

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Consolidated Financial Statements and Schedules

December 31, 2007 and 2006

(With Independent Auditors' Report Thereon)



KPMG LLP  
303 East Wacker Drive  
Chicago, IL 60601-5212

## Independent Auditors' Report

The Boards of Directors  
Robert R. McCormick Tribune Foundation  
Cantigny Foundation  
Cantigny First Division Foundation  
McCormick Tribune Freedom Museum:

We have audited the accompanying consolidated statements of financial position of Robert R. McCormick Tribune Foundations: Robert R. McCormick Tribune Foundation, Cantigny Foundation, Cantigny First Division Foundation, and McCormick Tribune Freedom Museum (the Foundations) as of December 31, 2007 and 2006, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundations' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundations' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundations as of December 31, 2007 and 2006, and the consolidated change in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information in Schedules II through VII is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The consolidating information and other supplementary information referred to in this report have been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

**KPMG LLP**

July 31, 2008

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Consolidated Statements of Financial Position

December 31, 2007 and 2006

| Assets   | 2007             | 2006          |
|--|------------------|---------------|
| Cash and cash equivalents (note 3)             | \$ 763,780,238   | 12,573,834    |
| Investment securities (note 3):                |                  |               |
| Tribune Company common stock                   | —                | 962,884,215   |
| Other equities                                 | 385,645,803      | 58,451,764    |
| Fixed income                                   | 206,291,913      | 262,524,370   |
| Total investment securities                    | 591,937,716      | 1,283,860,349 |
| Accounts receivable                            | 5,399,481        | 2,444,340     |
| Program-related investments, at contract value | 519,830          | 538,448       |
| Other assets                                   | 556,237          | 465,916       |
| Land, buildings, equipment, and improvements:  |                  |               |
| Land (note 5)                                  | 1,217,744        | 378,744       |
| Buildings and improvements                     | 43,277,414       | 40,199,994    |
| Machinery, equipment, furniture and fixtures   | 10,096,844       | 9,445,261     |
| Land improvements                              | 12,468,957       | 11,955,359    |
| Other  | 3,663,565        | 3,663,565     |
| Construction in process                        | 1,748,832        | 500,838       |
|  | 72,473,356       | 66,143,761    |
| Less accumulated depreciation                  | (32,571,220)     | (28,630,299)  |
|  | 39,902,136       | 37,513,462    |
| Total assets                                   | \$ 1,402,095,638 | 1,337,396,349 |
| <b>Liabilities and Net Assets</b>              |                  |               |
| Liabilities:                                   |                  |               |
| Grants payable (note 4)                        | \$ 31,561,132    | 29,767,338    |
| Accounts payable and accrued expenses          | 4,486,768        | 3,483,731     |
| Total liabilities                              | 36,047,900       | 33,251,069    |
| Net assets:                                    |                  |               |
| Unrestricted (note 6)                          | 1,363,240,905    | 1,302,141,504 |
| Permanently restricted (note 5)                | 2,806,833        | 2,003,776     |
| Total net assets                               | 1,366,047,738    | 1,304,145,280 |
| Total liabilities and net assets               | \$ 1,402,095,638 | 1,337,396,349 |

See accompanying notes to consolidated financial statements.

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Consolidated Statements of Activities  
Years ended December 31, 2007 and 2006

|  | <u>2007</u>             | <u>2006</u>          |
|--|-------------------------|----------------------|
| Change in unrestricted net assets:   |                         |                      |
| Revenue:   |                         |                      |
| Dividends and interest on invested balances:   |                         |                      |
| Tribune Company dividends  | \$ 5,630,902            | 26,123,785           |
| Other dividends and interest   | 29,334,017              | 8,004,399            |
| Interest on bank accounts  | 348,803                 | 440,274              |
| Contributions (note 6)   | 15,675,596              | 23,312,133           |
| Net gain on sales of investments   | 1,071,676,770           | 323,077,459          |
| Golf operations  | 5,679,908               | 5,084,600            |
| Park operations  | 490,883                 | 463,806              |
| Other income   | 278,471                 | 264,508              |
| Total revenue  | <u>1,129,115,350</u>    | <u>386,770,964</u>   |
| Expenses:  |                         |                      |
| Employees' salaries and benefits (note 7)  | 14,347,215              | 13,755,331           |
| Fund-raising program expenses  | 887,906                 | 1,101,728            |
| McCormick Tribune Conference Series (note 8)   | 886,067                 | 747,537              |
| Food and retail merchandise  | 1,062,921               | 957,611              |
| Supplies   | 1,283,031               | 1,233,808            |
| Maintenance and repairs  | 531,576                 | 613,911              |
| Real estate taxes and insurance  | 590,078                 | 517,669              |
| Professional fees  | 8,438,677               | 1,135,680            |
| Rent and utilities   | 2,872,561               | 2,499,204            |
| Outside services   | 1,496,364               | 1,081,871            |
| Business meetings and travel   | 589,496                 | 833,094              |
| Depreciation expense   | 4,435,856               | 3,898,953            |
| Programs and exhibits  | 902,380                 | 542,590              |
| Directors' fees  | 275,000                 | 275,000              |
| Other expenses   | 50,639                  | 694,149              |
| Total expenses   | <u>38,649,767</u>       | <u>29,888,136</u>    |
| Revenue in excess of expenses  | 1,090,465,583           | 356,882,828          |
| Grants approved  | <u>(52,389,951)</u>     | <u>(62,518,862)</u>  |
| Excess of revenue over expenses before change in<br>unrealized net gain on investments | 1,038,075,632           | 294,363,966          |
| Change in unrealized net gain on investments   | <u>(976,976,231)</u>    | <u>(281,375,719)</u> |
| Increase in unrestricted net assets  | 61,099,401              | 12,988,247           |
| Permanently restricted contribution (note 5)   | <u>803,057</u>          | <u>2,003,776</u>     |
| Change in net assets   | 61,902,458              | 14,992,023           |
| Net assets, beginning of year  | <u>1,304,145,280</u>    | <u>1,289,153,257</u> |
| Net assets, end of year  | <u>\$ 1,366,047,738</u> | <u>1,304,145,280</u> |

See accompanying notes to consolidated financial statements.

