

# **Chicago Public Library Foundation**

Financial Statements and  
Supplementary Information

December 31, 2020 and 2019

# Chicago Public Library Foundation

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December 31, 2020 and 2019

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## **Independent Auditors' Report**

To the Board of Directors of  
Chicago Public Library Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Chicago Public Library Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 22-24 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Baker Tilly US, LLP*

Chicago, Illinois

June 17, 2021

# Chicago Public Library Foundation

## Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,633,979	\$ 2,810,249
Pledges receivable, net	634,350	773,984
Accrued interest/dividends receivable	39,682	48,446
Investments	30,830,583	27,739,925
Prepaid expenses	57,380	44,787
Property, equipment and collections	1	1
	<u>1</u>	<u>1</u>
Total assets	<u>\$ 35,195,975</u>	<u>\$ 31,417,392</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 157,357	\$ 556,857
	<u>157,357</u>	<u>556,857</u>
Total liabilities	<u>157,357</u>	<u>556,857</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	13,264,052	13,169,076
Designated by the Board for endowment	1,547,973	1,283,545
Designated by the Board for other	1,250,000	-
	<u>16,062,025</u>	<u>14,452,621</u>
Total without donor restrictions	<u>16,062,025</u>	<u>14,452,621</u>
With donor restrictions:		
Perpetual in nature	8,641,882	8,641,882
Endowment earnings subject to appropriations	7,712,648	4,918,934
Purpose restrictions	2,622,063	2,847,098
	<u>18,976,593</u>	<u>16,407,914</u>
Total with donor restrictions	<u>18,976,593</u>	<u>16,407,914</u>
Total net assets	<u>35,038,618</u>	<u>30,860,535</u>
Total liabilities and net assets	<u>\$ 35,195,975</u>	<u>\$ 31,417,392</u>

See notes to financial statements

**Chicago Public Library Foundation**

## Statement of Activities

Year Ended December 31, 2020, With Comparative Totals for the Year Ended December 31, 2019

	Undesignated and Designated by the Board for endowment	Designated by the Board for other	Total Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Operating</b>						
Support and revenue:						
Contributions	\$ 741,171	\$ -	\$ 741,171	\$ 1,531,332	\$ 2,272,503	\$ 2,267,526
Special event revenue, net of expenses	969,576	-	969,576	-	969,576	1,437,498
Endowment income	1,148,694	-	1,148,694	-	1,148,694	1,075,984
Other income	212,306	-	212,306	-	212,306	14,270
Donated services and materials	278,837	-	278,837	-	278,837	110,975
Transfer to board designated, other	(1,250,000)	1,250,000	-	-	-	-
Net assets released from restrictions	1,711,367	-	1,711,367	(1,711,367)	-	-
Total support and revenue	<u>3,811,951</u>	<u>1,250,000</u>	<u>5,061,951</u>	<u>(180,035)</u>	<u>4,881,916</u>	<u>4,906,253</u>
<b>Expenses</b>						
Program services, Library	2,226,959	-	2,226,959	-	2,226,959	4,657,755
Supporting services						
Management and general	581,085	-	581,085	-	581,085	527,850
Fundraising	953,931	-	953,931	-	953,931	1,114,320
Total expenses	<u>3,761,975</u>	<u>-</u>	<u>3,761,975</u>	<u>-</u>	<u>3,761,975</u>	<u>6,299,925</u>
<b>Change in Net Assets From Operating Activities</b>	<u>49,976</u>	<u>1,250,000</u>	<u>1,299,976</u>	<u>(180,035)</u>	<u>1,119,941</u>	<u>(1,393,672)</u>
<b>Nonoperating</b>						
Net gains on investments	725,821	-	725,821	3,101,182	3,827,003	4,330,534
Deficit of income earned over withdrawal under spending policy, net of investment expenses	(416,393)	-	(416,393)	(352,468)	(768,861)	(534,268)
Change in net assets from nonoperating activities	<u>309,428</u>	<u>-</u>	<u>309,428</u>	<u>2,748,714</u>	<u>3,058,142</u>	<u>3,796,266</u>
Change in net assets	359,404	1,250,000	1,609,404	2,568,679	4,178,083	2,402,594
<b>Net Assets, Beginning</b>	<u>14,452,621</u>	<u>-</u>	<u>14,452,621</u>	<u>16,407,914</u>	<u>30,860,535</u>	<u>28,457,941</u>
<b>Net Assets, Ending</b>	<u>\$ 14,812,025</u>	<u>\$ 1,250,000</u>	<u>\$ 16,062,025</u>	<u>\$ 18,976,593</u>	<u>\$ 35,038,618</u>	<u>\$ 30,860,535</u>

