



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, 2024 and 2023

(With Independent Auditors' Report Thereon)

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

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Independent Auditors' Report

The Executive Committee
The Chicago Community Trust:

Opinion

We have audited the consolidated financial statements of The Chicago Community Trust and its subsidiaries (the Trust), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust as of September 30, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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 GAAS. 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 7, 2025

THE CHICAGO COMMUNITY TRUST
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Consolidated Statements of Financial Position

September 30, 2024 and 2023

Assets	2024	2023
Cash and cash equivalents (note 2(f))	\$ 34,299,147	34,826,864
Investments (note 5)	5,342,327,635	4,191,059,012
Contributions receivable, net (note 7)	18,752,614	5,302,348
Notes receivable (note 2(h))	3,417,000	3,669,250
Other assets	4,276,637	3,494,581
Software, office equipment, and leasehold improvements, less accumulated depreciation and amortization of \$2,249,799 and \$1,580,861 in 2024 and 2023, respectively (note 2(j))	3,513,866	2,278,302
Right-of-use asset (note 9)	6,264,588	5,582,187
Beneficial interest in charitable term trusts (note 2(i))	587,459,419	242,613,208
Beneficial interest in charitable perpetual trusts (note 2(i))	59,380,526	49,709,815
Total assets	\$ 6,059,691,432	4,538,535,567
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,707,384	3,395,981
Grants payable (note 8)	19,934,952	25,453,117
Annuity payable	268,094	280,387
Funds held for others	9,917,253	8,671,392
Lease liability (note 9)	6,264,588	5,582,187
Total liabilities	40,092,271	43,383,064
Net assets:		
Without donor restrictions	5,308,832,986	4,156,577,950
With donor restrictions	710,766,175	338,574,553
Total net assets	6,019,599,161	4,495,152,503
Total liabilities and net assets	\$ 6,059,691,432	4,538,535,567

See accompanying notes to consolidated financial statements.

THE CHICAGO COMMUNITY TRUST
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Consolidated Statements of Activities

Years ended September 30, 2024 and 2023

	2024	2023
Without donor restrictions:		
Operating activities:		
Support, revenue, and transfers:		
Investment payout (note 5)	\$ 153,252,984	126,225,007
Contributions of cash and other financial assets	2,476,716	21,252,307
Contributions of nonfinancial assets (note 2(c))	7,141	5,428
Transfers from nonoperating activities (note 2(e))	1,486,480,992	1,538,471,272
Other income	1,636,511	886,363
Net assets released from restrictions (note 2(b))	31,459,336	33,230,865
Total operating support, revenue, and transfers	1,675,313,680	1,720,071,242
Expenses (note 11):		
Grants, net of refunds	1,480,435,942	1,569,737,729
Program-related expenses (note 10)	6,842,833	10,929,328
Investment management and custodian fees	10,664,059	8,732,088
Administrative expenses (note 11)	25,047,150	23,650,203
Other expenses	107,042	53,998
Total operating expenses	1,523,097,026	1,613,103,346
Excess of operating support, revenue, and transfers over expenses	152,216,654	106,967,896
Nonoperating activities:		
Contributions of cash and other financial assets	1,762,420,240	1,362,153,996
Net return on investments after investment payout (note 5)	720,327,313	353,873,169
Investment management and custodian fees (note 11)	(220,969)	(273,839)
Change in value of charitable gift annuity	(29,594)	28,029
Transfer to operating activities (note 2(e))	(1,486,480,992)	(1,538,471,272)
Other gain	125,384	5,959
Deconsolidation of a supporting organization (note 2(a))	—	(7,610,636)
Net assets released from restrictions (note 2(b))	3,897,000	653,300
Net nonoperating activities	1,000,038,382	170,358,706
Increase in net assets without donor restrictions	1,152,255,036	277,326,602
With donor restrictions:		
Operating activities:		
Support and revenue:		
Investment payout (note 5)	2,982,610	1,422,364
Contributions of cash and other financial assets	322,500	653,595
Net assets released from restrictions (note 2(b))	(31,459,336)	(33,230,865)
Total operating support and revenue	(28,154,226)	(31,154,906)
Expenses:		
Investment management and custodian fees	292,754	275,097
Total operating expenses	292,754	275,097
Deficiency of operating support and revenue over expenses	(28,446,980)	(31,430,003)
Nonoperating activities:		
Contributions of cash and other financial assets	350,413,245	1,686,060
Net return on investments after investment payout (note 5)	4,142,947	3,396,443
Gain on beneficial interest in charitable perpetual trusts (note 2(i))	9,670,711	4,003,649
Gain on beneficial interest in charitable term trusts (note 2(i))	40,308,699	8,863,774
Net assets released from restrictions (note 2(b))	(3,897,000)	(653,300)
Net nonoperating activities	400,638,602	17,296,626
Increase (decrease) in net assets with donor restrictions	372,191,622	(14,133,377)
Increase in net assets	1,524,446,658	263,193,225
Net assets at beginning of year	4,495,152,503	4,231,959,278
Net assets at end of year	\$ 6,019,599,161	4,495,152,503

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows
Years ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 1,524,446,658	263,193,225
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	668,938	452,034
Reduction in the carrying amount of right-of-use asset	293,579	185,932
Change in lease liability	(293,579)	(185,932)
Net gain on investments	(750,295,203)	(381,848,982)
Net gain on beneficial interest in charitable trusts	(49,979,410)	(12,867,423)
Contributed financial assets	(1,501,246,258)	(1,101,008,248)
Proceeds from sale of contributed financial assets	1,478,446,106	1,045,265,843
Loss (gain) on sale of contributed financial assets	203,295	(4,683,992)
Changes in assets and liabilities:		
Contributions receivable	(13,450,266)	(1,636,354)
Notes receivable	252,250	326,955
Other assets	(782,056)	2,259,574
Beneficial interest in charitable trusts	(304,537,512)	31,019,511
Accounts payable and accrued expenses (note 2(a))	311,403	(960,375)
Grants payable (note 2(a))	(5,518,165)	1,352,533
Annuity payable	(12,293)	(73,939)
Funds held for others (note 2(a))	1,245,861	369,905
Net cash provided by (used in) operating activities	<u>379,753,348</u>	<u>(158,839,733)</u>
Cash flows from investing activities:		
Proceeds from sale of contributed financial assets	11,212,212	39,367,155
Proceeds from sale of investments	115,779,619	579,864,146
Purchase of investments	(505,368,394)	(459,406,447)
Deconsolidation of a supporting organization (note 2(a))	—	7,695,920
Capital expenditures	(1,904,502)	(1,084,855)
Net cash (used in) provided by investing activities	<u>(380,281,065)</u>	<u>166,435,919</u>
Net (decrease) increase in cash and cash equivalents	<u>(527,717)</u>	<u>7,596,186</u>
Cash and cash equivalents at beginning of year	<u>34,826,864</u>	<u>27,230,678</u>
Cash and cash equivalents at end of year	<u>\$ 34,299,147</u>	<u>34,826,864</u>
Supplemental disclosures of noncash transactions:		
Contributed financial assets	\$ 24,155,820	36,873,018
Contributions of beneficial interests	333,053,479	—