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Consolidated Statements of Cash Flows

Years ended December 31, 2007 and 2006

|   | 2007            | 2006            |
|---|-----------------|-----------------|
| Cash flows from operating activities:   |                 |                 |
| Increase in net assets  | \$ 61,902,458   | 14,992,023      |
| Adjustments to reconcile increase in net assets to net cash used in operating activities: |                 |                 |
| Net gain on sales of investments  | (1,071,676,770) | (323,077,459)   |
| Change in unrealized net gain on investments  | 976,976,231     | 281,375,719     |
| Depreciation  | 4,435,856       | 3,898,953       |
| Permanently restricted contribution   | (803,057)       | (2,003,776)     |
| Net amortization of bond (premium) discount   | (1,063,869)     | 1,851,462       |
| Donation of fixed assets  | (839,000)       | —               |
| Changes in assets and liabilities:  |                 |                 |
| Decrease in investment securities sale proceeds receivable                                | —               | 30,439,065      |
| Increase in accounts receivable and other current assets                                  | (3,045,462)     | (2,260,948)     |
| Increase (decrease) in grants payable   | 1,793,794       | (15,128,779)    |
| Increase (decrease) in accounts payable and accrued expenses                              | 1,003,037       | (2,768,796)     |
| Net cash used in operating activities   | (31,316,782)    | (12,682,536)    |
| Cash flows from investing activities:   |                 |                 |
| Proceeds from disposition of investment securities  | 1,571,349,826   | 1,072,612,706   |
| Purchases of investment securities  | (784,157,720)   | (1,042,402,035) |
| Repayment of program-related investments  | 18,618          | 6,023           |
| Purchases of equipment and improvements   | (5,490,595)     | (6,969,722)     |
| Net cash provided by investing activities   | 781,720,129     | 23,246,972      |
| Cash flows from financing activities:   |                 |                 |
| Permanently restricted contribution   | 803,057         | 2,003,776       |
| Net increase in cash and cash equivalents   | 751,206,404     | 12,568,212      |
| Cash and cash equivalents, beginning of year  | 12,573,834      | 5,622           |
| Cash and cash equivalents, end of year  | \$ 763,780,238  | 12,573,834      |

See accompanying notes to consolidated financial statements.

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

### (1) Organization

The Robert R. McCormick Tribune Foundations (the Foundations) include the following four foundations:

**Robert R. McCormick Tribune Foundation (McCormick Tribune)** was established under provisions in the last will and testament of Colonel Robert R. McCormick and is organized under the General Not-for-Profit Corporation Act of Illinois. McCormick Tribune's primary mission is to advance the ideals of a free democratic society by investing in our children, communities, and country. McCormick Tribune's operations are supported primarily by investment income and contributions from the general public in support of its communities programs (see note 6). Grants made by McCormick Tribune to further its stated mission have been, to date, limited to organizations operating within the Western Hemisphere.

**Cantigny Foundation (Cantigny)** was established by Article Eight of the last will and testament of Colonel Robert R. McCormick and is organized under the General Not-For-Profit Corporation Act of Illinois. The last will and testament provided that Colonel McCormick's former residence and 500 acres of land (see note 5) near Wheaton, Illinois be held in trust in perpetuity as a museum and public park. Cantigny's operations are supported primarily by fees from the general public for use of its facilities, investment income, and grants from McCormick Tribune.

**Cantigny First Division Foundation (First Division)** is an Illinois corporation organized under the General Not-for-Profit Corporation Act of Illinois. First Division has operational responsibility for the First Division Museum at Cantigny, located on the estate of the late Colonel Robert R. McCormick. The museum facilities are owned by Cantigny and are used primarily for the exhibition of memorabilia of the First Infantry Division of the United States Army. In addition, First Division maintains affiliations with the Society of the First Division and the United States Army for the mutual benefit of all three organizations. First Division's operations are supported primarily by grants from McCormick Tribune.

**McCormick Tribune Freedom Museum (Freedom Museum)** is an Illinois corporation organized under the General Not-for-Profit Corporation Act of Illinois. Freedom Museum commenced operations in 2006 of a museum at the base of the Tribune Tower on Michigan Avenue in Chicago, Illinois. The Museum honors American freedoms. The Freedom Museum's operations are supported by fees from the general public for use of its facilities and grants from McCormick Tribune.

Five members of the Board of Directors serve on the Boards of each of the four Foundations. These five members are active or former senior executives of the Tribune Company.

### (2) Summary of Significant Accounting Policies

The financial statements of the Foundations have been prepared on the accrual basis of accounting. The more significant accounting policies used by the Foundations are as follows:

#### (a) *Basis of Presentation*

- The Foundations' financial statements have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. The net assets and related activity of the Foundations are classified as unrestricted if they are not subject to donor-imposed restrictions. Net assets and related activity subject to donor-imposed restrictions are classified as either permanently or temporarily restricted,

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

based on the donors' stipulations. The Foundations have no temporarily restricted net assets at December 31, 2007 and 2006.

**(b) *Investment Securities***

Investment securities are presented in the financial statements at fair value. Fair value of investments is determined based on quoted market prices.

**(c) *Revenue***

Revenue is reported as an increase in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets.

Private gifts are recognized in the period received.

Revenue from golf and park operations is recognized as earned when the goods and services are provided to customers.

**(d) *Land, Buildings, Equipment, and Improvements***

Additions to land, buildings, equipment, and improvements are capitalized and depreciated using the straight-line method over estimated useful lives, which range from three to forty years.

**(e) *Grants***

Unconditional grants are expensed when approved by the Board of Directors and designated for specific grantees.

**(f) *Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(g) *Publicly Supported Charity Status***

The Internal Revenue Service (IRS) has determined that the Foundations have all met the conditions described in Section 509(a)(1) or 509(a)(2) (publicly supported charity) of the Internal Revenue Code (the Code). The Foundations are deemed tax-exempt charities under Section 501(c)(3) of the Code, and, except for unrelated business income, are not subject to federal excise taxes or minimum distribution requirements. No provision has been made for income taxes in the accompanying financial statements as the Foundations had no significant unrelated business income.

**(h) *Cash and Cash Equivalents***

The Foundations consider all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Notes to Consolidated Financial Statements

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Cash and cash equivalents include \$55,000,000 of funds transferred to investment managers prior to the end of 2007 for the purchase of alternative investments. As of December 31, 2007, these investments had not yet taken place and the funds remained in cash. In January 2008, the cash was invested in the following alternative funds: \$15,000,000 with Convexity Capital, \$15,000,000 with Eton Park Capital, and \$25,000,000 with Farallon Capital.

