

Chicago Public Library Foundation

Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Chicago Public Library Foundation

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December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors of
Chicago Public Library Foundation

Opinion

We have audited the financial statements of Chicago Public Library Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, 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.

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 Financial Statements section of our report. We are required to be independent of the Foundation 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Chicago, Illinois
June 16, 2022

Chicago Public Library Foundation

Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,150,448	\$ 3,633,979
Accounts receivable	25,558	-
Pledges receivable	444,070	634,350
Accrued interest/dividends receivable	104,725	39,682
Investments	33,399,081	30,830,583
Prepaid expenses	37,890	57,380
Property, equipment and collections	1	1
	<u>39,161,773</u>	<u>35,195,975</u>
Total assets	<u>\$ 39,161,773</u>	<u>\$ 35,195,975</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 190,238	\$ 157,357
	<u>190,238</u>	<u>157,357</u>
Total liabilities	<u>190,238</u>	<u>157,357</u>
Net Assets		
Without donor restrictions:		
Undesignated	13,292,170	13,264,052
Designated by the Board for endowment	1,775,149	1,547,973
Designated by the Board for other	2,650,000	1,250,000
	<u>17,717,319</u>	<u>16,062,025</u>
Total without donor restrictions	<u>17,717,319</u>	<u>16,062,025</u>
With donor restrictions:		
Perpetual in nature	8,641,882	8,641,882
Endowment earnings subject to appropriations	10,113,602	7,712,648
Purpose restrictions	2,498,732	2,622,063
	<u>21,254,216</u>	<u>18,976,593</u>
Total with donor restrictions	<u>21,254,216</u>	<u>18,976,593</u>
Total net assets	<u>38,971,535</u>	<u>35,038,618</u>
Total liabilities and net assets	<u>\$ 39,161,773</u>	<u>\$ 35,195,975</u>

See notes to financial statements

Chicago Public Library Foundation

Statement of Activities

Year Ended December 31, 2021, With Comparative Totals for the Year Ended December 31, 2020

	Undesignated and Designated by the Board for endowment	Designated by the Board for other	Total Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Operating						
Support and revenue:						
Contributions	\$ 989,819	\$ -	\$ 989,819	\$ 1,254,224	\$ 2,244,043	\$ 2,272,503
Special event revenue, net of expenses	1,056,746	-	1,056,746	140,000	1,196,746	969,576
Endowment income	1,232,161	-	1,232,161	-	1,232,161	1,148,694
Other income	196	-	196	-	196	212,306
Donated services and materials	89,984	-	89,984	-	89,984	278,837
Transfer to board designated, other	(1,400,000)	1,400,000	-	-	-	-
Net assets released from restrictions	1,497,555	-	1,497,555	(1,497,555)	-	-
Total support and revenue	<u>3,466,461</u>	<u>1,400,000</u>	<u>4,866,461</u>	<u>(103,331)</u>	<u>4,763,130</u>	<u>4,881,916</u>
Expenses						
Program services, Library	1,704,041	-	1,704,041	-	1,704,041	2,226,959
Supporting services:						
Management and general	646,885	-	646,885	-	646,885	581,085
Fundraising	1,106,607	-	1,106,607	-	1,106,607	953,931
Total expenses	<u>3,457,533</u>	<u>-</u>	<u>3,457,533</u>	<u>-</u>	<u>3,457,533</u>	<u>3,761,975</u>
Change in Net Assets From Operating Activities	<u>8,928</u>	<u>1,400,000</u>	<u>1,408,928</u>	<u>(103,331)</u>	<u>1,305,597</u>	<u>1,119,941</u>
Nonoperating						
Net gains on investments	246,366	-	246,366	3,016,201	3,262,567	3,827,003
Deficit of income earned over withdrawal under spending policy, net of investment expenses	-	-	-	(635,247)	(635,247)	(768,861)
Change in net assets from nonoperating activities	<u>246,366</u>	<u>-</u>	<u>246,366</u>	<u>2,380,954</u>	<u>2,627,320</u>	<u>3,058,142</u>
Change in net assets	255,294	1,400,000	1,655,294	2,277,623	3,932,917	4,178,083
Net Assets, Beginning	<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>
Net Assets, Ending	<u>\$ 15,067,319</u>	<u>\$ 2,650,000</u>	<u>\$ 17,717,319</u>	<u>\$ 21,254,216</u>	<u>\$ 38,971,535</u>	<u>\$ 35,038,618</u>