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

(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 PERT Foundation; and Metropolis Strategies. 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 to the conversion to a Total Return Trust.

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 Community Foundation of Will County was incorporated in February 2006 and was 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.

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Effective October 1, 2022, The Community Foundation of Will County ceased to be a supporting organization of the Trust in their efforts to become a stand-alone, independent charitable organization. As a result, the Trust no longer served a governance role to The Community Foundation of Will County. Accordingly, the Trust derecognized related assets and liabilities as follows:

	<u>October 1, 2022</u>
Assets:	
Cash and cash equivalents	\$ 388,623
Investments	7,695,920
Liabilities:	
Accounts payable and accrued expenses	(48,054)
Grants payable	(130,899)
Funds held for others	(294,954)
Net assets deconsolidated:	
Without donor restrictions	\$ <u>7,610,636</u>

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

Deconsolidation of a supporting organization of \$7,610,636 is reported in the consolidated financial statements in the above categories.

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.

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The net assets presented below and in the accompanying consolidated statements of financial position include the net assets (net of eliminations) of the organizations described above as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
The Chicago Community Trust	\$ 1,670,190,332	1,447,685,222
The Chicago Community Foundation	4,301,023,280	3,004,013,877
The Burrige D. Butler Memorial Trust of Chicago, Illinois	45,818,779	41,344,345
The PERT Foundation	224,007	408,435
Metropolis Strategies	<u>2,342,763</u>	<u>1,700,624</u>
	<u>\$ 6,019,599,161</u>	<u>4,495,152,503</u>

(b) Basis of Presentation

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

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

For external reporting purposes, however, the Trust's consolidated financial statements have been prepared to focus on the organization as a whole and to follow the reporting requirements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations, which require 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.

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

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

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

Net assets released from restrictions, as reported in the consolidated statements of activities, were \$35,356,336 and \$33,884,165 in the fiscal years ended September 30, 2024 and 2023, respectively.

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.

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(c) Revenue and Expenses

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

Contributions, including unconditional pledges, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value.

Contributions to be received after one year are discounted at an appropriate rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue.

Contributions of nonfinancial assets in the accompanying consolidated statements of activities consist of in-kind contributions. Contributions of nonfinancial assets may in the future include real estate and personal property. In such cases, it is the Trust's policy to sell any contributed nonfinancial assets at the first reasonable opportunity. Donors who contribute nonfinancial assets are responsible for obtaining a valuation for the contribution. If assets are not sold more than five years after the contribution date, a subsequent valuation may be required.

Grant awards without substantial conditions are recognized in the period in which they are approved by the governing bodies.

(d) Endowment Investment and Spending Policies

The Trust and the Foundation have adopted investment and spending policies for their 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, 2024 and 2023.

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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.

(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 insurance.

(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 as a practical expedient and represented approximately 8% and 9% of the total investments as of September 30, 2024 and 2023, 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 nonprofit organizations as part of its impact investing program. These loans are stated at the amount of unpaid principal and accrued interest, are unsecured, and

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have maturities up to three years. The loans are presented as notes receivable in the accompanying consolidated 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.

The beneficial interest in various charitable term trusts as of September 30, 2024 and 2023 is reflected in the accompanying consolidated financial statements as \$587,459,419 and \$242,613,208, respectively. During the fiscal years ended September 30, 2024 and 2023, the beneficial interest in various term trusts increased and decreased by \$344,846,211 and \$22,155,737, respectively. Contribution revenue of \$333,053,479 is included in Contributions of cash and other financial assets in the accompanying consolidated statements of activities for the fiscal year ended September 30, 2024.

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 4.2% to 6.3% and from 4.9% to 7.7% as of September 30, 2024 and 2023, respectively, and the average discount rate was 5.8% and 7.6% as of September 30, 2024 and 2023, 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 (or that will pay their balance to The Trust or its affiliates at an estimated future date) ranged from 4.2% to 6.3% and 6.7% to 7.7% as of September 30, 2024 and 2023, respectively. The fair value of these computations resulted in estimated present values of \$587,459,419 and \$242,613,208 as of September 30, 2024 and 2023, respectively. The value reflected on the consolidated statements of financial position as of September 30, 2024 and 2023 is the lower of the expected future cash flows or the current fair value of the underlying assets.

The Trust received distributions from various term trusts of \$28,645,778 and \$31,019,511 in the fiscal years ended September 30, 2024 and 2023, 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 as of September 30, 2024 and 2023 was \$59,380,526 and \$49,709,815, respectively. The Trust received distributions from various charitable perpetual trusts of \$2,102,349 and

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\$1,997,067 in the fiscal years ended September 30, 2024 and 2023, respectively, which are reported in the investment payout in the accompanying consolidated statements of activities.

(j) Fixed Assets

Software, 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 \$183,050 and \$186,399 in the fiscal years ended September 30, 2024 and 2023, respectively. Leasehold improvements are amortized on a straight-line basis over the term of the leases. Software is amortized on a straight-line basis over the estimated useful lives of the assets. Amortization expense was \$485,888 and \$265,635 in the fiscal years ended September 30, 2024 and 2023, respectively. Depreciation and amortization expenses are reported in administrative expenses in the accompanying consolidated statements of activities.

