,870	—	—
Real estate	900,000	305,185	—	—	—	—
Other	1,590,465	111,826,375	—	—	—	—
Total investments	1,270,038,215	2,994,708,640	47,409,872	18,079,889	4,690,950	19,535,074
Contributions receivable	—	11,888,528	—	—	—	—
Notes receivable	—	2,949,625	—	—	—	—
Other assets	4,683,812	110,216	—	—	—	—
Land, office equipment, and leasehold improvements, net	411,354	—	—	—	—	—
Beneficial interest in charitable term trusts	332,451,706	—	—	—	—	—
Beneficial interest in charitable perpetual trusts	57,176,088	—	—	—	—	—
Total assets	<u>\$ 1,679,659,376</u>	<u>3,014,533,021</u>	<u>49,241,149</u>	<u>18,082,857</u>	<u>4,700,079</u>	<u>19,682,346</u>
<b>Liabilities and Net Assets</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 4,278,419	1,806,847	150,901	41,815	23,905	209,392
Grants payable	36,088,961	7,175,479	—	—	—	74,500
Annuity payable	371,662	—	—	—	—	—
Funds held for others	—	9,901,700	—	—	—	215,916
Total liabilities	40,739,042	18,884,026	150,901	41,815	23,905	499,808
Net assets:						
Without donor restrictions	1,249,511,465	2,983,760,467	—	18,041,042	4,676,174	19,182,538
With donor restrictions	389,408,869	11,888,528	49,090,248	—	—	—
Total net assets	1,638,920,334	2,995,648,995	49,090,248	18,041,042	4,676,174	19,182,538
Total liabilities and net assets	<u>\$ 1,679,659,376</u>	<u>3,014,533,021</u>	<u>49,241,149</u>	<u>18,082,857</u>	<u>4,700,079</u>	<u>19,682,346</u>

(Continued)

**THE CHICAGO COMMUNITY TRUST**  
(Funds Held by the Trustees or Created for the  
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Consolidating Statement of Financial Position  
September 30, 2021

<b>Assets</b>	<b>The Community Foundation of Will County</b>	<b>Metropolis Strategies</b>	<b>The Glasser and Rosenthal Family Foundation</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
Cash and cash equivalents	\$ 299,586	695,483	—	22,759,928	—	22,759,928
Investments:						
Short-term investment funds	45,790	—	—	813,668,200	1,139,740	814,807,940
Fixed income – domestic	2,046,100	—	—	662,463,116	—	662,463,116
Fixed income – international	67,738	—	—	29,055,545	—	29,055,545
Domestic equities	2,526,692	—	—	1,678,208,543	—	1,678,208,543
International equities	2,098,506	—	—	732,775,538	—	732,775,538
Hedge funds	—	—	—	330,454,499	—	330,454,499
Real estate	—	—	—	1,205,185	—	1,205,185
Other	—	—	—	113,416,840	—	113,416,840
Total investments	6,784,826	—	—	4,361,247,466	1,139,740	4,362,387,206
Contributions receivable	—	1,190,000	—	13,078,528	(8,327,134)	4,751,394
Notes receivable	—	—	—	2,949,625	—	2,949,625
Other assets	—	—	—	4,794,028	(3,352,168)	1,441,860
Land, office equipment, and leasehold improvements, net	—	—	—	411,354	—	411,354
Beneficial interest in charitable term trusts	—	—	—	332,451,706	—	332,451,706
Beneficial interest in charitable perpetual trusts	—	—	—	57,176,088	—	57,176,088
Total assets	\$ 7,084,412	1,885,483	—	4,794,868,723	(10,539,562)	4,784,329,161
	<b>Liabilities and Net Assets</b>					
Liabilities:						
Accounts payable and accrued expenses	\$ 28,359	142,557	—	6,682,195	(2,212,428)	4,469,767
Grants payable	—	—	—	43,338,940	(8,327,134)	35,011,806
Annuity payable	—	—	—	371,662	—	371,662
Funds held for others	382,517	—	—	10,500,133	—	10,500,133
Total liabilities	410,876	142,557	—	60,892,930	(10,539,562)	50,353,368
Net assets:						
Without donor restrictions	6,673,536	552,926	—	4,282,398,148	7,882,134	4,290,280,282
With donor restrictions	—	1,190,000	—	451,577,645	(7,882,134)	443,695,511
Total net assets	6,673,536	1,742,926	—	4,733,975,793	—	4,733,975,793
Total liabilities and net assets	\$ 7,084,412	1,885,483	—	4,794,868,723	(10,539,562)	4,784,329,161