See notes to financial statements

Chicago Public Library Foundation

Statement of Activities

Year Ended December 31, 2020

	Undesignated and Designated by the Board for endowment	Designated by the Board for other	Total Without Donor Restrictions	With Donor Restrictions	2020 Total
Operating					
Support and revenue:					
Contributions	\$ 741,171	\$ -	\$ 741,171	\$ 1,531,332	\$ 2,272,503
Special event revenue, net of expenses	969,576	-	969,576	-	969,576
Endowment income	1,148,694	-	1,148,694	-	1,148,694
Other income	212,306	-	212,306	-	212,306
Donated services and materials	278,837	-	278,837	-	278,837
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)	-
	<u>3,811,951</u>	<u>1,250,000</u>	<u>5,061,951</u>	<u>(180,035)</u>	<u>4,881,916</u>
Expenses					
Program services, Library	2,226,959	-	2,226,959	-	2,226,959
Supporting services:					
Management and general	581,085	-	581,085	-	581,085
Fundraising	953,931	-	953,931	-	953,931
	<u>3,761,975</u>	<u>-</u>	<u>3,761,975</u>	<u>-</u>	<u>3,761,975</u>
Change in Net Assets From Operating Activities					
	<u>49,976</u>	<u>1,250,000</u>	<u>1,299,976</u>	<u>(180,035)</u>	<u>1,119,941</u>
Nonoperating					
Net gains on investments	725,821	-	725,821	3,101,182	3,827,003
Deficit of income earned over withdrawal under spending policy, net of investment expenses	(416,393)	-	(416,393)	(352,468)	(768,861)
	<u>309,428</u>	<u>-</u>	<u>309,428</u>	<u>2,748,714</u>	<u>3,058,142</u>
Change in net assets from nonoperating activities	309,428	-	309,428	2,748,714	3,058,142
Change in net assets	359,404	1,250,000	1,609,404	2,568,679	4,178,083
Net Assets, Beginning	<u>14,452,621</u>	<u>-</u>	<u>14,452,621</u>	<u>16,407,914</u>	<u>30,860,535</u>
Net Assets, Ending	<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>

See notes to financial statements

Chicago Public Library Foundation

Statement of Functional Expenses

Year Ended December 31, 2021, With Comparative Totals for the Year Ended December 31, 2020

	Program Services					Supporting Services		2021 Total	2020 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	\$ 43,020	\$ 111,450	\$ -	\$ 13,450	\$ -	\$ 167,920	\$ -	\$ 759	\$ 168,679	\$ 132,396
Computer hardware, software, supplies and amortization	3,500	26,746	44,809	2,490	-	77,545	42,804	77,991	198,340	91,933
Conferences, meetings and training	7,955	-	-	35	-	7,990	1,777	2,768	12,535	3,040
Copier lease and supplies	-	-	-	-	-	-	-	-	-	9,053
Donated services/materials	55,172	-	-	-	-	55,172	-	34,812	89,984	278,837
Dues, fees and memberships	-	500	-	-	-	500	24,050	12,523	37,073	22,702
Honoraria	19,090	271,178	-	3,110	-	293,378	-	-	293,378	201,886
Insurance	-	-	-	-	-	-	7,110	3,319	10,429	9,545
Marketing and promotion	43,570	16,622	-	1,312	-	61,504	-	134,902	196,406	119,386
Office supplies	-	-	-	-	19,000	19,000	4,524	2,605	26,129	7,472
Postage, shipping and messengers	6	-	-	-	-	6	166	6,482	6,654	25,008
Printing and design	78,298	20,628	-	-	4,970	103,896	118	209	104,223	68,807
Professional fees:										
Audit and tax returns	-	-	-	-	-	-	46,350	-	46,350	49,293
Grant funded positions	112,443	-	-	1,604	18,309	132,356	-	-	132,356	846,503
Investment consultants	-	-	-	-	-	-	37,818	-	37,818	31,217
Legal services	-	-	-	-	-	-	2,655	-	2,655	874
Other services	28,335	98,051	19,080	125	100,778	246,369	14,110	4,478	264,957	291,771
Rent, telephone and utilities	-	-	24,930	-	-	24,930	35,353	62,307	122,590	103,920
Salaries, payroll taxes and benefits	-	-	-	-	-	-	426,818	751,229	1,178,047	1,078,615
Special events and program materials	220,572	185,406	2,283	44,727	16,144	469,132	-	-	469,132	353,942
Transportation, travel and business	1,114	5,923	-	2,606	34,700	44,343	3,232	12,223	59,798	35,775
Total	\$ 613,075	\$ 736,504	\$ 91,102	\$ 69,459	\$ 193,901	\$ 1,704,041	\$ 646,885	\$ 1,106,607	\$ 3,457,533	\$ 3,761,975