(k) Leases

Leases result in the recognition of right-of-use (ROU) asset and lease liability on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease liabilities represent the present value of the future lease payments over the expected lease term. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases. Operating lease expense is recognized on a straight-line basis over the lease term.

The Trust determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. The Trust elected the practical expedient to utilize the risk-free rate for all operating leases. Lease terms may include options to extend or terminate certain leases. The value of a lease is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease.

(l) 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, 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.

(m) Recently Adopted Accounting Standards

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires organizations to measure all expected credit losses for financial instruments held at the reporting date. This standard requires entities to not only assess historical events as part of collectability expectations but also potential future events for certain receivables applicable under this guidance. The ASU

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became effective for the Trust for the year ended September 30, 2024. The Trust's adoption of the ASU on a modified retrospective basis did not have a material effect on its consolidated financial statements.

(n) Recently Issued Accounting Standards

In June 2022, the FASB issued ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. This clarifies guidance when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduce new disclosure requirements related to contractual sale restrictions. This guidance becomes effective for the Trust in fiscal year 2026, with early adoption permitted. The Trust is evaluating the effect that ASU No. 2022-03 will have on its consolidated financial statements and related disclosures.

In March 2023, the FASB issued ASU No. 2023-01, *Leases (Topic 842): Common Control Arrangements*. The ASU offers not-for-profit entities that are not conduit bond obligors, a practical expedient that gives them the option of using the written terms and conditions of a common-control arrangement when determining whether a lease exists and the subsequent accounting for the lease, including the lease's classification. The ASU also amends the accounting for leasehold improvements in common-control arrangements for all entities. This guidance becomes effective for the Trust in fiscal year 2025, with early adoption permitted. The Trust is evaluating the effect that ASU No. 2023-01 will have on its consolidated financial statements and related disclosures.

(o) 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 nonprofit 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.

(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 \$122,602 and \$73,112 in the fiscal years ended September 30, 2024 and 2023, respectively. Income tax receivable amounted to \$1,322,559 and \$1,479,988 as of September 30, 2024 and 2023, respectively, and is included in other assets in the accompanying consolidated statements of financial position.

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, 2024 and 2023, financial assets available within one year of the consolidated statement of financial position are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 34,299,147	34,826,864
Investments	4,901,869,405	3,763,768,895
Contributions receivable, net	6,069,013	4,310,448
Notes receivable	1,866,000	2,271,000
Distributions from beneficial interest in charitable term trusts	206,788,548	27,811,691
Distributions from beneficial interest in charitable perpetual trusts	<u>1,612,831</u>	<u>1,997,067</u>
	<u>\$ 5,152,504,944</u>	<u>3,834,985,965</u>

Investments are shown net of those categorized as Level 3 and recorded at net asset value in the fair value hierarchy totaling \$440,458,229 and \$427,290,117 as of September 30, 2024 and 2023, respectively.

As of September 30, 2024 and 2023, the Trust and its affiliates' general expenditures, liabilities, and other obligations that come due within one year are estimated to be \$23,148,537 and \$22,692,521, 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 as of September 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Short-term investment funds	\$ 876,050,948	647,129,529
Fixed income – domestic	926,773,272	756,277,005
Fixed income – international	32,255,332	35,400,654
Domestic equities	2,103,822,990	1,641,840,013
International equities	1,018,332,828	736,558,498
Hedge funds	350,431,971	325,381,075
Real estate	900,000	900,000
Other	<u>33,760,294</u>	<u>47,572,238</u>
	<u>\$ 5,342,327,635</u>	<u>4,191,059,012</u>

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Return on investments for the fiscal years ended September 30, 2024 and 2023 consists of the following (does not include beneficial interest in charitable term trusts):

	2024	2023
Investment return:		
Investment income	\$ 131,226,406	99,812,479
Net realized gain on sale of investments	205,194,635	52,286,428
Unrealized gain on investments	544,284,813	332,818,076
Total return on investments	880,705,854	484,916,983
Investment payout	(156,235,594)	(127,647,371)
Net return on investments after investment payout	\$ 724,470,260	357,269,612

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, 2024, as well as the related strategy and liquidity.

	2024				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 34,299,147	—	—	34,299,147	Daily	One
Short-term investment funds	876,050,948	—	—	876,050,948	Daily	One
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	163,530,072	—	—	163,530,072	Daily	One
U.S. corporate and municipal fixed income	—	181,354,953	—	181,354,953	Daily/None	One/Not applicable
U.S. corporate fixed income funds	575,574,162	6,314,085	—	581,888,247	Daily	One
Total	739,104,234	187,669,038	—	926,773,272		
Fixed income – international:						
International bonds	—	17,198,016	—	17,198,016	Daily	One
International fixed income funds	15,057,316	—	—	15,057,316	Daily	One
Total	15,057,316	17,198,016	—	32,255,332		
Equities – domestic and international:						
Domestic equities and funds	2,014,392,446	52,705,012	—	2,067,097,458	Daily	One
International equities and funds	922,366,342	39,427,880	—	961,794,222	Daily to Monthly	One to Ten
Total	2,936,758,788	92,132,892	—	3,028,891,680		
Hedge funds and alternative investments:						
Hedge funds	35,527,484	—	756,275	36,283,759	Daily/None	One/Not applicable
Real estate property	—	—	900,000	900,000	Illiquid	N/A
Commodity funds	2,370,690	—	—	2,370,690	Daily	One
Private investments	—	—	13,538,613	13,538,613	Illiquid	N/A
Total	37,898,174	—	15,194,888	53,093,062		
Investments measured at NAV	—	—	—	425,263,341		
Total – all investments	4,604,869,460	296,999,946	15,194,888	5,342,327,635		
Other assets:						
Beneficial interest in charitable term trusts	—	—	587,459,419	587,459,419	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	59,380,526	59,380,526	Illiquid	N/A
Total – other assets	—	—	646,839,945	646,839,945		
Total – all assets	\$ 4,639,168,607	296,999,946	662,034,833	6,023,466,727		

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The Trust has a position in one fund that calculates net asset value whose terms did not allow for redemptions as of September 30, 2024. This investment was valued at \$3,758,106 as of September 30, 2024.

The following table summarizes the Trust's investments and other assets by major category in the fair value hierarchy as of September 30, 2023, as well as the related strategy and liquidity.