See notes to financial statements

# Chicago Public Library Foundation

## Statement of Activities

Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating</b>			
Support and revenue:			
Contributions	\$ 512,785	\$ 1,754,741	\$ 2,267,526
Special event revenue, net of expenses	1,320,998	116,500	1,437,498
Endowment income	1,075,984	-	1,075,984
Other income	14,270	-	14,270
Donated services and materials	110,975	-	110,975
Net assets released from restrictions	2,964,637	(2,964,637)	-
	<u>5,999,649</u>	<u>(1,093,396)</u>	<u>4,906,253</u>
Total support and revenue			
	<u>5,999,649</u>	<u>(1,093,396)</u>	<u>4,906,253</u>
<b>Expenses</b>			
Program services, Library	4,657,755	-	4,657,755
Supporting services			
Management and general	527,850	-	527,850
Fundraising	1,114,320	-	1,114,320
	<u>6,299,925</u>	<u>-</u>	<u>6,299,925</u>
Total expenses			
	<u>6,299,925</u>	<u>-</u>	<u>6,299,925</u>
<b>Change in Net Assets From Operating Activities</b>	<u>(300,276)</u>	<u>(1,093,396)</u>	<u>(1,393,672)</u>
<b>Nonoperating</b>			
Net gains on investments	479,543	3,850,991	4,330,534
Deficit of income earned over withdrawal under spending policy, net of investment expenses	(181,800)	(352,468)	(534,268)
	<u>297,743</u>	<u>3,498,523</u>	<u>3,796,266</u>
Change in net assets from nonoperating activities			
	<u>297,743</u>	<u>3,498,523</u>	<u>3,796,266</u>
Change in net assets	(2,533)	2,405,127	2,402,594
<b>Net Assets, Beginning</b>	<u>14,455,154</u>	<u>14,002,787</u>	<u>28,457,941</u>
<b>Net Assets, Ending</b>	<u>\$ 14,452,621</u>	<u>\$ 16,407,914</u>	<u>\$ 30,860,535</u>

See notes to financial statements

**Chicago Public Library Foundation**

Statement of Functional Expenses

Year Ended December 31, 2020, With Comparative Totals for the Year Ended December 31, 2019

	Program Services					Supporting Services		2020 Total	2019 Total	
	Closing the Academic Opportunity Gap	Activating Connection & Creativity for All	Bridging the Digital Divide	Branch Programs	Other Library Programs	Total Library	Management and General			Fundraising
Books, subscriptions and publications	\$ 1,899	\$ 124,675	\$ -	\$ 4,975	\$ -	\$ 131,549	\$ -	\$ 847	\$ 132,396	\$ 146,084
Computer hardware, software, supplies and amortization	4,576	589	663	-	14,409	20,237	14,923	56,773	91,933	124,434
Conferences, meetings and training	205	35	-	-	98	338	200	2,502	3,040	6,459
Copier lease and supplies	-	-	-	-	-	-	3,277	5,776	9,053	6,902
Donated services/materials	276,476	1,200	-	-	-	277,676	525	636	278,837	110,975
Dues, fees and memberships	-	-	-	-	-	-	14,665	8,037	22,702	28,278
Honoraria	22,100	175,675	-	4,111	-	201,886	-	-	201,886	394,678
Insurance	-	-	-	-	-	-	9,545	-	9,545	10,363
Marketing and promotion	14,588	22,021	-	53	11,412	48,074	-	71,312	119,386	186,966
Office supplies	-	-	-	-	-	-	2,997	4,475	7,472	19,095
Postage, shipping and messengers	18,039	-	-	-	-	18,039	551	6,418	25,008	13,067
Printing and design	56,667	6,822	-	-	5,318	68,807	-	-	68,807	148,881
Professional fees:										
Audit and tax returns	-	-	-	-	-	-	49,293	-	49,293	47,454
Grant funded positions	273,212	204,523	207,018	-	161,750	846,503	-	-	846,503	2,289,526
Investment consultants	-	-	-	-	-	-	31,217	-	31,217	30,441
Legal services	-	-	-	-	-	-	874	-	874	100
Other services	86,169	13,093	29,740	-	106,550	235,552	33,258	22,961	291,771	801,324
Rent, telephone and utilities	-	-	-	-	-	-	37,619	66,301	103,920	92,937
Salaries, payroll taxes and benefits	-	-	-	-	-	-	379,876	698,739	1,078,615	993,011
Special events and program materials	217,542	116,917	1,167	10,075	8,241	353,942	-	-	353,942	598,078
Transportation, travel and business	4,508	10,889	38	873	8,048	24,356	2,265	9,154	35,775	250,872
<b>Total</b>	<b>\$ 975,981</b>	<b>\$ 676,439</b>	<b>\$ 238,626</b>	<b>\$ 20,087</b>	<b>\$ 315,826</b>	<b>\$ 2,226,959</b>	<b>\$ 581,085</b>	<b>\$ 953,931</b>	<b>\$ 3,761,975</b>	<b>\$ 6,299,925</b>