*(i) Program-Related Investments*

McCormick Tribune makes investments that are related to its philanthropic programs. These investments are anticipated to have a less than fair market value return and are recorded net of appropriate reserves for collectibility.

*(j) Collections*

The Foundations' permanent collections, which were acquired through purchases and contributions from benefactors since the Foundations' inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired.

The Foundations' collections are made up of artifacts of historical significance and art objects that are held for educational, research, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their conditions are performed continuously. The collections are subject to the Foundations' policy that allows proceeds from their sales or insurance recoveries to be used to acquire other items for collections or to be recorded as increases in net assets.

*(k) Reclassifications*

Certain 2006 amounts have been reclassified in order to provide the financial information on a basis consistent with 2007 presentation.

**(3) Investment Securities**

The Boards of Directors have approved the investments of the Foundations based upon advice provided by independent investment counselors. The following is a summary of cost and approximate fair values of the investment securities as of December 31, 2007 and 2006:

|                              | 2007                  |                    | 2006                 |                    |
|------------------------------|-----------------------|--------------------|----------------------|--------------------|
|                              | Fair value            | Cost               | Fair value           | Cost               |
| Tribune Company common stock | \$ —                  | —                  | 962,884,215          | 7,182,983          |
| Other equities               | 385,645,803           | 408,510,140        | 58,451,764           | 262,396,836        |
| Fixed income                 | 206,291,913           | 201,958,652        | 262,524,370          | 55,835,373         |
|                              | <u>\$ 591,937,716</u> | <u>610,468,792</u> | <u>1,283,860,349</u> | <u>325,415,192</u> |

In 2007, the Tribune Company completed a merger agreement that converted the publicly owned corporation to a privately held entity. Per the terms of the merger agreement all of the remaining shares of



**ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS**

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

Tribune Company owned by the Foundations were tendered prior to year end. As a result of the sale, the unrealized gain recognized in prior years of approximately \$955 million is included in the net gain on sale of investments in the 2007 statement of activities.

Other equities include permanently restricted assets of \$1,967,833 and \$2,003,776 as of December 31, 2007 and 2006, respectively. See note 5 for further explanation.

**(4) Commitments**

*(a) Grant Commitments*

The Board of Directors of McCormick Tribune has approved various unconditional grants, which are payable in annual installments. The commitments outstanding at December 31, 2007 are scheduled for payment as follows:

|                          | <u>Amount</u>        |
|--------------------------|----------------------|
| Year ending December 31: |                      |
| 2008                     | \$ 15,217,257        |
| 2009                     | 7,992,500            |
| 2010                     | 2,590,375            |
| 2011                     | 1,526,000            |
| 2012                     | 2,677,000            |
| 2013                     | 581,000              |
| 2014                     | 751,000              |
| 2015                     | 226,000              |
|                          | <u>\$ 31,561,132</u> |

*(b) Lease Commitments*

Freedom Museum has signed a ten-year operating lease with the Tribune Company for space in the Tribune Tower. The lease includes termination options on February 28, 2009 and February 28, 2012. Annual lease commitments are as follows:

|                          | <u>Amount</u>        |
|--------------------------|----------------------|
| Year ending December 31: |                      |
| 2008                     | \$ 1,702,971         |
| 2009                     | 1,737,030            |
| 2010                     | 1,771,770            |
| 2011                     | 1,807,206            |
| 2012                     | 1,843,350            |
| Thereafter               | 4,118,723            |
|                          | <u>\$ 12,981,050</u> |

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

### Notes to Consolidated Financial Statements

December 31, 2007 and 2006

#### (5) Permanently Restricted Assets

The last will and testament of Colonel Robert R. McCormick provided that Colonel McCormick's former residence and 500 acres of land near Wheaton, Illinois be held in trust in perpetuity as a museum and public park, thus establishing Cantigny Foundation. The original cost basis of the residence and 500 acres were not recorded when received in 1955. The original cost basis for the 500 acres of land has been recorded and is reflected in the financial statements as an \$839,000 increase to permanently restricted net assets.

In 2006, McCormick Tribune received a permanently restricted endowment from the Frances Bioff Trust in the amount of \$2,003,776. Income from the endowment is to be used for the sole benefit of abandoned and impoverished children. In 2007, the Frances Bioff Trust presented the Foundation with additional professional service fees and back taxes pertaining to the final settlement of the estate that reduced the permanently restricted endowment by \$35,943.

#### (6) Communities Programs

During 2007 and 2006, various fund-raising programs were conducted by McCormick Tribune. Current programs are designed to combine the charitable efforts of McCormick Tribune and various corporate entities primarily owned by the Tribune Company. The purpose of each program is to increase local philanthropy in the communities in which these corporate entities operate, and as such, each program is designed to attract contributions from the local general public. The communities programs consisted of 34 active funds operating in 22 and 23 different metropolitan areas throughout the United States as of December 31, 2007 and 2006, respectively. As an incentive to maximize contributions to the programs, challenges are issued by McCormick Tribune to the general public. Matching amounts are transferred to the communities programs from McCormick Tribune based upon the attainment of predetermined goals within a specified period of time.

McCormick Tribune manages the accumulation and investment of outside and communities program contributions. Although there are general purpose limitations on the disposition of contributions received, McCormick Tribune retains complete discretion in determining specific third-party beneficiaries. Undistributed contributions received, including matching amounts transferred to the communities programs, totaling approximately \$23,487,000 and \$23,384,000 are included as a component of unrestricted net assets in the consolidated statements of financial position at December 31, 2007 and 2006, respectively.

#### (7) Employee Benefits

All eligible employees and their dependents, as defined, of the Foundations are provided medical benefits under one plan. The plan is partially self-funded and the administration is provided through a third-party claims administrator. Claims expenses on the self-funded portion for the Foundations' employees totaled approximately \$198,000 and \$179,000 for 2007 and 2006, respectively.

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

### Notes to Consolidated Financial Statements

December 31, 2007 and 2006

The Foundations have established a defined contribution pension plan. Employer contributions calculated and funded quarterly are equal to 8% of each participant's quarterly compensation plus an additional 4% of such compensation in excess of \$17,100 and \$16,500 for 2007 and 2006, respectively. All eligible employees at the date of plan inception became 100% vested. All future participants become vested in equal percentages over a three-year period. Permanent forfeitures, as defined, are used to reduce future employer contributions.