	2023				Redemption or liquidation	Days' notice
	Level 1	Level 2	Level 3	Total		
Cash and cash equivalents	\$ 34,826,864	—	—	34,826,864	Daily	One
Short-term investment funds	647,129,529	—	—	647,129,529	Daily	One
Fixed income – domestic:						
U.S. Treasuries and agency fixed income (includes funds)	119,672,864	—	—	119,672,864	Daily	One
U.S. corporate and municipal fixed income	—	165,986,791	—	165,986,791	Daily/None	One/Not applicable
U.S. corporate fixed income funds	465,783,001	4,834,349	—	470,617,350	Daily	One
Total	585,455,865	170,821,140	—	756,277,005		
Fixed income – international:						
International bonds	—	23,046,718	—	23,046,718	Daily	One
International fixed income funds	12,353,936	—	—	12,353,936	Daily	One
Total	12,353,936	23,046,718	—	35,400,654		
Equities – domestic and international:						
Domestic equities and funds	1,555,559,635	41,315,187	—	1,596,874,822	Daily	One
International equities and funds	659,665,862	33,238,395	—	692,904,257	Daily to Monthly	One to Ten
Total	2,215,225,497	74,553,582	—	2,289,779,079		
Hedge funds and alternative investments:						
Hedge funds	32,903,369	—	4,153,234	37,056,603	Daily/None	One/Not applicable
Real estate property	—	—	900,000	900,000	Illiquid	N/A
Commodity funds	2,279,259	—	—	2,279,259	Daily	One
Private investments	—	—	27,346,655	27,346,655	Illiquid	N/A
Total	35,182,628	—	32,399,889	67,582,517		
Investments measured at NAV	—	—	—	394,890,228		
Total – all investments	3,495,347,455	268,421,440	32,399,889	4,191,059,012		
Other assets:						
Beneficial interest in charitable term trusts	—	—	242,613,208	242,613,208	Illiquid	N/A
Beneficial interest in charitable perpetual trusts	—	—	49,709,815	49,709,815	Illiquid	N/A
Total – other assets	—	—	292,323,023	292,323,023		
Total – all assets	\$ 3,530,174,319	268,421,440	324,722,912	4,518,208,899		

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The following table presents the Trust's activity for the fiscal year ended September 30, 2024 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, 2023	\$ 32,399,889	292,323,023	324,722,912
Investments gains and losses, net	(12,329,169)	—	(12,329,169)
Net purchases (sales)	(4,875,832)	—	(4,875,832)
New beneficial interest in trusts	—	333,053,479	333,053,479
Gain on beneficial interest in charitable trusts	—	49,979,410	49,979,410
Distributions from charitable trusts	—	(28,515,967)	(28,515,967)
Balance at September 30, 2024	<u>\$ 15,194,888</u>	<u>646,839,945</u>	<u>662,034,833</u>

The following table presents the Trust's activity for the fiscal year ended September 30, 2023 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, 2022	\$ 30,964,867	310,475,111	341,439,978
Investments gains and losses, net	1,468,074	—	1,468,074
Net purchases (sales)	(33,052)	—	(33,052)
Gain on beneficial interest in charitable trusts	—	12,867,423	12,867,423
Distributions from charitable trusts	—	(31,019,511)	(31,019,511)
Balance at September 30, 2023	<u>\$ 32,399,889</u>	<u>292,323,023</u>	<u>324,722,912</u>

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

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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 \$34,103,577 with private equity investment funds. As of September 30, 2024, the Trust's unfunded capital commitments related to these funds total \$23,809,646. 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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Quasi-endowment net assets, beginning of year	\$ 1,387,670,513	1,266,067,360
Contributions	8,409,402	10,013,451
Interest and dividends	25,433,314	26,510,314
Net realized/unrealized gain	222,443,123	144,869,835
Amounts appropriated for expenditure	(58,725,060)	(57,643,381)
Reclassifications and transfers	<u>7,541,512</u>	<u>(2,147,066)</u>
Change in quasi-endowment net assets	<u>205,102,291</u>	<u>121,603,153</u>
Quasi-endowment net assets, end of year	<u>\$ 1,592,772,804</u>	<u>1,387,670,513</u>

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(7) Contributions Receivable, net

As of September 30, 2024, outstanding pledges are expected to be collected as follows:

Year ending September 30:	
2025	\$ 6,755,833
2026	5,413,667
2027	5,005,000
2028 and beyond	<u>4,788,522</u>
	21,963,022
Less discount	(3,010,408)
Less allowance for uncollectable accounts	<u>(200,000)</u>
	<u>\$ 18,752,614</u>

The discount rates used in the present value calculations ranged from 3.6% to 4.2%.

(8) Grants Payable

Grants were approved by the governing bodies of the following organizations as of September 30, 2024 and 2023; however, the grants were not due for payment until after that date:

	2024	2023
The Chicago Community Trust	\$ 11,873,052	15,727,167
The Chicago Community Foundation	<u>8,061,900</u>	<u>9,725,950</u>
	<u>\$ 19,934,952</u>	<u>25,453,117</u>

These approved grants as of September 30, 2024 are expected to be paid as follows:

Year ending September 30:	
2025	\$ 17,889,952
2026	1,045,000
2027	680,000
2028 and beyond	<u>320,000</u>
	<u>\$ 19,934,952</u>

(9) Leases

In May 2021, the Trust has entered into a lease agreement under an operating lease, which expires in 2037, for a space located at 33 S. State Street, Chicago, Illinois. The minimum lease payments have been

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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 lease agreement does not include any residual value guarantees or restrictive covenants.

On September 1, 2024, Metropolis Strategies also entered into a lease agreement under an operating lease, which expires in 2035.

