Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Accountants' Report and Combined and Consolidated Financial Statements
December 31, 2011 and 2010

Affiliated Organizations include:
The William E. English Foundation
Indianapolis Parks Foundation, Inc.
TechPoint Foundation for Youth, Inc.
McCaw Family Foundation, Inc.
Sheehan Charitable Foundation

Central Indiana Community Foundation, Inc.
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Contents

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Independent Accountants' Report on Combined and Consolidated Financial Statements and Supplementary Information

Board of Directors
Central Indiana Community Foundation, Inc.
and Affiliated Organizations
Indianapolis, Indiana

We have audited the accompanying combined and consolidated statements of financial position of Central Indiana Community Foundation, Inc., The Indianapolis Foundation, Legacy Fund, Inc. and Affiliated Organizations (collectively, Foundation) as of December 31, 2011 and 2010, and the related combined and consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Indiana Community Foundation, Inc., The Indianapolis Foundation, Legacy Fund, Inc. and Affiliated Organizations as of December 31, 2011 and 2010 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis of the combined and consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations, and is not a required part of the combined and consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined and consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined and consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the combined and consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined and consolidated financial statements as a whole.

BKD, LLP

September 7, 2012

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combined and Consolidated Statements of Financial Position
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 39,062,619	$ 34,141,188
Investments	500,854,124	529,184,219
Contributions and grants receivable	2,400,226	2,462,112
Accrued investment income	213,811	505,655
Other assets	153,915	289,427
Program-related investments	1,346,725	1,610,000
Land held for investment	1,154,793	1,179,663
Contributions receivable from remainder trusts	3,512,243	3,667,010
Property and equipment, net	4,802,708	4,768,584
Beneficial interest in perpetual trusts	12,755,987	14,261,377
Total assets	$ 566,257,151	$ 592,069,235
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 797,944	$ 485,322
Accrued pension and vacation	3,263,203	2,348,975
Investment fees payable	76,639	354,603
Grant and gift commitments payable	11,458,867	9,110,070
Annuities payable	311,379	325,019
Income beneficiaries payable	3,380,811	3,974,023
Amounts held for others	43,287,714	44,294,418
Total liabilities	62,576,557	60,892,430
Net Assets		
Unrestricted	471,147,638	493,457,246
Temporarily restricted	18,135,398	21,769,731
Permanently restricted	14,397,558	15,949,828
Total net assets	503,680,594	531,176,805
Total liabilities and net assets	$ 566,257,151	$ 592,069,235

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combined and Consolidated Statements of Activities
Years Ended December 31, 2011 and 2010

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 21,719,217	$ 5,391,288	$ -	$ 27,110,505
Less amounts for agency funds	(1,299,725)	-	-	(1,299,725)
Total contributions	20,419,492	5,391,288	-	25,810,780
Irrevocable deferred contributions	-	-	-	-
Investment income, net of fees of $2,332,658 and $2,659,882	3,528,689	23,812	(916)	3,551,585
Rental and other income	1,285,870	-	-	1,285,870
Total revenue	25,234,051	5,415,100	(916)	30,648,235
Net assets released from restriction	9,494,223	(9,006,173)	(488,050)	-
Total revenue and other support	34,728,274	(3,591,073)	(488,966)	30,648,235
Expenses				
Grant expenses	43,504,177	-	-	43,504,177
Program expenses	4,696,065	-	-	4,696,065
Management and general	2,093,621	-	-	2,093,621
Fundraising and development	1,422,897	-	-	1,422,897
Total expenses	51,716,760	-	-	51,716,760
Change in Net Assets From Operations Before Other Gains (Losses)	(16,988,486)	(3,591,073)	(488,966)	(21,068,525)
Other Gains (Losses)				
Changes in value of split-interest agreements	(37,815)	37,953	-	138
Net realized gain on investments	13,001,237	103,907	572,367	13,677,511
Net unrealized gain (loss) on investments	(17,326,183)	(185,120)	(1,635,671)	(19,146,974)
Net gain (loss) and prior service cost included in net periodic pension cost	(958,361)	-	-	(958,361)
Total other gains (losses)	(5,321,122)	(43,260)	(1,063,304)	(6,427,686)
Change in Net Assets	(22,309,608)	(3,634,333)	(1,552,270)	(27,496,211)
Net Assets, Beginning of Year	493,457,246	21,769,731	15,949,828	531,176,805
Net Assets, End of Year	$ 471,147,638	$ 18,135,398	$ 14,397,558	$ 503,680,594