All eligible employees are also offered retirement benefits under a 403(b)(7) matching plan. Employer contributions calculated and funded quarterly are based on a specified percentage of amounts invested by employees. Employer contributions under the matching plan will not exceed 6% of any employee's annual salary in any plan year. All participants become vested in equal percentages over a three-year period.

Beginning in 2003, eligible highly compensated employees were offered quarterly retirement benefits under a 457(b) deferred compensation plan. Quarterly employer contributions to the plan match on a dollar-for-dollar basis employee investments up to 35% of the applicable 403(b) limit (\$5,425 in 2007). Participants are fully vested in employer contributions that have been paid.

Employer contributions for employees of the Foundations under the defined contribution plan, the 403(b)(7) matching plan, and the 457(b) deferred compensation plan totaled \$1,303,631 and \$1,294,659 in 2007 and 2006, respectively.

In 2000, Cantigny established an Executive Mutual Fund Option Plan (Option Plan) for certain employees of the Foundations. Under the terms of the Option Plan, the employees forgo salary in return for options on various third-party mutual funds. Cantigny is the writer of these options, which are exercisable at any time between January 1, 2001 and January 9, 2012. Cantigny has hedged the economic risk associated with the written options by purchasing shares of the various mutual funds underlying the outstanding options. As of December 31, 2007 and 2006, the fair value of the option liability was approximately \$174,100 and \$204,900, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

#### **(8) McCormick Tribune Conference Series**

The McCormick Tribune Conference Series (Series) provides a forum for the meaningful exchange of ideas to further the charitable purposes of the four Foundations. Series expenses include, but are not limited to, certain outside services and reimbursement to participants for travel, lodging, and meals.

#### **(9) Subsequent Event**

On May 15, 2008, the Board of Directors of the McCormick Tribune Foundation voted to change the organization's name to the McCormick Foundation. The name change clarifies that the Foundation no longer holds an ownership position in Tribune Company. This action by the Board of Directors also changed the name of the McCormick Tribune Freedom Museum to the McCormick Freedom Museum.

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

## Schedule of Grant Approvals

Year ended December 31, 2007

| Program                            | Number of<br>grants | Total amount<br>of grants<br>approved |
|------------------------------------|---------------------|---------------------------------------|
| Communities programs:              |                     |                                       |
| Baltimore Sun Charities            | 6                   | \$ 60,000                             |
| Chicago Tribune Charities          | 3                   | 300,000                               |
| Chicago Tribune Holiday Campaign   | 173                 | 4,602,000                             |
| Courant Community Fund             | 1                   | 40,000                                |
| Courant/Fox 61 Children's Holiday  | 6                   | 57,000                                |
| Daily Press Holiday Fund           | 16                  | 210,500                               |
| LA Times Family Fund               | 113                 | 2,531,905                             |
| LA Times Family/KTLA Fire Relief   | 6                   | 482,000                               |
| Manhattan Yes Fund                 | 16                  | 312,000                               |
| Morning Call                       | 19                  | 88,000                                |
| Newsday Charities                  | 34                  | 835,000                               |
| North County Times Charities Fund  | 43                  | 261,000                               |
| North County Times/CW5 Fire Relief | 4                   | 155,000                               |
| Orlando Sentinel Family Fund       | 15                  | 372,000                               |
| Orlando Sentinel Holiday           | 33                  | 1,044,000                             |
| Post/News Charities                | 30                  | 499,500                               |
| Post/News Season to Share          | 63                  | 1,790,000                             |
| Sun Sentinel Children's Fund       | 115                 | 2,275,500                             |
| ABC 26/CW 38 Children First        | 8                   | 410,000                               |
| CLTV Kids Charities                | 9                   | 189,313                               |
| CW Cares for Kids                  | 19                  | 559,000                               |
| CW2 Gives Fund                     | 26                  | 773,000                               |
| CW11 Cares for Kids                | 7                   | 425,000                               |
| CW33 Kids Fund                     | 26                  | 550,500                               |
| CW39 Cares for Kids                | 6                   | 180,000                               |
| Fox 40 Helping Hand Fund           | 16                  | 177,600                               |
| Fox 43 Charities                   | 14                  | 124,000                               |
| Fox 59/WB4 Community Fund          | 8                   | 243,000                               |
| Fox 61 Family Fund                 | 9                   | 139,000                               |
| KTLA Charities                     | 33                  | 515,000                               |
| Myphl17 Cares Fund                 | 7                   | 213,000                               |
| Q-13 Fox Family Fund               | 5                   | 138,000                               |
| WGN Radio 720 Neediest Kids Fund   | 51                  | 680,000                               |
| WGN-TV Children's Charities        | 10                  | 515,000                               |
| Cavaliers Charities                | 47                  | 1,033,000                             |
| Colorado Rockies Charity Fund      | 30                  | 515,000                               |
| Cubs Care                          | 52                  | 1,288,000                             |
| Ducks Care                         | 28                  | 285,000                               |
| Orlando Magic Youth Foundation     | 27                  | 668,500                               |
| General Fund                       | 185                 | 26,853,633                            |
| Total                              | 1,319               | \$ 52,389,951                         |

See accompanying independent auditors' report

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Financial Position Information