As of September 30, 2024, the operating right-of-use asset and corresponding operating lease liability associated with future lease payments on the consolidated statements of financial position was \$6,264,588. The Trust did not recognize any finance leases. Other lease information for the fiscal years ended September 30, 2024 and 2023 is summarized below:

	2024	2023
Cash paid for amounts included in the measurement of lease liability:		
Operating cash flows from operating lease	\$ 627,130	565,575
ROU asset obtained in exchange for new operating lease liability	975,980	5,768,120
Weighted average remaining lease term	13 Years	14 Years
Weighted average discount rate	3.84% to 4.92%	4.92 %

The components of lease expense, which is reported in the administrative expenses in the accompanying consolidated statement of activities for the fiscal years ended September 30, 2024 and 2023, are as follows:

	2024	2023
Operating lease cost	\$ 573,113	563,672
Variable lease cost	544,786	627,920
Total lease expense	\$ 1,117,899	1,191,592

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The maturities of operating lease liability as of September 30, 2024 were as follows:

Year ending September 30:		
2025	\$	676,961
2026		676,961
2027		676,961
2028		676,961
2029		676,961
Thereafter		<u>4,991,779</u>
Total lease payments		8,376,584
Less present value discount		<u>(2,111,996)</u>
Total future lease payments	\$	<u><u>6,264,588</u></u>

(10) Program-Related Expenses

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

(11) Expenses by Functional Expense Classification

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

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The Trust's expenses by functional classification for the fiscal year ended September 30, 2024 are as follows:

	2024			
	<u>Program</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 1,480,435,942	—	—	1,480,435,942
Program-related expenses	6,842,833	—	—	6,842,833
Investment management and custodian fees	—	11,177,782	—	11,177,782
Other expenses	—	107,042	—	107,042
Administrative expenses:				
Salaries and benefits	6,398,589	6,727,853	2,425,171	15,551,613
Professional fees	1,582,148	2,567,895	377,365	4,527,408
Meetings and travel	184,896	251,520	70,485	506,901
Occupancy, utilities, and insurance	560,576	609,334	218,327	1,388,237
Depreciation and amortization	260,886	301,022	107,030	668,938
Printing and publications	88,601	88,601	88,601	265,803
Other administrative expenses	435,693	1,092,194	610,363	2,138,250
Total administrative expenses	9,511,389	11,638,419	3,897,342	25,047,150
Percentage of administrative expenses	<u>38.0 %</u>	<u>46.5 %</u>	<u>15.5 %</u>	<u>100.0 %</u>
Total expenses	\$ <u>1,496,790,164</u>	<u>22,923,243</u>	<u>3,897,342</u>	<u>1,523,610,749</u>
Percentage of total expenses	98.2 %	1.5 %	0.3 %	100.0 %

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The Trust's expenses by functional classification for the fiscal year ended September 30, 2023 are as follows:

	2023			Total
	Program	Management and general	Fundraising	
Grants	\$ 1,569,737,729	—	—	1,569,737,729
Program-related expenses	10,929,328	—	—	10,929,328
Investment management and custodian fees	—	9,281,024	—	9,281,024
Other expenses	—	53,998	—	53,998
Administrative expenses:				
Salaries and benefits	5,469,200	6,703,068	2,266,911	14,439,179
Professional fees	1,562,152	2,093,966	395,818	4,051,936
Meetings and travel	129,067	196,954	78,524	404,545
Occupancy, utilities, and insurance	564,814	670,628	230,045	1,465,487
Depreciation and amortization	162,733	216,975	72,326	452,034
Printing and publications	76,973	76,973	76,973	230,919
Other administrative expenses	374,751	1,647,871	583,481	2,606,103
Total administrative expenses	8,339,690	11,606,435	3,704,078	23,650,203
Percentage of administrative expenses	35.3 %	49.0 %	15.7 %	100.0 %
Total expenses	\$ 1,589,006,747	20,941,457	3,704,078	1,613,652,282
Percentage of total expenses	98.5 %	1.3 %	0.2 %	100.0 %

For the fiscal years ended September 30, 2024 and 2023, nonoperating investment management and custodian fees of \$220,969 and \$273,839, 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. Employees at least 21 years of age are eligible to participate, and elective employee contributions can be made on the first quarter after their hire date. On the first quarter 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. Employees are fully and immediately vested in employer matching contributions.

In addition, the Trust provides an employer base contribution on the first quarter after one year of service to employees who work at least 1,000 hours. Employees are 100% vested in employer base contributions

THE CHICAGO COMMUNITY TRUST
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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

after three years of vested service. The Trust has the sole discretionary right to determine the amount of the employer base contribution for a plan year.

Total retirement benefit costs for the years ended September 30, 2024 and 2023 were \$872,273 and \$786,245, respectively, which is included in administrative expenses in the accompanying consolidated statements of activities.

(13) Transactions with Affiliates

During the fiscal years ended September 30, 2024 and 2023, the Trust approved grant awards totaling \$9,214,404 and \$7,578,705, respectively, to the Foundation.

During the fiscal year ended September 30, 2024, the Trust approved grant awards totaling \$2,000 to Metropolis Strategies.

During the fiscal years ended September 30, 2024 and 2023, the Foundation approved grant awards totaling \$4,374,244 and \$2,851,158, respectively, to the Trust.

During the fiscal years ended September 30, 2024 and 2023, the Foundation approved grant awards totaling \$395,000 and \$255,000, respectively, to Metropolis Strategies.

During the fiscal year ended September 30, 2024, The PERT Foundation approved grant awards totaling \$318,021,564 to the Foundation.

During the fiscal years ended September 30, 2024 and 2023, the Butler Trust approved grants totaling \$2,176,349 and \$2,191,174, respectively, to the Trust.

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, 2024 through March 7, 2025, 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, 2024