See notes to financial statements



**Chicago Public Library Foundation**

Statement of Functional Expenses  
Year Ended December 31, 2019

	Program Services					Supporting Services			Total
	Closing the Academic Opportunity Gap	Activating Connection & Creativity for All	Bridging the Digital Divide	Branch Programs	Other Library Programs	Total Library	Management and General	Fundraising	
Books, subscriptions and publications	\$ 26,293	\$ 105,449	\$ -	\$ 12,036	\$ -	\$ 143,778	\$ 20	\$ 2,286	\$ 146,084
Computer hardware, software, supplies and amortization	42,427	7,877	11,050	-	117	61,471	12,067	50,896	124,434
Conferences, meetings and training	464	900	-	-	1,815	3,179	64	3,216	6,459
Copier lease and supplies	-	-	-	-	-	-	2,496	4,406	6,902
Donated services/materials	90	3,691	-	-	-	3,781	-	107,194	110,975
Dues, fees and memberships	-	-	-	-	179	179	18,272	9,827	28,278
Honoraria	227,234	130,945	13,790	22,709	-	394,678	-	-	394,678
Insurance	-	-	-	-	-	-	10,363	-	10,363
Marketing and promotion	47,772	17,792	-	17,140	2,842	85,546	-	101,420	186,966
Office supplies	-	-	-	-	-	-	6,323	12,772	19,095
Postage, shipping and messengers	346	-	-	-	-	346	624	12,097	13,067
Printing and design	110,339	38,542	-	-	-	148,881	-	-	148,881
Professional fees:									
Audit and tax returns	-	-	-	-	-	-	47,454	-	47,454
Grant funded positions	698,227	673,444	916,659	-	1,196	2,289,526	-	-	2,289,526
Investment consultants	-	-	-	-	-	-	30,441	-	30,441
Legal services	-	-	-	-	-	-	100	-	100
Other services	168,018	49,200	25,740	-	454,834	697,792	32,287	71,245	801,324
Rent, telephone and utilities	-	-	40,516	-	-	40,516	18,976	33,445	92,937
Salaries, payroll taxes and benefits	-	-	-	-	-	-	342,746	650,265	993,011
Special events and program materials	422,124	118,616	23,952	18,660	13,055	596,407	-	1,671	598,078
Transportation, travel and business	53,470	65,811	3,216	2,998	66,180	191,675	5,617	53,580	250,872
<b>Total</b>	<b>\$ 1,796,804</b>	<b>\$ 1,212,267</b>	<b>\$ 1,034,923</b>	<b>\$ 73,543</b>	<b>\$ 540,218</b>	<b>\$ 4,657,755</b>	<b>\$ 527,850</b>	<b>\$ 1,114,320</b>	<b>\$ 6,299,925</b>

See notes to financial statements

## Chicago Public Library Foundation

### Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 4,178,083	\$ 2,402,594
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net gains on investments	(3,827,003)	(4,330,534)
Changes in assets and liabilities:		
Pledges receivable	139,634	1,069,090
Accrued interest/dividends receivable	8,764	(20,478)
Prepaid expenses	(12,593)	(1,980)
Accounts payable	(399,500)	180,656
	<u>87,385</u>	<u>(700,652)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(1,988,977)	(1,307,830)
Sales of investments	2,725,322	1,842,130
	<u>736,345</u>	<u>534,300</u>
Net cash flows from investing activities	736,345	534,300
Net change in cash and cash equivalents	823,730	(166,352)
<b>Cash and Cash Equivalents, Beginning</b>	<u>2,810,249</u>	<u>2,976,601</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 3,633,979</u>	<u>\$ 2,810,249</u>

See notes to financial statements

# Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

## 1. Nature of Activities and Summary of Significant Accounting Policies

### Nature of Activities

The Chicago Public Library Foundation (Foundation or CPLF) was created in 1986 by visionary civic leaders who shared a conviction that private resources are essential to keeping the outstanding Chicago Public Library (Library or CPL) truly world-class. Established in the spirit of a true public/private partnership with the City of Chicago, the Foundation is an independent, non-profit organization. As a publicly-supported entity, gifts to the Foundation are tax-deductible to the extent permitted by law. The Foundation's mission is to support collection development, programs and technology initiatives that connect Library users to their community and to the world and ensure that all Chicagoans have the freedom to read, to learn and to discover at the Chicago Public Library.

### Tax-Exempt Status

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes.

The Foundation follows the accounting standards for contingencies in evaluating uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Foundation for uncertain tax positions as of December 31, 2020 and 2019. The Foundation's tax returns are subject to review and examination by federal and state authorities.

### Cash and Cash Equivalents

The Foundation considers all highly-liquid, short-term investments with a maturity of three months or less at the date of acquisition to be cash equivalents. Cash includes balances held in checking, savings and money market accounts and certificates of deposit with original maturities of three months or less, except that such instruments purchased with endowment assets are classified as investments.

The Foundation maintains cash balances in an institution which exceeds the federally insured limit of \$250,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### Pledges Receivable, Net

Irrevocable unconditional promises to give to the Foundation are recorded in the year the pledge is made. The Foundation analyzed historical collection experience and reviewed the current status of pledges and other receivables to determine that no allowance for uncollectibles was required.