2010			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 18,985,212	$ 1,506,652	$ -	$ 20,491,864
(1,296,430)	-	-	(1,296,430)
17,688,782	1,506,652	-	19,195,434
-	2,054,473	-	2,054,473
5,230,430	37,820	16,270	5,284,520
1,127,160	-	-	1,127,160
24,046,372	3,598,945	16,270	27,661,587
4,910,790	(4,494,910)	(415,880)	-
28,957,162	(895,965)	(399,610)	27,661,587
33,073,721	-	-	33,073,721
4,024,684	-	-	4,024,684
2,054,917	-	-	2,054,917
1,821,227	-	-	1,821,227
40,974,549	-	-	40,974,549
(12,017,387)	(895,965)	(399,610)	(13,312,962)
(140,368)	929,575	-	789,207
23,199,606	175,755	195,958	23,571,319
28,751,102	310,691	1,274,264	30,336,057
11,206	-	-	11,206
51,821,546	1,416,021	1,470,222	54,707,789
39,804,159	520,056	1,070,612	41,394,827
453,653,087	21,249,675	14,879,216	489,781,978
$ 493,457,246	$ 21,769,731	$ 15,949,828	$ 531,176,805

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combined and Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	$ (27,496,211)	$ 41,394,827
Items not requiring (providing) cash		
Depreciation	701,783	790,424
Loss on sale of equipment	172	4,446
Unrealized (gain) loss on investments	19,146,974	(30,336,057)
Realized gain on sale of investments	(13,677,511)	(23,571,319)
Noncash contributions - stock	(3,807,198)	(1,668,855)
Change in value of land held for investment	24,870	(67,319)
Change in		
Contributions and grants receivable	61,886	477,955
Accrued investment income	291,844	(30,295)
Contributions receivable from remainder trusts	154,767	(2,072,285)
Other assets	135,512	(178,879)
Accounts payable	312,622	(334,619)
Accrued pension and vacation	914,228	259,250
Investment fees payable	(277,964)	145,118
Grant and gift commitments payable	2,348,797	112,844
Annuities payable	(13,640)	(139,996)
Income beneficiaries payable	(593,212)	(255,303)
Net cash used in operating activities	(21,772,281)	(15,470,063)
Investing Activities		
Proceeds from sale of investments	191,989,258	260,869,253
Purchase of investments	(163,552,763)	(249,354,659)
Purchase of equipment	(736,079)	(416,210)
Net cash provided by investing activities	27,700,416	11,098,384
Financing Activity - change in amounts held for others	(1,006,704)	3,714,119
Increase (Decrease) in Cash and Cash Equivalents	4,921,431	(657,560)
Cash and Cash Equivalents, Beginning of Year	34,141,188	34,798,748
Cash and Cash Equivalents, End of Year	$ 39,062,619	$ 34,141,188

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Historical Background

The Indianapolis Foundation (IF), a community foundation serving Indianapolis, Indiana, was created in 1916 by resolution of trust. **Legacy Fund, Inc**. **(LF)**, a community foundation serving Hamilton County, Indiana, was founded in 1991. In early 1997, The Indianapolis Foundation and Legacy Fund, Inc. entered into an agreement to create **Central Indiana Community Foundation, Inc.** (CICF) to combine their resources to better serve the charitable needs of both Marion and Hamilton counties.

Pursuant to the 1997 agreement, the name of Legacy Fund, Inc. was amended to change the name of the organization to Central Indiana Community Foundation, Inc. At this point, the assets of Legacy Fund, Inc. converted to a component fund within CICF called "Legacy Fund" and the Legacy Fund, Inc. Board of Governors became a committee of CICF. However, in early 2004, Legacy Fund, Inc. was incorporated as a not-for-profit corporation under the laws of the State of Indiana and also applied for exempt status from the IRS. In 2005, Legacy Fund, Inc. received notification from the IRS stating that they had been granted exempt status under Section 501(c)(3) of the Internal Revenue Code, and they are not considered a private foundation. Subsequent to receiving their exempt status, the assets that had been converted to a component fund within CICF were transferred to the new exempt organization - Legacy Fund, Inc.