See notes to financial statements

Chicago Public Library Foundation

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services					Supporting Services		2020 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
Computer hardware, software, supplies and amortization	4,576	589	663	-	14,409	20,237	14,923	56,773	91,933
Conferences, meetings and training	205	35	-	-	98	338	200	2,502	3,040
Copier lease and supplies	-	-	-	-	-	-	3,277	5,776	9,053
Donated services/materials	276,476	1,200	-	-	-	277,676	525	636	278,837
Dues, fees and memberships	-	-	-	-	-	-	14,665	8,037	22,702
Honoraria	22,100	175,675	-	4,111	-	201,886	-	-	201,886
Insurance	-	-	-	-	-	-	9,545	-	9,545
Marketing and promotion	14,588	22,021	-	53	11,412	48,074	-	71,312	119,386
Office supplies	-	-	-	-	-	-	2,997	4,475	7,472
Postage, shipping and messengers	18,039	-	-	-	-	18,039	551	6,418	25,008
Printing and design	56,667	6,822	-	-	5,318	68,807	-	-	68,807
Professional fees:									
Audit and tax returns	-	-	-	-	-	-	49,293	-	49,293
Grant funded positions	273,212	204,523	207,018	-	161,750	846,503	-	-	846,503
Investment consultants	-	-	-	-	-	-	31,217	-	31,217
Legal services	-	-	-	-	-	-	874	-	874
Other services	86,169	13,093	29,740	-	106,550	235,552	33,258	22,961	291,771
Rent, telephone and utilities	-	-	-	-	-	-	37,619	66,301	103,920
Salaries, payroll taxes and benefits	-	-	-	-	-	-	379,876	698,739	1,078,615
Special events and program materials	217,542	116,917	1,167	10,075	8,241	353,942	-	-	353,942
Transportation, travel and business	4,508	10,889	38	873	8,048	24,356	2,265	9,154	35,775
Total	\$ 975,981	\$ 676,439	\$ 238,626	\$ 20,087	\$ 315,826	\$ 2,226,959	\$ 581,085	\$ 953,931	\$ 3,761,975

See notes to financial statements

Chicago Public Library Foundation

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 3,932,917	\$ 4,178,083
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net gains on investments	(3,262,567)	(3,827,003)
Changes in assets and liabilities:		
Accounts receivable	(25,558)	-
Pledges receivable	190,280	139,634
Accrued interest/dividends receivable	(65,043)	8,764
Prepaid expenses	19,490	(12,593)
Accounts payable	32,881	(399,500)
	<u>822,400</u>	<u>87,385</u>
Net cash flows from operating activities		
Cash Flows From Investing Activities		
Purchases of investments	(1,531,490)	(1,988,977)
Sales of investments	2,225,559	2,725,322
	<u>694,069</u>	<u>736,345</u>
Net cash flows from investing activities		
Net change in cash and cash equivalents	1,516,469	823,730
Cash and Cash Equivalents, Beginning	<u>3,633,979</u>	<u>2,810,249</u>
Cash and Cash Equivalents, Ending	<u>\$ 5,150,448</u>	<u>\$ 3,633,979</u>

See notes to financial statements

Chicago Public Library Foundation

Notes to Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020. 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

Notes to Financial Statements
December 31, 2021 and 2020

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. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. The board designated 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.

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 statements 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 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. See Note 6.

The governing board in 2021 and 2020 has also designated \$1,400,000 and \$1,250,000, respectively, to be used in 2022 and beyond to address the COVID-19 pandemic and post pandemic needs of the Foundation.

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

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.

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 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 \$1,454,000 and \$1,761,000 for the years ended December 31, 2021 and 2020, 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 \$89,984 and \$278,837 on December 31, 2021 and 2020, 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% 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

Notes to Financial Statements

December 31, 2021 and 2020

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.