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 Financial Position  
September 30, 2020

<b>Assets</b>	<b>The Chicago Community Trust</b>	<b>The Chicago Community Foundation</b>	<b>The Burrige D. Butler Memorial Trust of Chicago, Illinois</b>	<b>The Lavin Family Supporting Foundation</b>	<b>The Springboard Foundation</b>	<b>THE PERT FOUNDATION</b>	<b>The Lake County Community Foundation</b>
Cash and cash equivalents	\$ 13,363,084	3,648,293	901,827	287,184	—	5,519	202,952
Investments:							
Short-term investment funds	138,641,213	373,405,689	—	—	—	410,705	515,463
Fixed income – domestic	199,011,992	373,909,892	13,240,827	—	—	1,953,021	3,116,283
Fixed income – international	13,406,916	13,929,690	315,977	—	—	—	—
Domestic equities	495,944,096	710,725,493	13,925,771	7,385,950	—	4,880,176	7,982,255
International equities	173,633,548	361,084,279	553,272	4,228,573	—	1,604,238	3,615,692
Hedge funds	80,510,021	205,617,283	13,431,977	4,397,347	—	—	—
Real estate	900,000	305,185	—	—	—	—	—
Other	5,086,364	90,848,501	—	—	—	—	—
Total investments	<u>1,107,134,150</u>	<u>2,129,826,012</u>	<u>41,467,824</u>	<u>16,011,870</u>	<u>—</u>	<u>8,848,140</u>	<u>15,229,693</u>
Contributions receivable	25,000	10,269,614	—	—	—	—	—
Notes receivable	—	3,195,417	—	—	—	—	—
Other assets	3,964,762	134,124	—	—	—	—	—
Land, office equipment, and leasehold improvements, net	671,546	—	—	—	—	—	—
Beneficial interest in charitable term trusts	271,037,773	—	—	—	—	—	—
Beneficial interest in charitable perpetual trusts	49,413,564	—	—	—	—	—	—
Total assets	<u>\$ 1,445,609,879</u>	<u>2,147,073,460</u>	<u>42,369,651</u>	<u>16,299,054</u>	<u>—</u>	<u>8,853,659</u>	<u>15,432,645</u>
	<b>Liabilities and Net Assets</b>						
Liabilities:							
Accounts payable and accrued expenses	\$ 2,554,507	1,343,663	88,874	40,687	—	54,231	432,928
Grants payable	21,754,668	3,219,138	—	134,170	—	—	—
Annuity payable	393,034	—	—	—	—	—	—
Funds held for others	1,200,000	37,678,680	—	—	—	—	156,446
Total liabilities	<u>25,902,209</u>	<u>42,241,481</u>	<u>88,874</u>	<u>174,857</u>	<u>—</u>	<u>54,231</u>	<u>589,374</u>
Net assets:							
Without donor restrictions	1,084,387,342	2,094,562,365	—	16,124,197	—	8,799,428	14,843,271
With donor restrictions	335,320,328	10,269,614	42,280,777	—	—	—	—
Total net assets	<u>1,419,707,670</u>	<u>2,104,831,979</u>	<u>42,280,777</u>	<u>16,124,197</u>	<u>—</u>	<u>8,799,428</u>	<u>14,843,271</u>
Total liabilities and net assets	<u>\$ 1,445,609,879</u>	<u>2,147,073,460</u>	<u>42,369,651</u>	<u>16,299,054</u>	<u>—</u>	<u>8,853,659</u>	<u>15,432,645</u>

(Continued)

**THE CHICAGO COMMUNITY TRUST**  
(Funds Held by the Trustees or Created for the  
Benefit of The Chicago Community Trust)  
Consolidating Statement of Financial Position  
September 30, 2020