### Investments

Investments consist of equity funds, hedged equity funds, real asset funds, credit funds and fixed income funds. Investments are recorded at fair value based upon quoted market prices, when available. If listed prices or quotes are not available, fair value is based upon externally developed models that are unobservable inputs due to the limited market activity of the instrument. Donated investments are recorded at fair value at the date of donation, or, if sold immediately, at the amount of sales proceeds received, which is considered a fair measure of the value at the date of donation.

# Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

## Property, Equipment and Collections

The Foundation records property and equipment at cost and amortizes the cost using the straight-line method. The Foundation has adopted a policy of capitalizing collections at a nominal value in its financial statements. Although the financial statements do not disclose the cumulative value of collections, certain artwork received in 1991 as an unrestricted donation has been cataloged and preserved. Since 2003 the artwork has been displayed, on permanent loan, in the Joan W. and Irving B. Harris Theater for Music and Dance. The Theater carries a \$2 million insurance policy on this artwork.

## Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

*Net Assets Without Donor Restrictions.* Net assets not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions.* Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

To ensure the observance of limitations and stipulations placed on the use of available resources, the Foundation maintains its internal financial accounts in accordance with the principles and practices of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds established in accordance with their nature or purpose.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

## Board Designated Net Assets

The governing board has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the governing board at any time. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. The board designated endowment funds are for programs at the libraries such as programs at the Lincoln Park branch library, support for the Teacher in the Library and other children programs.

The governing board in 2020 has also designated \$1,250,000 to be used in 2021 and beyond to address the COVID-19 pandemic and post pandemic needs of the Foundation.

## Operations

The Foundation's change in net assets from operating activities includes all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from board-designated and other non-operating funds to support current operating activities. The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions designated for long-term investment (the donor-restricted and quasi-endowment) according to the Foundation's spending policy, which is detailed in Note 6. The measure of operations excludes investment return in excess (less than) amounts made available for current support.

# Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

## Contributions

Contributions, including unconditional pledges to give, represent amounts raised from the public and are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Gifts received for perpetual endowment funds are reported as non-operating revenues in the statement of activities. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Contributions from board members were approximately \$1,761,000 and \$1,272,000 for the years ended December 31, 2020 and 2019, respectively.

## Donated Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Such services, as valued by the donors, totaled \$278,837 and \$110,975 on December 31, 2020 and 2019, respectively, and are reflected as support and expense in the statements of activities. In addition, various board members donated personal services to the Foundation. These donated services are not reflected in the financial statements since the services are not required to be recorded.

## Revenue and Revenue Recognition

The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The Foundation has adopted Accounting Standard Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

## Endowment Income

The Foundation adopted a spending policy directed at meeting current operational budget requirements. The Foundation's policy has been to expend 4.5 percent of a four-year rolling average of the market value of the Foundation's investments as of each December 31, as audited.

Endowment yields that are in excess of the spending policy are returned to the endowment and reinvested. However, if endowment yields are not sufficient to support the spending policy, the balance is provided from realized capital gains. The difference between the actual yield on endowment investments and the spending rate is reported as a nonoperating excess or deficit.

# Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

## Grants to the Library

The Foundation recognizes unconditional promises to make grants to the Library as expenses in the period made. Conditional promises to give, however, are not recognized until the conditions on which they depend are substantially met. Grant obligations are measured at their fair values.

## Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation, insurance, printing and publishing, advertising and marketing, and other miscellaneous items. Depreciation and other occupancy costs are allocated based on square footage. Other allocated costs, including salaries and wages, were allocated on estimates of time and effort.

## Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Reclassifications

For comparability, certain 2019 amounts have been reclassified to conform with classifications adopted in 2020. The reclassifications have no effect on reported amounts of net assets or change in net assets.

## New Accounting Pronouncements, Not Yet Effective

During February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Foundation is currently assessing the effect that Topic 842 (as amended) will have on its financial statements.

During September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Foundation is currently assessing the effect that ASU No. 2020-07 will have on its results of operations, financial position and cash flows.

# Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

## 2. Fair Value Measurements

Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measure date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

### Valuation Techniques and Inputs

Level 1 assets include investments in mutual funds for which quoted prices are readily available.