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. 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

Notes to Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020.

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, 2021 and 2020

The following table presents information about the Foundation's assets measured at fair value on a recurring basis as of December 31, 2021 based upon the three-tier hierarchy:

	2021			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds:				
U.S. equity funds	\$ 12,171,933	\$ 12,171,933	\$ -	\$ -
Non U.S. equity funds	6,387,238	6,387,238	-	-
Global equity funds	4,818,977	4,818,977	-	-
Real Asset funds	1,927,683	1,927,683	-	-
Credit funds	1,511,359	1,511,359	-	-
Fixed income funds	6,488,182	6,488,182	-	-
Total assets recorded at fair value	33,305,372	<u>\$ 33,305,372</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative investments valued at net asset value	<u>685</u>			
Total investments at fair value	33,306,057			
Short term investments at cost	<u>93,024</u>			
Total per statement of financial position	<u>\$ 33,399,081</u>			

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

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			
Short term investments at cost	<u>82,362</u>			
Total per statement of financial position	<u>\$ 30,830,583</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, 2021, the Foundation held one fund that are reported at NAV. It 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, 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.

3. Pledges Receivable, Net

Promises to give at December 31, 2021 and 2020 are as follows:

	2021	2020
Receivables due in less than one year	\$ 409,070	\$ 519,350
Receivables due in one to three years	<u>35,000</u>	<u>115,000</u>
Pledges receivable	<u>\$ 444,070</u>	<u>\$ 634,350</u>

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

4. Investments

The market value of investments held by the Foundation as of December 31, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
U.S. equity funds	\$ 12,171,933	\$ 10,792,786
Non U.S. equity funds	6,387,238	6,662,503
Global equity funds	4,818,977	4,543,362
Hedged equity funds	685	28,489
Real asset funds	1,927,683	1,642,858
Credit funds	1,511,359	1,513,285
Fixed income funds	6,488,182	5,564,938
Short term investments	93,024	82,362
	<u>93,024</u>	<u>82,362</u>
Total	<u>\$ 33,399,081</u>	<u>\$ 30,830,583</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>2021</u>	<u>2020</u>
Investment return:		
Dividends and interest	\$ 605,314	\$ 387,008
Less investment management fees	8,400	7,175
	<u>8,400</u>	<u>7,175</u>
Net	596,914	379,833
Less investment yield used to support current operations	1,232,161	1,148,694
	<u>1,232,161</u>	<u>1,148,694</u>
Endowment deficit	(635,247)	(768,861)
Net gains on investments	3,262,567	3,827,003
	<u>3,262,567</u>	<u>3,827,003</u>
Investment return in excess of amounts used to support current operations	<u>\$ 2,627,320</u>	<u>\$ 3,058,142</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, 2021 and 2020

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>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Closing the Academic Opportunity Gap	\$ 1,138,235	\$ 981,956
Activating Connection & Creativity for All	185,064	246,111
Bridging the Digital Divide	370,835	492,487
Branch programs	492,201	335,330
Other library programs	73,784	242,566
Frazin Innovation Fund	143,613	143,613
General Support	95,000	180,000
	<u>2,498,732</u>	<u>2,622,063</u>
Endowments:		
Subject to appropriations and expenditure when a specified event occurs	10,113,602	7,712,648
Restricted in perpetuity	8,641,882	8,641,882
	<u>18,755,484</u>	<u>16,354,530</u>
Total endowments	<u>\$ 21,254,216</u>	<u>\$ 18,976,593</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, 2021 and 2020, 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

Notes to Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020.

The Foundation has an endowment distribution policy that determines a maximum spending rate of 4.5% 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 \$1,232,161 and \$1,148,694 for 2021 and 2020, respectively.