<b>Assets</b>	<b>The Community Foundation of Will County</b>	<b>Metropolis Strategies</b>	<b>The Glasser and Rosenthal Family Foundation</b>	<b>The Community Foundation for McHenry County</b>	<b>Total</b>	<b>Eliminations</b>	<b>Consolidated</b>
Cash and cash equivalents	\$ 178,778	575,332	7,946	1,653,129	20,824,044	—	20,824,044
Investments:							
Short-term investment funds	38,074	—	501,875	2,939,355	516,452,374	—	516,452,374
Fixed income – domestic	1,505,200	—	484,264	—	593,221,479	—	593,221,479
Fixed income – international	156,812	—	—	—	27,809,395	—	27,809,395
Domestic equities	1,860,776	—	1,296,961	28,107,274	1,272,108,752	—	1,272,108,752
International equities	1,406,847	—	1,470,461	5,243,965	552,840,875	—	552,840,875
Hedge funds	—	—	—	—	303,956,628	—	303,956,628
Real estate	—	—	—	—	1,205,185	—	1,205,185
Other	—	—	—	—	95,934,865	—	95,934,865
Total investments	4,967,709	—	3,753,561	36,290,594	3,363,529,553	—	3,363,529,553
Contributions receivable	—	530,000	—	—	10,824,614	(6,289,244)	4,535,370
Notes receivable	—	—	—	—	3,195,417	—	3,195,417
Other assets	—	—	—	150,517	4,249,403	(2,616,791)	1,632,612
Land, office equipment, and leasehold improvements, net	—	—	—	1,213,207	1,884,753	—	1,884,753
Beneficial interest in charitable term trusts	—	—	—	1,583,825	272,621,598	—	272,621,598
Beneficial interest in charitable perpetual trusts	—	—	—	—	49,413,564	—	49,413,564
Total assets	\$ 5,146,487	1,105,332	3,761,507	40,891,272	3,726,542,946	(8,906,035)	3,717,636,911
	<b>Liabilities and Net Assets</b>						
Liabilities:							
Accounts payable and accrued expenses	\$ 96,130	422,553	27,908	644,693	5,706,174	(2,616,791)	3,089,383
Grants payable	55,269	—	—	6,000	25,169,245	(6,289,244)	18,880,001
Annuity payable	—	—	—	—	393,034	—	393,034
Funds held for others	320,579	—	—	1,069,492	40,425,197	—	40,425,197
Total liabilities	471,978	422,553	27,908	1,720,185	71,693,650	(8,906,035)	62,787,615
Net assets:							
Without donor restrictions	4,674,509	152,779	3,733,599	37,587,262	3,264,864,752	6,204,244	3,271,068,996
With donor restrictions	—	530,000	—	1,583,825	389,984,544	(6,204,244)	383,780,300
Total net assets	4,674,509	682,779	3,733,599	39,171,087	3,654,849,296	—	3,654,849,296
Total liabilities and net assets	\$ 5,146,487	1,105,332	3,761,507	40,891,272	3,726,542,946	(8,906,035)	3,717,636,911