There have been no changes in techniques and inputs used as of December 31, 2020 and 2019.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

## Chicago Public Library Foundation

Notes to Financial Statements  
December 31, 2020 and 2019

The following table presents information about the Foundation's assets measured at fair value on a recurring basis as of December 31, 2020 based upon the three-tier hierarchy:

	2020			
	Total	Level 1	Level 2	Level 3
Mutual funds:				
U.S. equity funds	\$ 10,792,786	\$ 10,792,786	\$ -	\$ -
Non U.S. equity funds	6,662,503	6,662,503	-	-
Global equity funds	4,543,362	4,543,362	-	-
Real asset funds	1,642,858	1,642,858	-	-
Credit funds	1,513,285	1,513,285	-	-
Fixed income funds	5,564,938	5,564,938	-	-
Total assets recorded at fair value	30,719,732	<u>\$ 30,719,732</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative investments valued at net asset value	<u>28,489</u>			
Total investments at fair value	30,748,221			
Cash and cash equivalents at cost	<u>82,362</u>			
Total per statement of financial position	<u>\$ 30,830,583</u>			



# Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

The following table presents information about the Foundation's assets measured at fair value on a recurring basis as of December 31, 2019 based upon the three-tier hierarchy:

	<b>2019</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Mutual funds:				
U.S. equity funds	\$ 10,035,287	\$ 10,035,287	\$ -	\$ -
Non U.S. equity funds	5,623,058	5,623,058	-	-
Global equity funds	4,187,195	4,187,195	-	-
Real asset funds	1,317,201	1,317,201	-	-
Credit funds	1,162,501	1,162,501	-	-
Fixed income funds	5,320,873	5,320,873	-	-
Total assets recorded at fair value	27,646,115	<u>\$ 27,646,115</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative investments valued at net asset value	<u>31,607</u>			
Total investments at fair value	27,677,722			
Cash and cash equivalents at cost	<u>62,203</u>			
Total per statement of financial position	<u>\$ 27,739,925</u>			

The fair value of certain alternative investment funds has been estimated using Net Asset Value (NAV) as reported by the management of the fund.

As of December 31, 2020, the Foundation held two funds that are reported at NAV. The first is a hedged equity fund that is in liquidation mode with a valuation of \$27,804. The second is an absolute return fund that the Foundation sold during 2018 and are awaiting the final distribution from the sale with a valuation of \$685.

As of December 31, 2019, the Foundation held two funds that are reported at NAV. The first is a hedged equity fund that is in liquidation mode with a valuation of \$27,770. The second is an absolute return fund that the Foundation sold during 2018 and are awaiting the final distribution from the sale with a valuation of \$3,837.

### 3. Pledges Receivable, Net

Promises to give at December 31, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
Receivables due in less than one year	\$ 519,350	\$ 538,984
Receivables due in one to three years	<u>115,000</u>	<u>235,000</u>
Pledges receivable, net	<u>\$ 634,350</u>	<u>\$ 773,984</u>

# Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

## 4. Investments

The market value of investments held by the Foundation as of December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
U.S. equity funds	\$ 10,792,786	\$ 10,035,287
Non U.S. equity funds	6,662,503	5,623,058
Global equity funds	4,543,362	4,187,195
Hedged equity funds	28,489	31,607
Real asset funds	1,642,858	1,317,201
Credit funds	1,513,285	1,162,501
Fixed income funds	5,564,938	5,320,873
Cash and cash equivalents	<u>82,362</u>	<u>62,203</u>
Total	<u>\$ 30,830,583</u>	<u>\$ 27,739,925</u>

The following schedule summarizes the Foundation's investment return and related expenses on endowment funds and their classification in the statements of activities:

	<u>2020</u>	<u>2019</u>
Investment return:		
Dividends and interest	\$ 387,008	\$ 548,309
Less investment management fees	<u>7,175</u>	<u>6,593</u>
Net	379,833	541,716
Less investment yield used to support current operations	<u>1,148,694</u>	<u>1,075,984</u>
Endowment deficit	(768,861)	(534,268)
Net gains on investments	<u>3,827,003</u>	<u>4,330,534</u>
Investment return in excess of amounts used to support current operations	<u>\$ 3,058,142</u>	<u>\$ 3,796,266</u>

Investments, in general, are subject to various risks, including credit, interest rate and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and such changes could materially affect the Foundation's investment balances and the amounts reported on the statements of financial position.

The Foundation's investment strategy incorporates a diversified asset allocation approach and maintains, within defined limits, exposure to the international equity, hedged equity markets and an equity portfolio which participates in a securities lending program. This strategy provides the Foundation with a long-term asset mix that is most likely to meet the Foundation's long-term return goals with the appropriate level of risk.

# Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Alternative investments were entered into to diversify the Foundation's portfolio. The Foundation's management, the Investment Committee of the Board of Directors and the Foundation's external investment consultant review reports provided by the general partners and hedge fund managers on a regular basis and the Foundation's external investment consultant attends meetings of the various general partners and hedge fund managers in order to evaluate the risk associated with these investments. In addition, the Foundation monitors its portfolio mix to ensure that it is in accordance with the Board of Directors' policy.