Assets	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The PERT Foundation	Metropolis Strategies	Total	Eliminations	Consolidated
Cash and cash equivalents	\$ 25,108,126	5,875,273	1,078,581	9,069	2,228,098	34,299,147	—	34,299,147
Investments:								
Short-term investment funds	189,212,014	686,819,984	—	18,950	—	876,050,948	—	876,050,948
Fixed income – domestic	230,220,741	684,274,556	12,277,975	—	—	926,773,272	—	926,773,272
Fixed income – international	3,483,348	27,399,172	1,372,812	—	—	32,255,332	—	32,255,332
Domestic equities	623,310,407	1,462,795,324	17,717,259	—	—	2,103,822,990	—	2,103,822,990
International equities	217,786,120	799,336,103	1,210,605	—	—	1,018,332,828	—	1,018,332,828
Hedge funds	84,171,015	253,969,706	12,291,250	—	—	350,431,971	—	350,431,971
Real estate	900,000	—	—	—	—	900,000	—	900,000
Other	3,356,640	30,403,654	—	—	—	33,760,294	—	33,760,294
Total investments	1,352,440,285	3,944,998,499	44,869,901	18,950	—	5,342,327,635	—	5,342,327,635
Contributions receivable	600,000	342,941,973	—	—	322,500	343,864,473	(325,111,859)	18,752,614
Notes receivable	—	3,417,000	—	—	—	3,417,000	—	3,417,000
Other assets	4,958,946	1,950,000	—	—	28,240	6,937,186	(2,660,549)	4,276,637
Software, office equipment, and leasehold improvements, net	3,513,866	—	—	—	—	3,513,866	—	3,513,866
Right-of-use asset	5,294,926	—	—	—	969,662	6,264,588	—	6,264,588
Beneficial interest in charitable term trusts	247,888,681	22,322,686	—	317,248,052	—	587,459,419	—	587,459,419
Beneficial interest in charitable perpetual trusts	59,380,526	—	—	—	—	59,380,526	—	59,380,526
Total assets	\$ 1,699,185,356	4,321,505,431	45,948,482	317,276,071	3,548,500	6,387,463,840	(327,772,408)	6,059,691,432
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	\$ 3,462,474	2,502,998	129,703	36,683	236,075	6,367,933	(2,660,549)	3,707,384
Grants payable	19,969,530	8,061,900	—	317,015,381	—	345,046,811	(325,111,859)	19,934,952
Annuity payable	268,094	—	—	—	—	268,094	—	268,094
Funds held for others	—	9,917,253	—	—	—	9,917,253	—	9,917,253
Lease liability	5,294,926	—	—	—	969,662	6,264,588	—	6,264,588
Total liabilities	28,995,024	20,482,151	129,703	317,052,064	1,205,737	367,864,679	(327,772,408)	40,092,271
Net assets:								
Without donor restrictions	1,362,321,125	3,935,758,621	—	(317,024,045)	2,020,263	4,983,075,964	325,757,022	5,308,832,986
With donor restrictions	307,869,207	365,264,659	45,818,779	317,248,052	322,500	1,036,523,197	(325,757,022)	710,766,175
Total net assets	1,670,190,332	4,301,023,280	45,818,779	224,007	2,342,763	6,019,599,161	—	6,019,599,161
Total liabilities and net assets	\$ 1,699,185,356	4,321,505,431	45,948,482	317,276,071	3,548,500	6,387,463,840	(327,772,408)	6,059,691,432

See accompanying notes to consolidated financial statements.

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, 2023

Assets	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The PERT Foundation	Metropolis Strategies	Total	Eliminations	Consolidated
Cash and cash equivalents	\$ 29,384,509	2,288,499	1,899,982	9,069	1,244,805	34,826,864	—	34,826,864
Investments:								
Short-term investment funds	125,073,309	522,032,429	—	23,791	—	647,129,529	—	647,129,529
Fixed income – domestic	226,742,377	517,772,865	11,671,845	89,918	—	756,277,005	—	756,277,005
Fixed income – international	18,351,125	16,396,416	653,113	—	—	35,400,654	—	35,400,654
Domestic equities	492,427,907	1,112,309,525	10,115,664	159,262	—	1,615,012,358	—	1,615,012,358
International equities	199,926,968	530,805,911	5,678,698	146,921	—	736,558,498	—	736,558,498
Hedge funds	81,057,231	232,862,944	11,460,900	—	—	325,381,075	—	325,381,075
Real estate	900,000	—	—	—	—	900,000	—	900,000
Other	1,762,387	72,637,506	—	—	—	74,399,893	—	74,399,893
Total investments	1,146,241,304	3,004,817,596	39,580,220	419,892	—	4,191,059,012	—	4,191,059,012
Contributions receivable	—	9,945,724	—	—	585,000	10,530,724	(5,228,376)	5,302,348
Notes receivable	—	3,669,250	—	—	—	3,669,250	—	3,669,250
Other assets	2,883,216	1,690,150	—	—	47,600	4,620,966	(1,126,385)	3,494,581
Software, office equipment, and leasehold improvements, net	2,278,302	—	—	—	—	2,278,302	—	2,278,302
Right-of-use asset	5,582,187	—	—	—	—	5,582,187	—	5,582,187
Beneficial interest in charitable term trusts	242,613,208	—	—	—	—	242,613,208	—	242,613,208
Beneficial interest in charitable perpetual trusts	49,709,815	—	—	—	—	49,709,815	—	49,709,815
Total assets	\$ 1,478,692,541	3,022,411,219	41,480,202	428,961	1,877,405	4,544,890,328	(6,354,761)	4,538,535,567
Liabilities and Net Assets								
Liabilities:								
Accounts payable and accrued expenses	\$ 4,189,202	—	135,857	20,526	176,781	4,522,366	(1,126,385)	3,395,981
Grants payable	20,955,543	9,725,950	—	—	—	30,681,493	(5,228,376)	25,453,117
Annuity payable	280,387	—	—	—	—	280,387	—	280,387
Funds held for others	—	8,671,392	—	—	—	8,671,392	—	8,671,392
Lease liability	5,582,187	—	—	—	—	5,582,187	—	5,582,187
Total liabilities	31,007,319	18,397,342	135,857	20,526	176,781	49,737,825	(6,354,761)	43,383,064
Net assets:								
Without donor restrictions	1,155,362,199	2,994,068,153	—	408,435	1,115,624	4,150,954,411	5,623,539	4,156,577,950
With donor restrictions	292,323,023	9,945,724	41,344,345	—	585,000	344,198,092	(5,623,539)	338,574,553
Total net assets	1,447,685,222	3,004,013,877	41,344,345	408,435	1,700,624	4,495,152,503	—	4,495,152,503
Total liabilities and net assets	\$ 1,478,692,541	3,022,411,219	41,480,202	428,961	1,877,405	4,544,890,328	(6,354,761)	4,538,535,567

See accompanying notes to consolidated financial statements.