December 31, 2007

| Assets   | Robert R. McCormick Tribune Foundation | Cantigny Foundation | Cantigny First Division Foundation | McCormick Tribune Freedom Museum | Eliminations | Consolidated Total |
|--|--|---------------------|------------------------------------|----------------------------------|--------------|--------------------|
| Cash and cash equivalents                      | \$ 685,154,260                         | 78,436,275          | 189,703                            | —                                | —            | 763,780,238        |
| Investment securities:                         |  |                     |                                    |                                  |              |                    |
| Equities                                       | 337,051,186                            | 46,454,688          | 2,139,929                          | —                                | —            | 385,645,803        |
| Fixed income                                   | 181,019,512                            | 25,272,401          | —                                  | —                                | —            | 206,291,913        |
| Total investment securities                    | 518,070,698                            | 71,727,089          | 2,139,929                          | —                                | —            | 591,937,716        |
| Accounts receivable                            | 4,586,154                              | 812,395             | 25                                 | 907                              | —            | 5,399,481          |
| Program-related investments, at contract value | 519,830                                | —                   | —                                  | —                                | —            | 519,830            |
| Other assets                                   | —                                      | 434,254             | 19,904                             | 102,079                          | —            | 556,237            |
| Land, buildings, equipment, and improvements:  |  |                     |                                    |                                  |              |                    |
| Land   | —                                      | 1,217,744           | —                                  | —                                | —            | 1,217,744          |
| Buildings and improvements                     | 2,016,715                              | 33,846,870          | 41,711                             | 7,372,118                        | —            | 43,277,414         |
| Machinery, equipment, furniture and fixtures   | 333,303                                | 4,265,373           | —                                  | 5,498,168                        | —            | 10,096,844         |
| Land improvements                              | —                                      | 12,468,957          | —                                  | —                                | —            | 12,468,957         |
| Other  | —                                      | 3,651,882           | 11,683                             | —                                | —            | 3,663,565          |
| Construction in process                        | —                                      | 1,606,853           | 141,596                            | 383                              | —            | 1,748,832          |
| Less accumulated depreciation                  | 2,350,018                              | 57,057,679          | 194,990                            | 12,870,669                       | —            | 72,473,356         |
|  | (1,370,098)                            | (27,484,362)        | (52,384)                           | (3,664,376)                      | —            | (32,571,220)       |
| Due from affiliated organizations              | 979,920                                | 29,573,317          | 142,606                            | 9,206,293                        | —            | 39,902,136         |
| Total assets                                   | \$ 1,209,310,862                       | 186,503,075         | 2,492,167                          | 9,309,279                        | (5,519,745)  | 1,402,095,638      |
| Liabilities and Net Assets                     |  |                     |                                    |                                  |              |                    |
| Liabilities:                                   |  |                     |                                    |                                  |              |                    |
| Grants payable                                 | \$ 31,561,132                          | —                   | —                                  | —                                | —            | 31,561,132         |
| Accounts payable and accrued expenses          | 1,175,751                              | 2,845,761           | 139,289                            | 325,967                          | —            | 4,486,768          |
| Due to affiliated organizations                | 4,149,294                              | —                   | 805,279                            | 565,172                          | (5,519,745)  | —                  |
| Total liabilities                              | 36,886,177                             | 2,845,761           | 944,568                            | 891,139                          | (5,519,745)  | 36,047,900         |
| Net assets:                                    |  |                     |                                    |                                  |              |                    |
| Unrestricted                                   | 1,170,456,832                          | 182,818,314         | 1,547,599                          | 8,418,140                        | —            | 1,363,240,905      |
| Permanently restricted                         | 1,967,833                              | 839,000             | —                                  | —                                | —            | 2,806,833          |
| Total net assets                               | 1,172,424,685                          | 183,657,314         | 1,547,599                          | 8,418,140                        | —            | 1,366,047,738      |
| Total liabilities and net assets               | \$ 1,209,310,862                       | 186,503,075         | 2,492,167                          | 9,309,279                        | (5,519,745)  | 1,402,095,638      |

See accompanying independent auditors' report

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

## Consolidating Statement of Financial Position Information

December 31, 2006

| Assets   | Robert R. McCormick Tribune Foundation | Cantigny Foundation | Cantigny First Division Foundation | McCormick Tribune Freedom Museum | Eliminations | Consolidated Total |
|--|--|---------------------|------------------------------------|----------------------------------|--------------|--------------------|
| Cash and cash equivalents                      | \$ 11,396,649                          | 1,176,185           | —                                  | 1,000                            | —            | 12,573,834         |
| Investment securities:                         |  |                     |                                    |                                  |              |                    |
| Tribune Company common stock                   | 862,572,195                            | 100,312,020         | —                                  | —                                | —            | 962,884,215        |
| Other equities                                 | 50,256,553                             | 6,087,452           | 2,107,759                          | —                                | —            | 58,451,764         |
| Fixed income                                   | 234,484,906                            | 28,039,464          | —                                  | —                                | —            | 262,524,370        |
| Total investment securities                    | 1,147,313,654                          | 134,438,936         | 2,107,759                          | —                                | —            | 1,283,860,349      |
| Accounts receivable                            | 2,059,525                              | 384,315             | 500                                | —                                | —            | 2,444,340          |
| Program-related investments, at contract value | 538,448                                | —                   | —                                  | 83,127                           | —            | 538,448            |
| Other assets                                   | —                                      | 369,482             | 13,307                             | —                                | —            | 465,916            |
| Land, buildings, equipment, and improvements:  |  |                     |                                    |                                  |              |                    |
| Land   | —                                      | 378,744             | —                                  | —                                | —            | 378,744            |
| Buildings and improvements                     | 1,772,498                              | 31,138,925          | 41,711                             | 7,246,860                        | —            | 40,199,994         |
| Machinery, equipment, furniture and fixtures   | 175,387                                | 3,885,441           | —                                  | 5,384,433                        | —            | 9,445,261          |
| Land improvements                              | —                                      | 11,955,359          | —                                  | —                                | —            | 11,955,359         |
| Other  | —                                      | 3,651,882           | 11,683                             | —                                | —            | 3,663,565          |
| Construction in process                        | 3,094                                  | 488,500             | —                                  | 9,244                            | —            | 500,838            |
| Less accumulated depreciation                  | 1,950,979                              | 51,498,851          | 53,394                             | 12,640,537                       | —            | 66,143,761         |
|  | (1,153,811)                            | (25,616,103)        | (50,297)                           | (1,810,088)                      | —            | (28,630,299)       |
| Due from affiliated organizations              | 797,168                                | 25,882,748          | 3,097                              | 10,830,449                       | —            | 37,513,462         |
| Total assets                                   | \$ 1,162,105,444                       | 165,951,514         | 2,124,663                          | 10,914,576                       | (3,699,848)  | 1,337,396,349      |
| Liabilities and Net Assets                     |  |                     |                                    |                                  |              |                    |
| Liabilities:                                   |  |                     |                                    |                                  |              |                    |
| Grants payable                                 | \$ 29,767,338                          | —                   | —                                  | —                                | —            | 29,767,338         |
| Accounts payable and accrued expenses          | 800,430                                | 2,260,521           | 139,075                            | 283,705                          | —            | 3,483,731          |
| Due to affiliated organizations                | 2,667,805                              | —                   | 389,654                            | 642,389                          | (3,699,848)  | —                  |
| Total liabilities                              | 33,235,573                             | 2,260,521           | 528,729                            | 926,094                          | (3,699,848)  | 33,251,069         |
| Net assets:                                    |  |                     |                                    |                                  |              |                    |
| Unrestricted                                   | 1,126,866,095                          | 163,690,993         | 1,595,934                          | 9,988,482                        | —            | 1,302,141,504      |
| Permanently restricted                         | 2,003,776                              | —                   | —                                  | —                                | —            | 2,003,776          |
| Total net assets                               | 1,128,869,871                          | 163,690,993         | 1,595,934                          | 9,988,482                        | —            | 1,304,145,280      |
| Total liabilities and net assets               | \$ 1,162,105,444                       | 165,951,514         | 2,124,663                          | 10,914,576                       | (3,699,848)  | 1,337,396,349      |