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

As of December 31, 2021 and 2020, we had the following endowment net asset composition by type of fund:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,775,149	\$ -	\$ 1,775,149
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	-	10,113,602	10,113,602
	<u>\$ 1,775,149</u>	<u>\$ 18,755,484</u>	<u>\$ 20,530,633</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
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>

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,547,973	\$ 16,354,530	\$ 17,902,503
Investment return, net	658,358	3,201,933	3,860,291
Appropriation of endowment assets pursuant to spending-rate policy:	-	(800,979)	(800,979)
Other changes:			
Distribution from board-designated endowment pursuant to distribution policy	(431,182)	-	(431,182)
Endowment net assets, end of year	<u>\$ 1,775,149</u>	<u>\$ 18,755,484</u>	<u>\$ 20,530,633</u>

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
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>

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, 2021 and 2020 were \$90,006 and \$81,010, 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:

	2021	2020
Contributions	\$ 1,497,217	\$ 1,179,282
Donated services	147,038	227,136
Less expenses, including costs of direct benefits to donors of \$72,285 (2021) and \$59,945 (2020)	(447,509)	(436,842)
Special event revenue, net of expense	<u>\$ 1,196,746</u>	<u>\$ 969,576</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, 2021 and 2020 totaled \$92,510 and \$93,822, respectively. Future minimum lease payments are:

Years ending December 31:	
2022	\$ 84,984
2023	87,533
2024	90,159
2025	15,100

Chicago Public Library Foundation

Notes to Financial Statements

December 31, 2021 and 2020

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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,150,448	\$ 3,633,979
Accounts receivable	25,558	-
Accrued interest/dividends receivable	104,725	39,682
Pledges receivable	409,070	519,350
Investments available for general operations	<u>12,868,448</u>	<u>12,928,080</u>
Financial assets available to meet cash needs for general expenditures for one year	<u>\$ 18,558,249</u>	<u>\$ 17,121,091</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% 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 for the year ended December 31, 2020. 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 16, 2022, 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.

Subsequent to December 31, 2021, the investment markets have experienced significant volatility. It is highly likely that the values of the Foundation's investments have changed by material amounts since year end.

Chicago Public Library FoundationChanges in Net Assets With Donor Restrictions, Purpose Restrictions
Year Ended December 31, 2021

	Balance January 1, 2021	Contributions and Pledges Received	Special Event Revenue	Contribution Write-off	Net Assets Released From Restrictions	Balance December 31, 2021
Closing the Academic Opportunity Gap	\$ 981,956	\$ 712,299	\$ -	\$ -	\$ 556,020	\$ 1,138,235
Activating Connection & Creativity for All	246,111	323,925	-	-	384,972	185,064
Bridging the Digital Divide	492,487	111,500	-	-	233,152	370,835
Branch Programs	335,330	101,500	125,000	-	69,629	492,201
Other Library Programs	242,566	5,000	-	-	173,782	73,784
Frazin Innovation Fund	143,613	-	-	-	-	143,613
General Support	180,000	-	15,000	(20,000)	80,000	95,000
Total	\$ 2,622,063	\$ 1,254,224	\$ 140,000	\$ (20,000)	\$ 1,497,555	\$ 2,498,732

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, 2021

	Principal Balance at January 1, 2021	Contributions Received (Expended)	Principal Balance at December 31, 2021	Cumulative Available for Long-Term Investment *	Endowment Balance at December 31, 2021
Net Assets With Donor Restrictions					
Perpetual in Nature (Endowment)					
AON Corporation Fund	\$ 30,000	\$ -	\$ 30,000	\$ 37,072	\$ 67,072
Arthur Andersen Fund I	37,500	-	37,500	46,540	84,040
Arthur Andersen Fund II	37,500	-	37,500	46,540	84,040
Blum-Kovler Foundation Fund	1,000,000	-	1,000,000	1,240,887	2,240,887
City of Chicago Humanities Fund	138,920	-	138,920	172,522	311,442
CPLF Gala 1998	208,000	-	208,000	252,249	460,249
CPLF Sandburg Awards Dinner 2000	202,000	-	202,000	188,692	390,692
Arie & Ida Crown Memorial Fund	250,000	-	250,000	309,981	559,981
Gaylord & Dorothy Donnelley Foundation	100,000	-	100,000	123,425	223,425
First National Bank of Chicago	80,000	-	80,000	99,286	179,286
Friends of the Chicago Public Library	219,397	-	219,397	250,019	469,416
James S. Kemper Foundation Fund	75,000	-	75,000	93,040	168,040
Chauncey & Marion Deering McCormick Foundation	100,000	-	100,000	123,576	223,576
MacArthur Foundation Fund	1,250,000	-	1,250,000	1,551,837	2,801,837
NEH Challenge Grant	599,173	-	599,173	744,244	1,343,417
John Nuveen Fund	30,000	-	30,000	37,245	67,245
Albert Pick, Jr. Fund	750,000	-	750,000	929,982	1,679,982
Polk Bros. Foundation Fund	60,000	-	60,000	74,493	134,493
Prince Charitable Trusts Fund	150,000	-	150,000	186,204	336,204
Pritzker Foundation Fund I	1,000,000	-	1,000,000	1,170,416	2,170,416
Pritzker Foundation Fund II	1,000,000	-	1,000,000	817,557	1,817,557
Sagan/Hill Fund	20,000	-	20,000	24,343	44,343
Salomon Foundation Fund	50,000	-	50,000	62,055	112,055
Sears Family Literature Fund	150,000	-	150,000	181,912	331,912
WH Smith Fund	50,000	-	50,000	62,117	112,117
Stone Container Corporation Fund	30,000	-	30,000	37,190	67,190
United Airlines Fund	100,000	-	100,000	124,073	224,073
Madeline Block Willner Fund	50,000	-	50,000	62,082	112,082
Oprah Winfrey Fund	100,000	-	100,000	124,900	224,900
Laura Weber Bequest	774,392	-	774,392	939,123	1,713,515
Total net assets perpetual in nature	8,641,882	-	8,641,882	10,113,602	18,755,484
Net Assets Without Donor Restrictions					
Designated by the Board					
Friends of the Lincoln Park Branch Library	130,000	-	130,000	33,329	163,329
Gould Foundation	976,571	-	976,571	321,603	1,298,174
Jesse Jones Children's Charitable Remainder Trust	223,907	-	223,907	89,739	313,646
Total net assets designated by the Board	1,330,478	-	1,330,478	444,671	1,775,149
Total endowment funds	\$ 9,972,360	\$ -	\$ 9,972,360	\$ 10,558,273	\$ 20,530,633