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, 2021

	The Chicago Community Trust	The Chicago Community Foundation	The Burrige D. Butler Memorial Trust of Chicago, Illinois	The Lavin Family Supporting Foundation	The PERT Foundation	The Lake County Community Foundation
Operating activities:						
Support, revenue, and transfers:						
Investment payout	\$ 41,115,732	38,820,630	—	78,868	87,989	379,328
Contributions	15,299,204	—	—	—	—	661,877
Transfer from nonoperating activities	4,988,110	1,317,248,376	—	2,183,066	1,443,811	1,742,594
Other income	13,308,105	802,394	—	14	418	139,350
Net assets released from restrictions	28,031,855	—	2,283,931	—	—	—
Total operating support, revenue, and transfers	<u>102,743,006</u>	<u>1,356,871,400</u>	<u>2,283,931</u>	<u>2,261,948</u>	<u>1,532,218</u>	<u>2,923,149</u>
Expenses:						
Grants, net of refunds	72,084,527	1,287,701,112	2,091,093	2,100,000	5,530,000	1,714,142
Program-related expenses	5,556,953	5,402,293	—	—	—	—
Investment management and custodian fees	3,410,122	4,942,819	—	—	35,177	90,815
Administrative expenses	19,673,520	7,803,785	192,838	161,948	90,295	651,510
Other expenses	44,223	—	—	—	—	137,382
Total operating expenses	<u>100,769,345</u>	<u>1,305,850,009</u>	<u>2,283,931</u>	<u>2,261,948</u>	<u>5,655,472</u>	<u>2,593,849</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>1,973,661</u>	<u>51,021,391</u>	<u>—</u>	<u>—</u>	<u>(4,123,254)</u>	<u>329,300</u>
Nonoperating activities:						
Contributions	3,985,637	1,775,223,049	—	—	—	1,551,209
Net return on investments after investment payout	164,475,335	378,198,470	—	4,099,911	1,443,811	4,201,352
Investment management and custodian fees	(278,140)	—	—	—	—	—
Change in value of charitable gift annuity and life insurance policy	(30,560)	—	—	—	—	—
Transfer to operating activities	(4,988,110)	(1,317,248,376)	—	(2,183,066)	(1,443,811)	(1,742,594)
Other loss	(13,700)	(129,671)	—	—	—	—
Deconsolidation of a supporting organization	—	—	—	—	—	—
Net assets released from restrictions	—	2,133,239	—	—	—	—
Net nonoperating activities	<u>163,150,462</u>	<u>838,176,711</u>	<u>—</u>	<u>1,916,845</u>	<u>—</u>	<u>4,009,967</u>
Increase (decrease) in net assets	<u>165,124,123</u>	<u>889,198,102</u>	<u>—</u>	<u>1,916,845</u>	<u>(4,123,254)</u>	<u>4,339,267</u>
Net assets at beginning of year	<u>1,084,387,342</u>	<u>2,094,562,365</u>	<u>—</u>	<u>16,124,197</u>	<u>8,799,428</u>	<u>14,843,271</u>
Net assets at end of year	<u>\$ 1,249,511,465</u>	<u>2,983,760,467</u>	<u>—</u>	<u>18,041,042</u>	<u>4,676,174</u>	<u>19,182,538</u>

(Continued)

**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, 2021

	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	\$ 143,774	528	172,284	—	80,799,133	—	80,799,133
Contributions	149,950	1,242,299	—	—	17,353,330	(14,163,716)	3,189,614
Transfer from nonoperating activities	372,820	—	—	—	1,327,978,777	—	1,327,978,777
Other income	64,727	—	—	—	14,315,008	(13,673,466)	641,542
Net assets released from restrictions	—	170,000	—	—	30,485,786	(25,000)	30,460,786
Total operating support, revenue, and transfers	<u>731,271</u>	<u>1,412,827</u>	<u>172,284</u>	<u>—</u>	<u>1,470,932,034</u>	<u>(27,862,182)</u>	<u>1,443,069,852</u>
Expenses:							
Grants, net of refunds	273,820	—	4,323,226	—	1,375,817,920	(23,331,292)	1,352,486,628
Program-related expenses	—	10,000	—	—	10,969,246	(5,703,524)	5,265,722
Investment management and custodian fees	11,878	—	—	—	8,490,811	—	8,490,811
Administrative expenses	118,306	1,002,680	14,664	—	29,709,546	(7,969,942)	21,739,604
Other expenses	61,785	—	—	—	243,390	—	243,390
Total operating expenses	<u>465,789</u>	<u>1,012,680</u>	<u>4,337,890</u>	<u>—</u>	<u>1,425,230,913</u>	<u>(37,004,758)</u>	<u>1,388,226,155</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>265,482</u>	<u>400,147</u>	<u>(4,165,606)</u>	<u>—</u>	<u>45,701,121</u>	<u>9,142,576</u>	<u>54,843,697</u>
Nonoperating activities:							
Contributions	1,259,728	—	—	—	1,782,019,623	(6,510,936)	1,775,508,687
Net return on investments after investment payout	846,637	—	432,007	—	553,697,523	—	553,697,523
Investment management and custodian fees	—	—	—	—	(278,140)	—	(278,140)
Change in value of charitable gift annuity and life insurance policy	—	—	—	—	(30,560)	—	(30,560)
Transfer to operating activities	(372,820)	—	—	—	(1,327,978,777)	—	(1,327,978,777)
Other loss	—	—	—	—	(143,371)	—	(143,371)
Deconsolidation of a supporting organization	—	—	—	(37,587,262)	(37,587,262)	—	(37,587,262)
Net assets released from restrictions	—	—	—	—	2,133,239	(953,750)	1,179,489
Net nonoperating activities	<u>1,733,545</u>	<u>—</u>	<u>432,007</u>	<u>(37,587,262)</u>	<u>971,832,275</u>	<u>(7,464,686)</u>	<u>964,367,589</u>
Increase (decrease) in net assets	<u>1,999,027</u>	<u>400,147</u>	<u>(3,733,599)</u>	<u>(37,587,262)</u>	<u>1,017,533,396</u>	<u>1,677,890</u>	<u>1,019,211,286</u>
Net assets at beginning of year	<u>4,674,509</u>	<u>152,779</u>	<u>3,733,599</u>	<u>37,587,262</u>	<u>3,264,864,752</u>	<u>6,204,244</u>	<u>3,271,068,996</u>
Net assets at end of year	<u>\$ 6,673,536</u>	<u>552,926</u>	<u>—</u>	<u>—</u>	<u>4,282,398,148</u>	<u>7,882,134</u>	<u>4,290,280,282</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, 2020