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Activities Information

Year ended December 31, 2007

|  | Robert R. McCormick Tribune Foundation | Cantigny Foundation | Cantigny First Division Foundation | McCormick Tribune Freedom Museum | Eliminations | Consolidated Total |
|--|--|---------------------|------------------------------------|----------------------------------|--------------|--------------------|
| Change in unrestricted net assets:   |  |                     |                                    |                                  |              |                    |
| Revenue:   |  |                     |                                    |                                  |              |                    |
| Dividends and interest on invested balances:   |  |                     |                                    |                                  |              |                    |
| Tribune Company dividends  | 5,044,282                              | 586,620             | —                                  | —                                | —            | 5,630,902          |
| Other dividends and interest   | 24,979,722                             | 4,312,091           | 42,204                             | —                                | —            | 29,334,017         |
| Interest on bank accounts  | 291,487                                | 57,316              | —                                  | —                                | —            | 348,803            |
| Contributions  | 15,675,596                             | —                   | —                                  | —                                | —            | 15,675,596         |
| Net gain on sales of investments   | 963,073,581                            | 108,603,189         | —                                  | —                                | —            | 1,071,676,770      |
| Golf operations  | —                                      | 5,679,908           | —                                  | —                                | —            | 5,679,908          |
| Museum and park operations   | —                                      | 365,406             | 52,300                             | 73,177                           | —            | 490,883            |
| Other income   | 4,195                                  | 120,774             | 7,216                              | 146,286                          | —            | 278,471            |
| Total revenue  | 1,009,068,863                          | 119,725,304         | 101,720                            | 219,463                          | —            | 1,129,115,350      |
| Expenses:  |  |                     |                                    |                                  |              |                    |
| Employees' salaries and benefits   | 4,334,615                              | 6,922,326           | 1,665,567                          | 1,424,707                        | —            | 14,347,215         |
| Fund-raising program expenses  | 887,906                                | —                   | —                                  | —                                | —            | 887,906            |
| McCormick Tribune Conference Series  | —                                      | 886,067             | —                                  | —                                | —            | 886,067            |
| Food and retail merchandise  | 1,051,962                              | 1,051,962           | 10,959                             | —                                | —            | 1,062,921          |
| Supplies   | 162,020                                | 965,515             | 105,152                            | 50,344                           | —            | 1,283,031          |
| Maintenance and repairs  | 67,021                                 | 358,647             | 65,423                             | 40,485                           | —            | 531,576            |
| Real estate taxes and insurance  | 55,414                                 | 507,084             | 16,021                             | 11,559                           | —            | 590,078            |
| Professional fees  | 7,535,125                              | 564,014             | 140,193                            | 199,345                          | —            | 8,438,677          |
| Rent and utilities   | 385,470                                | 517,607             | 109,247                            | 1,860,237                        | —            | 2,872,561          |
| Outside services   | 555,306                                | 498,976             | 245,470                            | 196,612                          | —            | 1,496,364          |
| Business meetings and travel   | 321,440                                | 84,428              | 106,579                            | 77,049                           | —            | 589,496            |
| Depreciation expense   | 216,287                                | 2,363,194           | 2,087                              | 1,854,288                        | —            | 4,435,856          |
| Programs and exhibits  | 152,057                                | 229,895             | 285,066                            | 387,419                          | —            | 902,380            |
| Directors' fees  | 10,000                                 | 37,917              | 37,611                             | 25,354                           | —            | 275,060            |
| Other expenses   | —                                      | 37,917              | 1,163                              | 1,559                            | —            | 50,639             |
| Total expenses   | 14,582,661                             | 15,047,610          | 2,790,538                          | 6,128,958                        | —            | 38,649,767         |
| Revenue in excess (deficiency) of expenses   | 994,386,202                            | 104,677,694         | (2,688,818)                        | (5,909,495)                      | —            | 1,090,465,583      |
| Grants approved  | (75,816,662)                           | —                   | 2,573,304                          | 4,339,153                        | 23,426,711   | (52,389,951)       |
| Contributions from the Robert R. McCormick Tribune Foundation                              | —                                      | —                   | —                                  | —                                | (23,426,711) | —                  |
| Excess of revenue over expenses before change in unrealized net gain (loss) on investments | 918,569,540                            | 121,191,948         | (115,514)                          | (1,570,342)                      | —            | 1,038,075,632      |
| Change in unrealized net gain (loss) on investments  | (874,978,783)                          | (102,064,627)       | 67,179                             | —                                | —            | (976,976,231)      |
| Increase (decrease) in unrestricted net assets   | 43,590,757                             | 19,127,321          | (48,335)                           | (1,570,342)                      | —            | 61,099,401         |
| Permanently restricted contribution (reduction)  | (35,943)                               | 839,000             | —                                  | —                                | —            | 803,057            |
| Change in net assets   | 43,554,814                             | 19,966,321          | (48,335)                           | (1,570,342)                      | —            | 61,902,458         |
| Net assets, beginning of year  | 1,128,869,871                          | 163,690,993         | 1,595,934                          | 9,988,482                        | —            | 1,304,145,280      |
| Net assets, end of year  | 1,172,424,685                          | 183,657,314         | 1,547,599                          | 8,418,140                        | —            | 1,366,047,738      |