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, 2024

	The Chicago Community Trust	The Chicago Community Foundation	The Burrige D. Butler Memorial Trust of Chicago, Illinois	The PERT Foundation	Metropolis Strategies	Total	Eliminations	Consolidated
Operating activities:								
Support, revenue, and transfers:								
Investment payout	\$ 53,539,074	99,021,166	—	629,174	63,570	153,252,984	—	153,252,984
Contributions of cash and other financial assets	6,744,212	—	—	—	1,993,877	8,738,089	(6,261,373)	2,476,716
Contributions of nonfinancial assets	7,141	—	—	—	—	7,141	—	7,141
Transfer from nonoperating activities	3,372,237	1,483,068,464	—	40,291	—	1,486,480,992	—	1,486,480,992
Other income	18,408,950	227,845	—	16	—	18,636,811	(17,000,300)	1,636,511
Net assets released from restrictions	28,515,967	—	2,358,369	—	585,000	31,459,336	—	31,459,336
Total operating support, revenue, and transfers	110,587,581	1,582,317,475	2,358,369	669,481	2,642,447	1,698,575,353	(23,261,673)	1,675,313,680
Expenses:								
Grants, net of refunds	66,824,115	1,427,597,475	2,176,349	318,021,564	—	1,814,619,503	(334,183,561)	1,480,435,942
Program-related expenses	7,795,403	6,220,779	—	—	40,150	14,056,332	(7,213,499)	6,842,833
Investment management and custodian fees	3,819,805	6,840,896	—	3,358	—	10,664,059	—	10,664,059
Administrative expenses	22,796,914	10,080,320	182,020	77,039	1,697,658	34,833,951	(9,786,801)	25,047,150
Other expenses	107,042	—	—	—	—	107,042	—	107,042
Total operating expenses	101,343,279	1,450,739,470	2,358,369	318,101,961	1,737,808	1,874,280,887	(351,183,861)	1,523,097,026
Excess (deficiency) of operating support, revenue, and transfers over expenses	9,244,302	131,578,005	—	(317,432,480)	904,639	(175,705,534)	327,922,188	152,216,654
Nonoperating activities:								
Contributions of cash and other financial assets	10,058,536	1,760,145,409	—	—	—	1,770,203,945	(7,783,705)	1,762,420,240
Net return on investments after investment payout	191,290,578	528,996,444	—	40,291	—	720,327,313	—	720,327,313
Investment management and custodian fees	(220,969)	—	—	—	—	(220,969)	—	(220,969)
Change in value of charitable gift annuity	(29,594)	—	—	—	—	(29,594)	—	(29,594)
Transfer to operating activities	(3,372,237)	(1,483,068,464)	—	(40,291)	—	(1,486,480,992)	—	(1,486,480,992)
Other gain (loss)	(11,690)	137,074	—	—	—	125,384	—	125,384
Net assets released from restrictions	—	3,902,000	—	—	—	3,902,000	(5,000)	3,897,000
Net nonoperating activities	197,714,624	810,112,463	—	—	—	1,007,827,087	(7,788,705)	1,000,038,382
Increase (decrease) in net assets	206,958,926	941,690,468	—	(317,432,480)	904,639	832,121,553	320,133,483	1,152,255,036
Net assets at beginning of year	1,155,362,199	2,994,068,153	—	408,435	1,115,624	4,150,954,411	5,623,539	4,156,577,950
Net assets at end of year	\$ 1,362,321,125	3,935,758,621	—	(317,024,045)	2,020,263	4,983,075,964	325,757,022	5,308,832,986

See accompanying notes to consolidated financial statements.

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, 2023

	The Chicago Community Trust	The Chicago Community Foundation	The Burrige D. Butler Memorial Trust of Chicago, Illinois	The PERT Foundation	Metropolis Strategies	The Community Foundation of Will County	Total	Eliminations	Consolidated
Operating activities:									
Support, revenue, and transfers:									
Investment payout	\$ 50,998,737	75,182,951	—	12,701	30,618	—	126,225,007	—	126,225,007
Contributions of cash and other financial assets	24,648,673	—	—	—	1,704,306	—	26,352,979	(5,100,672)	21,252,307
Contributions of nonfinancial assets	5,428	—	—	—	—	—	5,428	—	5,428
Transfer from nonoperating activities	3,591,336	1,534,879,936	—	—	—	—	1,538,471,272	—	1,538,471,272
Other income	15,631,296	288,601	—	17	—	—	15,919,914	(15,033,551)	886,363
Net assets released from restrictions	31,351,004	—	2,380,279	—	50,000	—	33,781,283	(550,418)	33,230,865
Total operating support, revenue, and transfers	<u>126,226,474</u>	<u>1,610,351,488</u>	<u>2,380,279</u>	<u>12,718</u>	<u>1,784,924</u>	<u>—</u>	<u>1,740,755,883</u>	<u>(20,684,641)</u>	<u>1,720,071,242</u>
Expenses:									
Grants, net of refunds	82,606,384	1,497,816,208	2,191,174	—	—	—	1,582,613,766	(12,876,037)	1,569,737,729
Program-related expenses	11,458,437	5,319,890	—	—	249,000	—	17,027,327	(6,097,999)	10,929,328
Investment management and custodian fees	3,304,302	5,425,437	—	2,349	—	—	8,732,088	—	8,732,088
Administrative expenses	21,901,629	9,212,276	189,105	6,958	1,275,787	—	32,585,755	(8,935,552)	23,650,203
Other expenses	53,998	—	—	—	—	—	53,998	—	53,998
Total operating expenses	<u>119,324,750</u>	<u>1,517,773,811</u>	<u>2,380,279</u>	<u>9,307</u>	<u>1,524,787</u>	<u>—</u>	<u>1,641,012,934</u>	<u>(27,909,588)</u>	<u>1,613,103,346</u>
Excess of operating support, revenue, and transfers over expenses	<u>6,901,724</u>	<u>92,577,677</u>	<u>—</u>	<u>3,411</u>	<u>260,137</u>	<u>—</u>	<u>99,742,949</u>	<u>7,224,947</u>	<u>106,967,896</u>
Nonoperating activities:									
Contributions of cash and other financial assets	7,735,866	1,362,262,090	—	—	—	—	1,369,997,956	(7,843,960)	1,362,153,996
Net return on investments after investment payout	81,789,091	272,043,578	—	40,500	—	—	353,873,169	—	353,873,169
Investment management and custodian fees	(273,839)	—	—	—	—	—	(273,839)	—	(273,839)
Change in value of charitable gift annuity	28,029	—	—	—	—	—	28,029	—	28,029
Transfer to operating activities	(3,591,336)	(1,534,879,936)	—	—	—	—	(1,538,471,272)	—	(1,538,471,272)
Other gain (loss)	(13,203)	19,162	—	—	—	—	5,959	—	5,959
Deconsolidation of a supporting organization	—	—	—	—	—	(7,610,636)	(7,610,636)	—	(7,610,636)
Net assets released from restrictions	—	1,153,300	—	—	—	—	1,153,300	(500,000)	653,300
Net nonoperating activities	<u>85,674,608</u>	<u>100,598,194</u>	<u>—</u>	<u>40,500</u>	<u>—</u>	<u>(7,610,636)</u>	<u>178,702,666</u>	<u>(8,343,960)</u>	<u>170,358,706</u>
Increase (decrease) in net assets	<u>92,576,332</u>	<u>193,175,871</u>	<u>—</u>	<u>43,911</u>	<u>260,137</u>	<u>(7,610,636)</u>	<u>278,445,615</u>	<u>(1,119,013)</u>	<u>277,326,602</u>
Net assets at beginning of year	<u>1,062,785,867</u>	<u>2,800,892,282</u>	<u>—</u>	<u>364,524</u>	<u>855,487</u>	<u>7,610,636</u>	<u>3,872,508,796</u>	<u>6,742,552</u>	<u>3,879,251,348</u>
Net assets at end of year	<u>\$ 1,155,362,199</u>	<u>2,994,068,153</u>	<u>—</u>	<u>408,435</u>	<u>1,115,624</u>	<u>—</u>	<u>4,150,954,411</u>	<u>5,623,539</u>	<u>4,156,577,950</u>