	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	\$ 39,453,290	36,796,908	—	75,079	363	217,223	357,045
Contributions	9,720,587	290,000	—	—	314,602	—	459,756
Transfer from nonoperating activities	2,215,712	549,139,211	—	1,442,717	—	125,402	1,398,177
Other income	8,345,921	180,756	—	—	—	505	106,367
Net assets released from restrictions	25,384,387	—	2,186,917	—	—	—	—
Total operating support, revenue, and transfers	85,119,897	586,406,875	2,186,917	1,517,796	314,965	343,130	2,321,345
Expenses:							
Grants, net of refunds	45,751,196	537,551,183	2,059,464	1,484,000	418,345	865,000	1,354,773
Program-related expenses	4,990,502	3,346,417	—	—	—	—	—
Investment management and custodian fees	2,911,522	2,954,762	—	—	—	51,836	264
Administrative expenses	16,036,148	5,947,169	127,453	33,796	41,909	43,114	524,374
Other expenses	36,971	—	—	—	804	—	105,626
Total operating expenses	69,726,339	549,799,531	2,186,917	1,517,796	461,058	959,950	1,985,037
Excess (deficiency) of operating support, revenue, and transfers over expenses	15,393,558	36,607,344	—	—	(146,093)	(616,820)	336,308
Nonoperating activities:							
Contributions	2,971,596	683,381,867	—	—	—	—	1,155,415
Net return on investments after investment payout	39,220,926	102,496,964	—	1,630,815	—	125,402	1,594,546
Investment management and custodian fees	(243,089)	—	—	—	—	—	—
Change in value of charitable gift annuity and life insurance policy	(78,931)	—	—	—	—	—	—
Transfer to operating activities	(2,215,712)	(549,139,211)	—	(1,442,717)	—	(125,402)	(1,398,177)
Other income (loss)	(13,228)	7,400	—	—	—	—	—
Net assets released from restrictions	—	2,761,500	—	—	—	—	—
Net nonoperating activities	39,641,562	239,508,520	—	188,098	—	—	1,351,784
Increase (decrease) in net assets	55,035,120	276,115,864	—	188,098	(146,093)	(616,820)	1,688,092
Net assets at beginning of year	1,029,352,222	1,818,446,501	—	15,936,099	146,093	9,416,248	13,155,179
Net assets at end of year	\$ 1,084,387,342	2,094,562,365	—	16,124,197	—	8,799,428	14,843,271

(Continued)