See accompanying independent auditors' report

ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Activities Information

Year ended December 31, 2006

|  | Robert R. McCormick Tribune Foundation | Cantigny Foundation | Cantigny First Division Foundation | McCormick Tribune Freedom Museum | Eliminations | Consolidated Total |
|--|--|---------------------|------------------------------------|----------------------------------|--------------|--------------------|
| Change in unrestricted net assets:   |  |                     |                                    |                                  |              |                    |
| Revenue:   |  |                     |                                    |                                  |              |                    |
| Dividends and interest on invested balances:   |  |                     |                                    |                                  |              |                    |
| Tribune Company dividends  | 23,402,257                             | 2,721,528           | —                                  | —                                | —            | 26,123,785         |
| Other dividends and interest   | 6,969,376                              | 1,010,239           | 24,784                             | —                                | —            | 8,004,399          |
| Interest on bank accounts  | 417,497                                | 22,777              | —                                  | —                                | —            | 440,274            |
| Contributions  | 23,312,133                             | —                   | —                                  | —                                | —            | 23,312,133         |
| Net gain on sales of investments   | 289,449,125                            | 33,628,334          | —                                  | —                                | —            | 323,077,459        |
| Golf operations  | —                                      | 5,084,600           | —                                  | —                                | —            | 5,084,600          |
| Museum and park operations   | —                                      | 343,480             | 37,269                             | 83,057                           | —            | 463,806            |
| Other income   | 81,550                                 | 85,585              | 18,282                             | 79,091                           | —            | 264,508            |
| Total revenue  | 343,631,938                            | 42,896,543          | 80,335                             | 162,148                          | —            | 386,770,964        |
| Expenses:  |  |                     |                                    |                                  |              |                    |
| Employees' salaries and benefits   | 4,271,055                              | 6,724,641           | 1,385,558                          | 1,374,077                        | —            | 13,755,331         |
| Fund-raising program expenses  | 1,101,728                              | —                   | —                                  | —                                | —            | 1,101,728          |
| McCormick Tribune Conference Series  | —                                      | 747,537             | 7,622                              | 92                               | —            | 747,537            |
| Food and retail merchandise  | 205,290                                | 875,484             | 81,496                             | 78,902                           | —            | 1,233,808          |
| Supplies   | 102,970                                | 401,817             | 10,145                             | 12,352                           | —            | 613,911            |
| Maintenance and repairs  | 50,924                                 | 444,248             | 10,145                             | 12,352                           | —            | 517,669            |
| Real estate taxes and insurance  | 803,873                                | 144,392             | 42,521                             | 144,894                          | —            | 1,135,680          |
| Professional fees  | 371,677                                | 328,155             | 68,028                             | 1,731,344                        | —            | 2,499,204          |
| Rent and utilities   | 58,780                                 | 334,551             | 103,112                            | 585,428                          | —            | 1,081,871          |
| Outside services   | 341,719                                | 87,218              | 85,164                             | 318,993                          | —            | 833,094            |
| Business meetings and travel   | 121,217                                | 1,976,206           | 2,086                              | 1,799,444                        | —            | 3,898,953          |
| Depreciation expense   | —                                      | 95,720              | 188,653                            | 258,217                          | —            | 542,590            |
| Programs and exhibits  | 154,303                                | 59,620              | 22,385                             | 38,692                           | —            | 275,000            |
| Directors' fees  | 16,660                                 | 122,441             | 5,717                              | 549,331                          | —            | 694,149            |
| Other expenses   | 7,600,196                              | 13,291,927          | 2,076,619                          | 6,919,394                        | —            | 29,888,136         |
| Total expenses   | 336,031,742                            | 29,604,616          | (1,996,284)                        | (6,757,246)                      | —            | 356,882,828        |
| Revenue in excess (deficiency) of expenses   | (81,328,066)                           | 3,907,762           | 2,030,683                          | 12,870,759                       | 18,809,204   | (62,518,862)       |
| Grants approved  | —                                      | —                   | —                                  | —                                | —            | —                  |
| Contributions from the Robert R. McCormick Tribune Foundation                              | 254,703,676                            | 33,512,378          | 34,399                             | 6,113,513                        | —            | 294,363,966        |
| Excess of revenue over expenses before change in unrealized net gain (loss) on investments | (252,314,595)                          | (29,311,686)        | 250,562                            | —                                | —            | (281,375,719)      |
| Change in unrealized net gain (loss) on investments  | 2,389,081                              | 4,200,692           | 284,961                            | 6,113,513                        | —            | 12,988,247         |
| Increase in unrestricted net assets  | 2,003,776                              | —                   | —                                  | —                                | —            | 2,003,776          |
| Permanently restricted contribution  | 4,392,857                              | 4,200,692           | 284,961                            | 6,113,513                        | —            | 14,992,023         |
| Change in net assets   | 1,124,477,014                          | 159,490,301         | 1,310,973                          | 3,874,969                        | —            | 1,289,153,257      |
| Net assets, beginning of year  | 1,128,869,871                          | 163,690,993         | 1,595,934                          | 9,988,482                        | —            | 1,304,145,280      |
| Net assets, end of year  |  |                     |                                    |                                  |              |                    |