In 1998, the Marion County Superior Court probate division ruled that The Indianapolis Foundation could transfer a portion of its funds to CICF consisting of "some or all of the income, including without limitation, some or all of the net appreciation, realized and unrealized, in the fair value of the assets held in the community-based charitable trust." Based on this ruling, The Indianapolis Foundation transferred approximately $60 million (historic dollar value) to a component fund within CICF called "The Indianapolis Foundation Fund." Pursuant to the agreement establishing CICF, the funds transferred to CICF by The Indianapolis Foundation, as well as additional contributions to IF, can be disbursed only by a committee of CICF made up exclusively of the Board of Trustees of The Indianapolis Foundation.

One of the primary benefits of creating CICF was the ability to pool the resources of all the entities and component funds for investment purposes. While CICF actually holds the investment assets, the individual entities and certain component funds still maintain the governance over the expenditures of their respective investments. The following chart illustrates the board governance for the aforementioned entities and component funds:

Entity or Component Fund	Governing Body
Central Indiana Community Foundation, Inc. excluding the following component fund:	CICF Board of Directors
• The Indianapolis Foundation Fund	IF Board of Trustees
The Indianapolis Foundation	IF Board of Trustees
Legacy Fund, Inc.	LF Board of Governors

Funds not transferred to CICF by The Indianapolis Foundation continue to be controlled by The Indianapolis Foundation Board of Trustees and are included in these combined and consolidated financial statements. The assets of these funds as of December 31, 2011 and 2010, totaled $97,358,815 and $104,486,987, respectively. CICF is comprised of several component funds, including the Efroymson Fund, Library Fund, Women's Fund of Central Indiana and many others.

Several affiliated organizations are also included in these combined and consolidated financial statements due to the appointing authority of their governing body by one of the aforementioned entities. They are as follows:

Name of Entity	Controlling Organization
The William E. English Foundation, Inc.	The Indianapolis Foundation
Indianapolis Parks Foundation, Inc.	CICF
TechPoint Foundation for Youth, Inc.	CICF
McCaw Family Foundation, Inc.	CICF
Sheehan Charitable Foundation	Legacy Fund

Separate financial statements are issued for the Indianapolis Parks Foundation, Inc.

Central Indiana Community Foundation, Inc., The Indianapolis Foundation, Legacy Fund, Inc. and Affiliated Organizations are collectively referred to as "Foundation" in the remainder of these notes to the combined and consolidated financial statements.

Mission and Operations

The mission of the Foundation is to inspire, support and practice philanthropy, leadership and service in the community. The vision for Central Indiana is to be nationally respected for its ability to develop, attract and retain highly educated, creative and community-minded citizens; that it will be recognized for its superior support to those in need; and admired for being a remarkable place to live. The Foundation is committed to attracting and providing financial support and effective leadership to the community, through building trust and upholding its stewardship responsibilities.

The Foundation manages over 800 separate funds that have been donated for charitable purposes. There are several different types of funds such as unrestricted, field of interest, donor-advised, scholarship and agency funds. These funds have a significant impact on helping to meet the needs of our community through effective grantmaking.

The twenty person Board of Directors of CICF includes the following:

- Six members represent The Indianapolis Foundation Board of Trustees
- Three members represent the Legacy Fund Board of Governors
- Eleven additional members from the community-at-large nominated and selected by the CICF Board

Use of 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Principles of Combination and Consolidation

The combined and consolidated financial statements include the financial transactions of: Central Indiana Community Foundation, Inc., The Indianapolis Foundation, Legacy Fund, Inc. and the following affiliated organizations: The William E. English Foundation, Indianapolis Parks Foundation, Inc., TechPoint Foundation for Youth, Inc., McCaw Family Foundation, Inc. and Sheehan Charitable Foundation. All material inter-organizational accounts and transactions have been eliminated.

For financial statement purposes, activities of these entities have been combined and consolidated as follows:

- Central Indiana Community Foundation, Inc. - includes the activities of CICF
- The Indianapolis Foundation - includes the activities of The Indianapolis Foundation and The Indianapolis Foundation Fund, a component fund at CICF
- Legacy Fund, Inc. - includes the activities of the Legacy Fund
- Affiliated organizations - include the activities of The William E. English Foundation, Inc., Indianapolis Parks Foundation, Inc., TechPoint Foundation for Youth, Inc., McCaw Family Foundation, Inc. and Sheehan Charitable Foundation

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all investments with an original maturity of three months or less to be cash equivalents. All of the Foundation's cash and cash equivalents are maintained as a component of the Foundation's managed portfolio and as such, are not insured by the Federal Deposit Insurance Corporation. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market mutual funds.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments.