**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, 2020

	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	\$ 165,355	374	163,392	1,194,350	78,423,379	—	78,423,379
Contributions	159,410	802,789	—	723,239	12,470,383	(5,867,842)	6,602,541
Transfer from nonoperating activities	293,932	—	—	808,229	555,423,380	—	555,423,380
Other income	51,476	13	—	11,379	8,696,417	(7,469,916)	1,226,501
Net assets released from restrictions	—	250,000	—	80,248	27,901,552	(50,000)	27,851,552
Total operating support, revenue, and transfers	<u>670,173</u>	<u>1,053,176</u>	<u>163,392</u>	<u>2,817,445</u>	<u>682,915,111</u>	<u>(13,387,758)</u>	<u>669,527,353</u>
Expenses:							
Grants, net of refunds	293,932	—	204,844	1,866,847	591,849,584	(11,204,403)	580,645,181
Program-related expenses	—	205,000	—	2,360	8,544,279	(3,581,058)	4,963,221
Investment management and custodian fees	11,114	—	—	25,184	5,954,682	—	5,954,682
Administrative expenses	126,629	690,112	23,920	902,026	24,496,650	(3,888,858)	20,607,792
Other expenses	78,247	—	40	649	222,337	—	222,337
Total operating expenses	<u>509,922</u>	<u>895,112</u>	<u>228,804</u>	<u>2,797,066</u>	<u>631,067,532</u>	<u>(18,674,319)</u>	<u>612,393,213</u>
Excess (deficiency) of operating support, revenue, and transfers over expenses	<u>160,251</u>	<u>158,064</u>	<u>(65,412)</u>	<u>20,379</u>	<u>51,847,579</u>	<u>5,286,561</u>	<u>57,134,140</u>
Nonoperating activities:							
Contributions	318,680	—	—	4,379,499	692,207,057	(4,576,995)	687,630,062
Net return on investments after investment payout	98,835	—	398,763	2,431,174	147,997,425	—	147,997,425
Investment management and custodian fees	—	—	—	—	(243,089)	—	(243,089)
Change in value of charitable gift annuity and life insurance policy	—	—	—	2,566	(76,365)	—	(76,365)
Transfer to operating activities	(293,932)	—	—	(808,229)	(555,423,380)	—	(555,423,380)
Other income (loss)	—	—	—	—	(5,828)	—	(5,828)
Net assets released from restrictions	—	—	—	—	2,761,500	(727,500)	2,034,000
Net nonoperating activities	<u>123,583</u>	<u>—</u>	<u>398,763</u>	<u>6,005,010</u>	<u>287,217,320</u>	<u>(5,304,495)</u>	<u>281,912,825</u>
Increase (decrease) in net assets	<u>283,834</u>	<u>158,064</u>	<u>333,351</u>	<u>6,025,389</u>	<u>339,064,899</u>	<u>(17,934)</u>	<u>339,046,965</u>
Net assets (deficit) at beginning 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>
Net assets at end of year	<u>\$ 4,674,509</u>	<u>152,779</u>	<u>3,733,599</u>	<u>37,587,262</u>	<u>3,264,864,752</u>	<u>6,204,244</u>	<u>3,271,068,996</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 – With Donor Restrictions