See accompanying independent auditors' report



## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

## Consolidating Statement of Cash Flows Information

Year ended December 31, 2007

|  | Robert R.<br>McCormick<br>Tribune<br>Foundation | Cantigny<br>Foundation | Cantigny<br>First Division<br>Foundation | McCormick<br>Tribune<br>Freeston<br>Museum | Eliminations | Consolidated<br>Total |
|--|---|------------------------|--|--|--------------|-----------------------|
| Cash flows from operating activities:  |   |                        |  |  |              |                       |
| Increase (decrease) in net assets  | \$ 43,554,814                                   | 19,966,321             | (48,335)                                 | (1,570,342)                                | —            | 61,902,458            |
| Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities: |   |                        |  |  |              |                       |
| Net gain on sales of investments   | (963,073,581)                                   | (108,603,189)          | —  | —  | —            | (1,071,676,770)       |
| Change in unrealized net gain on investments   | 874,978,783                                     | 102,064,627            | (67,179)                                 | —  | —            | 976,976,231           |
| Depreciation   | 216,287   | 2,363,194              | 2,087                                    | 1,854,288                                  | —            | 4,435,856             |
| Permanently restricted reduction (contribution)  | 35,943  | (839,000)              | —  | —  | —            | (803,057)             |
| Net amortization of bond premium   | (968,089)                                       | (95,780)               | —  | —  | —            | (1,063,869)           |
| Donation of fixed assets   | —   | (839,000)              | —  | —  | —            | (839,000)             |
| Changes in assets and liabilities:   |   |                        |  |  |              |                       |
| Increase in accounts receivable and other current assets   | (2,526,629)                                     | (492,852)              | (6,122)                                  | (19,859)                                   | —            | (3,045,462)           |
| Increase in grants payable   | 1,793,794                                       | —                      | —  | —  | —            | 1,793,794             |
| Decrease (increase) in due from affiliated organizations   | 1,481,489                                       | (1,819,897)            | —  | (77,217)                                   | 1,819,897    | —                     |
| Increase (decrease) in due to affiliated organizations   | 375,321   | 585,240                | 415,625                                  | (42,262)                                   | (1,819,897)  | —                     |
| Increase in accounts payable and accrued expenses  | —   | —                      | 214                                      | —  | —            | 214                   |
| Net cash provided by (used in) operating activities  | (44,131,868)                                    | 12,289,664             | 296,290                                  | 229,132                                    | —            | (31,316,782)          |
| Cash flows from investing activities:  |   |                        |  |  |              |                       |
| Proceeds from disposition of investment securities   | 1,311,278,737                                   | 260,036,060            | 35,009                                   | —  | —            | 1,571,349,826         |
| Purchases of investment securities   | (592,972,914)                                   | (191,184,806)          | —  | —  | —            | (784,157,720)         |
| Repayment of program-related investments   | 18,618  | —                      | —  | —  | —            | 18,618                |
| Purchases of equipment and improvements  | (399,039)                                       | (4,719,828)            | (141,596)                                | (230,132)                                  | —            | (5,490,595)           |
| Net cash provided by (used in) investing activities  | 717,925,422                                     | 64,131,426             | (106,587)                                | (230,132)                                  | —            | 781,720,129           |
| Cash flows from financing activities:  |   |                        |  |  |              |                       |
| Permanently restricted (reduction) contribution  | (35,943)  | 839,000                | —  | —  | —            | 803,057               |
| Net increase (decrease) in cash and cash equivalents   | 673,757,611                                     | 77,260,090             | 189,703                                  | (1,000)                                    | —            | 751,206,404           |
| Cash and cash equivalents, beginning of year   | 11,396,649                                      | 1,176,185              | —  | 1,000                                      | —            | 12,573,834            |
| Cash and cash equivalents, end of year   | \$ 685,154,260                                  | 78,436,275             | 189,703                                  | —  | —            | 763,780,238           |

See accompanying independent auditors' report

## ROBERT R. MCCORMICK TRIBUNE FOUNDATIONS

Consolidating Statement of Cash Flows Information

Year ended December 31, 2006

|   | Robert R.<br>McCormick<br>Tribune<br>Foundation | Cantigny<br>Foundation | Cantigny<br>First Division<br>Foundation | McCormick<br>Tribune<br>Freedom<br>Museum | Eliminations | Consolidated<br>Total |
|---|---|------------------------|--|---|--------------|-----------------------|
| Cash flows from operating activities:   |   |                        |  |   |              |                       |
| Increase in net assets  | \$ 4,392,857                                    | 4,200,692              | 284,961                                  | 6,113,513                                 | —            | 14,992,023            |
| Adjustments to reconcile increase in net assets to net cash used in operating activities: |   |                        |  |   |              |                       |
| Net gain on sales of investments  | (289,449,125)                                   | (33,628,334)           | —  | —   | —            | (323,077,459)         |
| Change in unrealized net gain on investments  | 252,314,595                                     | 29,311,686             | (250,562)                                | —   | —            | 281,375,719           |
| Depreciation  | 121,217   | 1,976,206              | 2,086                                    | 1,799,444                                 | —            | 3,898,953             |
| Permanently restricted contribution   | (2,003,776)                                     | —                      | —  | —   | —            | (2,003,776)           |
| Net amortization of bond discount   | 1,646,868                                       | 204,594                | —  | —   | —            | 1,851,462             |
| Changes in assets and liabilities:  |   |                        |  |   |              |                       |
| Decrease in investment securities sale proceeds receivable                                | 30,439,065                                      | —                      | —  | —   | —            | 30,439,065            |
| Decrease (increase) in accounts receivable and other current assets                       | (1,887,845)                                     | (309,922)              | 19,946                                   | (83,127)                                  | —            | (2,260,948)           |
| Decrease in grants payable  | (15,128,779)                                    | —                      | —  | —   | —            | (15,128,779)          |
| Increase (decrease) in due from affiliated organizations                                  | —   | (130,452)              | —  | —   | 130,452      | —                     |
| Increase (decrease) in due to affiliated organizations                                    | 185,086   | —                      | 80,599                                   | (135,233)                                 | —            | —                     |
| Decrease in accounts payable and accrued expenses   | (949,850)                                       | (165,635)              | (102,876)                                | (1,550,435)                               | (130,452)    | (2,768,796)           |
| Net cash provided by (used in) operating activities                                       | (20,319,687)                                    | 1,458,835              | 34,154                                   | 6,144,162                                 | —            | (12,682,536)          |
| Cash flows from investing activities:   |   |                        |  |   |              |                       |
| Proceeds from disposition of investments  | 966,686,093                                     | 105,926,613            | —  | —   | —            | 1,072,612,706         |
| Purchases of investment securities  | (936,976,462)                                   | (105,391,419)          | (34,154)                                 | —   | —            | (1,042,402,035)       |
| Repayment of program-related investments  | 6,023   | —                      | —  | —   | —            | 6,023                 |
| Purchases of equipment and improvements   | (3,094)   | (823,466)              | —  | (6,143,162)                               | —            | (6,969,722)           |
| Net cash provided by (used in) investing activities                                       | 29,712,560                                      | (288,272)              | (34,154)                                 | (6,143,162)                               | —            | 23,246,972            |
| Cash flows from financing activities:   |   |                        |  |   |              |                       |
| Permanently restricted contribution   | 2,003,776                                       | —                      | —  | —   | —            | 2,003,776             |
| Net increase in cash and cash equivalents   | 11,396,649                                      | 1,170,563              | —  | 1,000                                     | —            | 12,568,212            |
| Cash and cash equivalents, beginning of year  | —   | 5,622                  | —  | —   | —            | 5,622                 |
| Cash and cash equivalents, end of year  | \$ 11,396,649                                   | 1,176,185              | —  | 1,000                                     | —            | 12,573,834            |

See accompanying independent auditors' report