## 5. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Closing the Academic Opportunity Gap	\$ 981,956	\$ 923,227
Activating Connection & Creativity for All	246,111	322,974
Bridging the Digital Divide	492,487	484,241
Branch programs	335,330	287,630
Other library programs	242,566	355,413
Frazin Innovation Fund	143,613	143,613
General support	180,000	330,000
	<u>2,622,063</u>	<u>2,847,098</u>
Endowments:		
Subject to appropriations and expenditure when a specified event occurs	7,712,648	4,918,934
Restricted in perpetuity	8,641,882	8,641,882
	<u>16,354,530</u>	<u>13,560,816</u>
Total endowments	<u>\$ 18,976,593</u>	<u>\$ 16,407,914</u>

## 6. Endowment Funds

The Foundation's endowment includes both donor-restricted endowment funds [30 funds] and funds designated by the Board of Directors to function as endowments [3 funds], for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As of December 31, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

## Chicago Public Library Foundation

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Notes to Financial Statements

December 31, 2020 and 2019

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The Investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are expected to outperform a custom benchmark (the Allocation Index) consisting of the appropriate indices of each asset class and their proportional weighting in the portfolio.

The Allocation Index is constructed by selecting appropriate indices (e.g., S&P 500, Russell 2000, MSCI EAFE, etc.) and assigning beginning of the quarter weighting by asset class. The total return of the invested assets is expected to exceed the total return of the Allocation Index.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no underwater endowments as of December 31, 2020 and 2019.

The Foundation has an endowment distribution policy that determines a maximum spending rate of 4.5 percent applied to a rolling four year average of the fair value of endowment investments. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, the long-term goal is to achieve a rate of growth sufficient to meet the Foundation's spending needs, while maintaining the inflation-adjusted principal of the endowment funds. If actual earnings for any year are less than the current year spending rule, the deficiency is drawn from prior years' amounts that have accumulated but not been spent. The amount of investment income included in operating revenues totaled \$1,148,694 and \$1,075,984 for 2020 and 2019, respectively.

## Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

As of December 31, 2020 and 2019, we had the following endowment net asset composition by type of fund:

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 1,547,973	\$ -	\$ 1,547,973
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	8,641,882	8,641,882
Accumulated investment gain	-	7,712,648	7,712,648
	<u>\$ 1,547,973</u>	<u>\$ 16,354,530</u>	<u>\$ 17,902,503</u>
	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 1,283,545	\$ -	\$ 1,283,545
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	8,641,882	8,641,882
Accumulated investment gain	-	4,918,934	4,918,934
	<u>\$ 1,283,545</u>	<u>\$ 13,560,816</u>	<u>\$ 14,844,361</u>

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,283,545	\$ 13,560,816	\$ 14,844,361
Investment return, net	666,403	3,540,433	4,206,836
Appropriation of endowment assets pursuant to spending-rate policy:	-	(746,719)	(746,719)
Other changes:			
Distribution from board-designated endowment pursuant to distribution policy	(401,975)	-	(401,975)
Endowment net assets, end of year	<u>\$ 1,547,973</u>	<u>\$ 16,354,530</u>	<u>\$ 17,902,503</u>

# Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 952,400	\$ 10,062,293	\$ 11,014,693
Investment return, net	707,739	4,197,913	4,905,652
Appropriation of endowment assets pursuant to spending-rate policy:	-	(699,390)	(699,390)
Other changes:			
Distribution from board-designated endowment pursuant to distribution policy	(376,594)	-	(376,594)
Endowment net assets, end of year	<u>\$ 1,283,545</u>	<u>\$ 13,560,816</u>	<u>\$ 14,844,361</u>

## 7. Retirement Plan

The Foundation established a 403(b) defined contribution plan covering all employees working 30 hours or more each week, for which it makes discretionary contributions. Contributions to the plan for the years ended December 31, 2020 and 2019 were \$81,010 and \$78,405, respectively.

## 8. Special Events

The Foundation holds one significant fund raising event - an annual dinner at which the Carl Sandburg Literary Award pays tribute to a writer whose work has helped enhance the public's awareness of the written word and reflects the Foundation's and the Chicago Public Library's commitment to the freedom of all people to read, to learn and to discover. The following is a financial summary of that event:

	2020	2019
Contributions	\$ 1,179,282	\$ 1,844,801
Donated services	227,136	236,077
Less expenses, including costs of direct benefits to donors of \$59,945 (2020) and \$139,500 (2019)	(436,842)	(643,380)
Special event revenue, net of expenses	<u>\$ 969,576</u>	<u>\$ 1,437,498</u>

## 9. Operating Leases

Effective March 1, 2020, the Foundation signed a lease to occupy office space. This lease expires February 28, 2025. Lease expense for the years ended December 31, 2020 and 2019 totaled \$93,822 and \$36,497, respectively. Future minimum lease payments are:

Year ending December 31:	
2021	\$ 82,508
2022	84,984
2023	87,533
2024	90,159
2025	15,100

In April 2016, the Foundation leased a new copier for a term of five years that expires in March 2021. During June 2020, the lease was terminated. Lease expense for the years ended December 31, 2020 and 2019 totaled \$9,053 and \$6,902, respectively.

# Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2020 and 2019

## 10. Liquidity and Funds Available

The Foundation has financial assets available within one year of the statement of financial position date for general expenditures as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,633,979	\$ 2,810,249
Accrued interest/dividends receivable	39,682	48,446
Pledges receivable	519,350	538,984
Investments available for general operations	<u>12,928,080</u>	<u>12,895,564</u>
Financial assets available to meet cash needs for general expenditures for one year	<u>\$ 17,121,091</u>	<u>\$ 16,293,243</u>

It is the Foundation's practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Although the Foundation does not intend to spend from its board-designated investments other than amounts appropriated for general expenditures as part of its annual budget approval and appropriations process, amounts from its board-designated investments could be made available, if necessary.

## 11. Paycheck Protection Program

The Foundation participated in and received funds under the Paycheck Protection Program (PPP) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 in the amount of \$147,500. The PPP is designed to provide a direct financial incentive for small businesses to keep their workers on the payroll. The program will forgive loan balances to the extent employees are kept on the payroll and the loan principal is used for payroll, rent, mortgage interest, or utilities during the eight or twenty-four week period following receipt. Any portion of the loan that is not forgiven will carry interest at 1 percent and is due to be paid back within two years. The first payment can be deferred until ten months after the end of the eight or twenty-four week covered period.

The Foundation determined this was a conditional contribution when received and concluded that the requirements associated with this conditional contribution for forgiveness were met prior to December 31, 2020. Therefore, \$147,500 is presented as contribution revenue on the statement of activities. The Foundation received notification of full forgiveness during June 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is repaid in full and to provide that documentation to the SBA upon request. The Foundation does not believe the results of any audits or reviews by the SBA would have a material impact on the financial statements.

## 12. Subsequent Events

The Foundation has evaluated subsequent events through June 17, 2021, which is the date the financial statements were approved and available to be issued, for events requiring recording or disclosure in the Foundation's financial statements. There were no subsequent events identified that required disclosure.

## Chicago Public Library Foundation

Changes in Net Assets With Donor Restrictions, Purpose Restrictions

Year Ended December 31, 2020

	<b>Balance January 1, 2020</b>	<b>Contributions and Pledges Received</b>	<b>Special Event Revenue</b>	<b>Contribution Write-off</b>	<b>Net Assets Released From Restrictions</b>	<b>Balance December 31, 2020</b>
Closing the Academic Opportunity Gap	\$ 923,227	\$ 728,407	\$ -	\$ -	\$ 669,678	\$ 981,956
Activating Connection & Creativity for All	322,974	413,031	-	-	489,894	246,111
Bridging the Digital Divide	484,241	315,000	-	-	306,754	492,487
Branch Programs	287,630	69,894	-	-	22,194	335,330
Other Library Programs	355,413	5,000	-	-	117,847	242,566
Frazin Innovation Fund	143,613	-	-	-	-	143,613
General Support	330,000	-	-	(45,000)	105,000	180,000
<b>Totals</b>	<b>\$ 2,847,098</b>	<b>\$ 1,531,332</b>	<b>\$ -</b>	<b>\$ (45,000)</b>	<b>\$ 1,711,367</b>	<b>\$ 2,622,063</b>



**Chicago Public Library Foundation**

Changes in Net Assets With Donor Restrictions, Perpetual In Nature and Net Assets Without Donor Restrictions Designated by the Board  
Year Ended December 31, 2020