See accompanying notes to consolidated financial statements.

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, 2024

	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	The PERT Foundation	Metropolis Strategies	Total	Eliminations	Consolidated
Operating activities:								
Support and revenue:								
Investment payout	\$ —	—	2,982,610	—	—	2,982,610	—	2,982,610
Contributions of cash and other financial assets	—	—	—	—	322,500	322,500	—	322,500
Net assets released from restrictions	(28,515,967)	—	(2,358,369)	—	(585,000)	(31,459,336)	—	(31,459,336)
Total operating support and revenue	(28,515,967)	—	624,241	—	(262,500)	(28,154,226)	—	(28,154,226)
Expenses:								
Investment management and custodian fees	—	—	292,754	—	—	292,754	—	292,754
Total operating expenses	—	—	292,754	—	—	292,754	—	292,754
Excess (deficiency) of operating support and revenue over expenses	(28,515,967)	—	331,487	—	(262,500)	(28,446,980)	—	(28,446,980)
Nonoperating activities:								
Contributions of cash and other financial assets	600,000	358,912,360	—	311,039,368	—	670,551,728	(320,138,483)	350,413,245
Net return on investments after investment payout	—	—	4,142,947	—	—	4,142,947	—	4,142,947
Gain on beneficial interest in charitable perpetual trusts	9,670,711	—	—	—	—	9,670,711	—	9,670,711
Gain on beneficial interest in charitable term trusts	33,791,440	308,575	—	6,208,684	—	40,308,699	—	40,308,699
Net assets released from restrictions	—	(3,902,000)	—	—	—	(3,902,000)	5,000	(3,897,000)
Net nonoperating activities	44,062,151	355,318,935	4,142,947	317,248,052	—	720,772,085	(320,133,483)	400,638,602
Increase (decrease) in net assets	15,546,184	355,318,935	4,474,434	317,248,052	(262,500)	692,325,105	(320,133,483)	372,191,622
Net assets at beginning of year	292,323,023	9,945,724	41,344,345	—	585,000	344,198,092	(5,623,539)	338,574,553
Net assets at end of year	\$ 307,869,207	365,264,659	45,818,779	317,248,052	322,500	1,036,523,197	(198,392,027)	710,766,175

See accompanying notes to consolidated financial statements.

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, 2023

	The Chicago Community Trust	The Chicago Community Foundation	The Burridge D. Butler Memorial Trust of Chicago, Illinois	Metropolis Strategies	Total	Eliminations	Consolidated
Operating activities:							
Support and revenue:							
Investment payout	\$ —	—	1,422,364	—	1,422,364	—	1,422,364
Contributions of cash and other financial assets	—	—	—	585,000	585,000	68,595	653,595
Net assets released from restrictions	(31,351,004)	—	(2,380,279)	(50,000)	(33,781,283)	550,418	(33,230,865)
Total operating support and revenue	(31,351,004)	—	(957,915)	535,000	(31,773,919)	619,013	(31,154,906)
Expenses:							
Investment management and custodian fees	—	—	275,097	—	275,097	—	275,097
Total operating expenses	—	—	275,097	—	275,097	—	275,097
Excess (deficiency) of operating support and revenue over expenses	(31,351,004)	—	(1,233,012)	535,000	(32,049,016)	619,013	(31,430,003)
Nonoperating activities:							
Contributions of cash and other financial assets	—	1,686,060	—	—	1,686,060	—	1,686,060
Net return on investments after investment payout	—	—	3,396,443	—	3,396,443	—	3,396,443
Gain on beneficial interest in charitable perpetual trusts	4,003,649	—	—	—	4,003,649	—	4,003,649
Gain on beneficial interest in charitable term trusts	8,863,774	—	—	—	8,863,774	—	8,863,774
Net assets released from restrictions	—	(1,153,300)	—	—	(1,153,300)	500,000	(653,300)
Net nonoperating activities	12,867,423	532,760	3,396,443	—	16,796,626	500,000	17,296,626
Increase (decrease) in net assets	(18,483,581)	532,760	2,163,431	535,000	(15,252,390)	1,119,013	(14,133,377)
Net assets at beginning of year	310,806,604	9,412,964	39,180,914	50,000	359,450,482	(6,742,552)	352,707,930
Net assets at end of year	\$ 292,323,023	9,945,724	41,344,345	585,000	344,198,092	(5,623,539)	338,574,553

See accompanying notes to consolidated financial statements.