The Foundation also invests in certain private equity, hedge funds, real estate and natural resource funds, which are primarily held through limited partnerships. The estimated fair values of these limited partnership investments are based on valuations provided by the external investment managers or general partners, adjusted for cash receipts, disbursements and significant known valuation changes. The Foundation believes the carrying values of these investments are a reasonable estimate of fair value. Because these investments are not readily marketable and may be subject to withdrawal restrictions, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material.

The Foundation maintains pooled investment accounts for certain of its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts. The amounts held for others are also a component of the pooled investment fund and reflect the funds held by the Foundation for the benefit of outside parties.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. The Foundation provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	Years
Furniture and equipment	3-7
Buildings and improvements	5-50

Amounts Held for Others

The Foundation occasionally receives contributions from other not-for-profit organizations in which the donor organization specifies itself as the beneficiary of the fund. In such instances, the Foundation records the contributed assets and any accumulated investment earnings as a liability on the combined and consolidated statement of financial position.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined and consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Income Taxes

All of the aforementioned entities are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, all entities are subject to federal income tax on any unrelated business taxable income. The Foundation and its related entities file tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2008.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the combined and consolidated statements of activities. Certain costs have been allocated among the program, management and general and fund raising categories primarily based on the time spent by Foundation personnel and other methods.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the combined and consolidated financial statements were available to be issued.

On May 16, 2012, Marion County Probate Court granted an order permitting the formation of The Indianapolis Foundation, Inc. subject to a favorable determination letter from the Internal Revenue Service granting tax exemption under the Code Section 501(a) and 509(c)(3). The Indianapolis Foundation Trust will cease to exist and all assets will be transferred from the Bank Trustees into the newly formed corporation.

Note 2: Investments

The Foundation's investments are as follows:

	Fair Value 2011	Fair Value 2010
Large cap equity	$ 105,543,226	$ 109,538,764
Mid cap equity	18,049,122	19,429,589
Small cap equity	246,522	523,695
International equity	78,712,714	86,199,401
Fixed income	81,880,537	96,793,023
	284,432,121	312,484,472
Alternatives and other		
Private equity	58,121,822	56,038,895
Hedge funds	108,102,743	119,892,676
Real estate	16,035,175	9,721,992
Natural resources	34,162,263	31,046,184
	216,422,003	216,699,747
Total investments	$ 500,854,124	$ 529,184,219

Total investment return is comprised of the following:

	2011	2010
Investment income, net	$ 3,551,585	$ 5,284,520
Net realized gains	13,677,511	23,571,319
Net unrealized gains (losses)	(19,146,974)	30,336,057
Total investment return	$ (1,917,878)	$ 59,191,896

Note 3: Contributions and Grants Receivable

	Temporarily Restricted 2011	Temporarily Restricted 2010
Due within one year	$ 2,192,642	$ 1,854,471
Due in one to five years	351,730	691,941
Due in more than five years	175,000	175,000
	2,719,372	2,721,412
Less discount	(148,774)	(159,310)
	2,570,598	2,562,102
Less allowance	(170,372)	(99,990)
Total	$ 2,400,226	$ 2,462,112

The discount rates for 2011 and 2010 ranged from 0.20% to 4.97%.

Contributions and grants receivable designated for specific purposes are as follows:

	2011	2010
Endowment	$ 2,220,766	$ 2,209,258
Time restriction	179,460	252,854
Total	$ 2,400,226	$ 2,462,112

Note 4: Program-Related Investments

The Foundation owns several properties that have been donated over the years and that are used by various not-for-profit organizations. Such properties are stated at fair value based on appraisals performed on all properties. The Trustee has entered into long-term lease arrangements and charges the organizations nominal rent. Therefore, such program-related investments are not income-producing properties.