	Principal Balance at January 1, 2020	Contributions Received (Expended)	Principal Balance at December 31, 2020	Cumulative Available for Long-Term Investment *	Endowment Balance at December 31, 2020
<b>Net Assets With Donor Restrictions</b>					
<b>Perpetual in Nature (Endowment)</b>					
AON Corporation Fund	\$ 30,000	\$ -	\$ 30,000	\$ 28,488	\$ 58,488
Arthur Andersen Fund I	37,500	-	37,500	35,785	73,285
Arthur Andersen Fund II	37,500	-	37,500	35,785	73,285
Blum-Kovler Foundation Fund	1,000,000	-	1,000,000	954,108	1,954,108
City of Chicago Humanities Fund	138,920	-	138,920	132,665	271,585
CPLF Gala 1998	208,000	-	208,000	193,348	401,348
CPLF Sandburg Awards Dinner 2000	202,000	-	202,000	138,693	340,693
Arie & Ida Crown Memorial Fund	250,000	-	250,000	238,317	488,317
Gaylord & Dorothy Donnelley Foundation	100,000	-	100,000	94,832	194,832
First National Bank of Chicago	80,000	-	80,000	76,342	156,342
Friends of the Chicago Public Library	219,397	-	219,397	189,945	409,342
James S. Kemper Foundation Fund	75,000	-	75,000	71,535	146,535
Chauncey & Marion Deering McCormick Foundation	100,000	-	100,000	94,964	194,964
MacArthur Foundation Fund	1,250,000	-	1,250,000	1,193,272	2,443,272
NEH Challenge Grant	599,173	-	599,173	572,319	1,171,492
John Nuveen Fund	30,000	-	30,000	28,639	58,639
Albert Pick, Jr. Fund	750,000	-	750,000	714,985	1,464,985
Polk Bros. Foundation Fund	60,000	-	60,000	57,281	117,281
Prince Charitable Trusts Fund	150,000	-	150,000	143,178	293,178
Pritzker Foundation Fund I	1,000,000	-	1,000,000	892,653	1,892,653
Pritzker Foundation Fund II	1,000,000	-	1,000,000	584,954	1,584,954
Sagan/Hill Fund	20,000	-	20,000	18,668	38,668
Salomon Foundation Fund	50,000	-	50,000	47,715	97,715
Sears Family Literature Fund	150,000	-	150,000	139,435	289,435
WH Smith Fund	50,000	-	50,000	47,769	97,769
Stone Container Corporation Fund	30,000	-	30,000	28,591	58,591
United Airlines Fund	100,000	-	100,000	95,397	195,397
Madeline Block Willner Fund	50,000	-	50,000	47,738	97,738
Oprah Winfrey Fund	100,000	-	100,000	95,412	195,412
Laura Weber Bequest	774,392	-	774,392	719,835	1,494,227
Total net assets perpetual in nature	<u>8,641,882</u>	<u>-</u>	<u>8,641,882</u>	<u>7,712,648</u>	<u>16,354,530</u>
<b>Net Assets Without Donor Restrictions</b>					
<b>Designated by the Board</b>					
Friends of the Lincoln Park Branch Library	130,000	-	130,000	12,427	142,427
Gould Foundation	976,571	-	976,571	155,468	1,132,039
Jesse Jones Children's Charitable Remainder Trust	223,907	-	223,907	49,600	273,507
Total net assets designated by the Board	<u>1,330,478</u>	<u>-</u>	<u>1,330,478</u>	<u>217,495</u>	<u>1,547,973</u>
Total endowment funds	<u>\$ 9,972,360</u>	<u>\$ -</u>	<u>\$ 9,972,360</u>	<u>\$ 7,930,143</u>	<u>\$ 17,902,503</u>

\* Board policy is to designate for investment the cumulative excess of actual investment income earned over the 4.5 percent spending rate in order to preserve the value of the endowment funds.

**Chicago Public Library Foundation**

Allocation of 4.5 Percent Spending Policy as Designated by the Board  
Year Ended December 31, 2020

	<u>General</u>	<u>For Books and/or Programs</u>	<u>Total Expendable</u>
<b>Net Assets With Donor Restrictions</b>			
<b>(Endowment Restricted in Perpetuity)</b>			
AON Corporation Fund	\$ -	\$ 3,753	\$ 3,753
Arthur Andersen Fund I	-	4,702	4,702
Arthur Andersen Fund II	-	4,702	4,702
Blum-Kovler Foundation Fund	-	125,383	125,383
City of Chicago Humanities Fund	-	17,426	17,426
CPLF Gala 1998	-	25,752	25,752
CPLF Sandburg Awards Dinner 2000	19,587	2,273	21,860
Arie & Ida Crown Memorial Fund	-	31,332	31,332
Gaylord & Dorothy Donnelley Foundation	-	12,501	12,501
First National Bank of Chicago	-	10,031	10,031
Friends of the Library	-	26,265	26,265
James S. Kemper Foundation Fund	-	9,402	9,402
Chauncey & Marion Deering McCormick Foundation Fund	-	12,510	12,510
MacArthur Foundation Fund	156,770	-	156,770
NEH Challenge Grant	-	75,167	75,167
John Nuveen Fund	-	3,762	3,762
Albert Pick, Jr. Fund	-	94,004	94,004
Polk Bros. Foundation Fund	-	7,525	7,525
Prince Charitable Trusts Fund	-	18,811	18,811
Pritzker Foundation Fund I	121,440	-	121,440
Pritzker Foundation Fund II	101,697	-	101,697
Sagan/Hill Fund	2,481	-	2,481
Salomon Foundation Fund	-	6,270	6,270
Sears Family Literature Fund	-	18,571	18,571
WH Smith Fund	-	6,273	6,273
Stone Container Corporation Fund	-	3,759	3,759
United Airlines Fund	-	12,537	12,537
Madeline Block Willner Fund	-	6,271	6,271
Oprah Winfrey Fund	-	12,538	12,538
Laura Weber Bequest	-	95,875	95,875
	<u>401,975</u>	<u>647,395</u>	<u>1,049,370</u>
<b>Board-Designated Net Assets Without Donor Restriction</b>			
Friends of Lincoln Park Branch Library	-	9,139	9,139
Gould Foundation	-	72,636	72,636
Jesse O. Jones Children's Charitable Remainder Trust	-	17,549	17,549
	<u>-</u>	<u>99,324</u>	<u>99,324</u>
Total endowment income expendable	<u>\$ 401,975</u>	<u>\$ 746,719</u>	<u>\$ 1,148,694</u>