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

Chicago Public Library Foundation

Allocation of 4.5% Spending Policy as Designated by the Board

Year Ended December 31, 2021

	General	For Books and/or Programs	Total Expendable
Net Assets With Donor Restrictions			
(Endowment Restricted in Perpetuity)			
AON Corporation Fund	\$ -	\$ 4,026	\$ 4,026
Arthur Andersen Fund I	-	5,044	5,044
Arthur Andersen Fund II	-	5,044	5,044
Blum-Kovler Foundation Fund	-	134,494	134,494
City of Chicago Humanities Fund	-	18,692	18,692
CPLF Gala 1998	-	27,623	27,623
CPLF Sandburg Awards Dinner 2000	21,010	2,439	23,449
Arie & Ida Crown Memorial Fund	-	33,609	33,609
Gaylord & Dorothy Donnelley Foundation	-	13,410	13,410
First National Bank of Chicago	-	10,760	10,760
Friends of the Library	-	28,173	28,173
James S. Kemper Foundation Fund	-	10,085	10,085
Chauncey & Marion Deering McCormick Foundation Fund	-	13,419	13,419
MacArthur Foundation Fund	168,161	-	168,161
NEH Challenge Grant	-	80,629	80,629
John Nuveen Fund	-	4,036	4,036
Albert Pick, Jr. Fund	-	100,831	100,831
Polk Bros. Foundation Fund	-	8,072	8,072
Prince Charitable Trusts Fund	-	20,178	20,178
Pritzker Foundation Fund I	130,264	-	130,264
Pritzker Foundation Fund II	109,086	-	109,086
Sagan/Hill Fund	2,661	-	2,661
Salomon Foundation Fund	-	6,725	6,725
Sears Family Literature Fund	-	19,921	19,921
WH Smith Fund	-	6,729	6,729
Stone Container Corporation Fund	-	4,033	4,033
United Airlines Fund	-	13,448	13,448
Madeline Block Willner Fund	-	6,727	6,727
Oprah Winfrey Fund	-	13,449	13,449
Laura Weber Bequest	-	102,842	102,842
	<u>431,182</u>	<u>694,438</u>	<u>1,125,620</u>
Board-Designated Net Assets Without Donor Restriction			
Friends of Lincoln Park Branch Library	-	9,803	9,803
Gould Foundation	-	77,914	77,914
Jesse O. Jones Children's Charitable Remainder Trust	-	18,824	18,824
	<u>-</u>	<u>106,541</u>	<u>106,541</u>
Total endowment income expendable	<u>\$ 431,182</u>	<u>\$ 800,979</u>	<u>\$ 1,232,161</u>