Year ended September 30, 2021

	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	\$ —	—	1,061,681	—	—	—	—	1,061,681	—	1,061,681
Contributions	—	—	—	—	—	830,000	—	830,000	(830,000)	—
Net assets released from restrictions	(28,031,855)	—	(2,283,931)	—	—	(170,000)	—	(30,485,786)	25,000	(30,460,786)
Total operating support and revenue	(28,031,855)	—	(1,222,250)	—	—	660,000	—	(28,594,105)	(805,000)	(29,399,105)
Expenses:										
Program-related expenses – government grants	26,172,916	—	—	—	—	—	—	26,172,916	—	26,172,916
Investment management and custodian fees	—	—	335,609	—	—	—	—	335,609	—	335,609
Total operating expenses	26,172,916	—	335,609	—	—	—	—	26,508,525	—	26,508,525
Excess (deficiency) of operating support and revenue over expenses	(54,204,771)	—	(1,557,859)	—	—	660,000	—	(55,102,630)	(805,000)	(55,907,630)
Nonoperating activities:										
Contributions	—	3,752,153	—	—	—	—	—	3,752,153	(1,826,640)	1,925,513
Government grants and contracts revenue	11,110,000	—	—	—	—	—	—	11,110,000	—	11,110,000
Net gain on investments after investment payout	—	—	8,367,330	—	—	—	—	8,367,330	—	8,367,330
Gain on beneficial interest in charitable perpetual trusts	7,762,524	—	—	—	—	—	—	7,762,524	—	7,762,524
Gain on beneficial interest in charitable term trusts	89,420,788	—	—	—	—	—	—	89,420,788	—	89,420,788
Deconsolidation of a supporting organization	—	—	—	—	—	—	(1,583,825)	(1,583,825)	—	(1,583,825)
Net assets released from restrictions	—	(2,133,239)	—	—	—	—	—	(2,133,239)	953,750	(1,179,489)
Net nonoperating activities	108,293,312	1,618,914	8,367,330	—	—	—	(1,583,825)	116,695,731	(872,890)	115,822,841
Increase in net assets	54,088,541	1,618,914	6,809,471	—	—	660,000	(1,583,825)	61,593,101	(1,677,890)	59,915,211
Net assets at beginning of year	335,320,328	10,269,614	42,280,777	—	—	530,000	1,583,825	389,984,544	(6,204,244)	383,780,300
Net assets at end of year	\$ 389,408,869	11,888,528	49,090,248	—	—	1,190,000	—	451,577,645	(7,882,134)	443,695,511

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**THE CHICAGO COMMUNITY TRUST**  
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Benefit of The Chicago Community Trust)

Consolidating Statement of Activities – With Donor Restrictions

Year ended September 30, 2020

	The Chicago Community Trust	The Chicago Community Foundation	The Burrigge 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	\$ —	—	785,228	—	—	—	—	785,228	—	785,228
Contributions	—	—	—	—	—	530,000	—	530,000	(382,500)	147,500
Net assets released from restrictions	(25,384,387)	—	(2,186,917)	—	—	(250,000)	(80,248)	(27,901,552)	50,000	(27,851,552)
Total operating support and revenue	(25,384,387)	—	(1,401,689)	—	—	280,000	(80,248)	(26,586,324)	(332,500)	(26,918,824)
Expenses:										
Program-related expenses – government grants	156,009	—	—	—	—	—	—	156,009	—	156,009
Investment management and custodian fees	—	—	297,480	—	—	—	—	297,480	—	297,480
Total operating expenses	156,009	—	297,480	—	—	—	—	453,489	—	453,489
Excess (deficiency) of operating support and revenue over expenses	(25,540,396)	—	(1,699,169)	—	—	280,000	(80,248)	(27,039,813)	(332,500)	(27,372,313)
Nonoperating activities:										
Contributions	25,000	1,754,617	—	—	—	—	—	1,779,617	(377,066)	1,402,551
Government grants and contracts revenue	15,000,000	—	—	—	—	—	—	15,000,000	—	15,000,000
Net gain on investments after investment payout	—	—	3,401,527	—	—	—	—	3,401,527	—	3,401,527
Gain on beneficial interest in charitable perpetual trusts	2,518,585	—	—	—	—	—	—	2,518,585	—	2,518,585
Gain on beneficial interest in charitable term trusts	32,963,397	—	—	—	—	—	83,035	33,046,432	—	33,046,432
Net assets released from restrictions	—	(2,761,500)	—	—	—	—	—	(2,761,500)	727,500	(2,034,000)
Net nonoperating activities	50,506,982	(1,006,883)	3,401,527	—	—	—	83,035	52,984,661	350,434	53,335,095
Increase (decrease) in net assets	24,966,586	(1,006,883)	1,702,358	—	—	280,000	2,787	25,944,848	17,934	25,962,782
Net assets at beginning 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
Net assets at end of year	\$ 335,320,328	10,269,614	42,280,777	—	—	530,000	1,583,825	389,984,544	(6,204,244)	383,780,300

See accompanying independent auditors' report.