Note 5: Endowment

The Foundation's endowment consists of over 800 individual funds established for a variety of purposes. The endowment includes both funds established by donors and funds designated by the Board to function as endowments (board-designated endowment funds). The Foundation maintains variance power over all of the endowment funds (including those established by donors) as provided within the fund agreements. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

While the Foundation ultimately has variance power over all of the assets maintained in endowment funds, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

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 current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Under the Foundation's policies, endowment assets are invested in a manner that is intended to produce results that exceed each investment strategy's respective index while assuming a moderate level of investment risk. The primary investment objective of the Fund is to achieve an annualized total return (net of fees and expenses), equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and administrative expenses thus, at a minimum maintaining the purchasing power of the Fund. The assets are to be managed in a manner that will meet the primary investment objective, while at the same time attempting to limit volatility in year-to-year spending. Actual returns in any given year may vary from this amount.

The Foundation has a policy (the spending policy) of appropriating for expenditure each year 5% of its endowment fund's ending fair value of the prior year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 7.50% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

At December 31, 2011 and 2010, the Foundation's unrestricted endowment funds were $361,781,567 and $384,197,602, respectively.

Changes in endowment net assets for the years ended December 31, 2011 and 2010, were:

	Unrestricted 2011	Unrestricted 2010
Endowment net assets, beginning of year	$ 384,197,602	$ 351,890,454
Investment return		
Investment income	3,772,890	5,488,172
Net appreciation (depreciation)	(6,138,378)	42,559,878
Total investment return	(2,365,488)	48,048,050
Contributions	4,903,735	8,845,854
Appropriation of endowment assets for expenditure	(24,954,282)	(24,586,756)
Endowment net assets, end of year	$ 361,781,567	$ 384,197,602

Note 6: Property and Equipment

The Foundation's property and equipment are as follows:

	2011	2010
Buildings and improvements	$ 12,944,488	$ 12,315,238
Furnishings and equipment	3,014,210	2,977,282
	15,958,698	15,292,520
Accumulated depreciation	(11,413,526)	(10,781,472)
	4,545,172	4,511,048
Land	257,536	257,536
	$ 4,802,708	$ 4,768,584

Note 7: Beneficial Interest Trusts

The Foundation is the beneficiary under various perpetual trusts administered by an outside party. Under the terms of the trusts, the Foundation has the irrevocable right to receive income earned on the trusts' assets in perpetuity, but never receives the assets held in trusts. The estimated value of the expected future cash flows is $12,755,987 and $14,261,377, which represents the fair value of the trusts' assets at December 31, 2011 and 2010, respectively.

Note 8: Grant and Gift Commitments

As of December 31, 2011 and 2010, the Foundation was committed to various charitable organizations for grants and commitments, payable over future years in the amounts of $11,458,867 and $9,110,070, respectively. Grant activities detailed during the years are as follows:

	2011	2010
Grants payable, beginning of year	$ 9,110,070	$ 8,997,226
Grants paid during the year		
The Indianapolis Foundation	14,347,246	12,482,401
Legacy Fund	2,858,027	2,730,122
Central Indiana Community Foundation	18,617,850	14,437,083
Affiliated Organizations	5,332,257	3,311,271
Total grants paid	41,155,380	32,960,877
Grants approved during the year		
The Indianapolis Foundation	13,993,648	12,554,117
Legacy Fund	3,663,097	2,679,142
Central Indiana Community Foundation	20,522,675	14,501,191
Affiliated Organizations	5,324,757	3,339,271
Total grants approved	43,504,177	33,073,721
Grants payable, end of year	$ 11,458,867	$ 9,110,070

Future maturities of grant and gift commitments are as follows:

2012	$ 7,060,106
2013	2,332,620
2014	1,654,443
2015	1,134,696
2016	637,000
Thereafter	644,000
Total grant and gift commitments	13,462,865
Amounts representing discount	(2,003,998)
	$ 11,458,867

The Foundation does approve grants with conditions; however, conditional grants are only recorded as payable when the conditions have been substantially met by the recipient. As of December 31, 2011, the Foundation had approximately $1.8 million in conditional grants outstanding.

Note 9: Annuities and Trusts Payable

The Foundation has been the recipient of several gift annuities, which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2011 and 2010 of $311,379 and $325,019, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate range of 3.8% to 8.0%.

The Foundation administers various charitable remainder trusts. A charitable remainder trust provides for the payment distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime.) At the end of the trust's term, the remaining assets are available for the Foundation's use. The portion of the trust attributable to the future interest of the Foundation is recorded in the combined and consolidated statements of activities as temporarily restricted contributions in the period the trust is established. Assets held in the charitable remainder trusts are recorded at fair value in the Foundation's combined and consolidated statements of financial position. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. At December 31, 2011 and 2010, this liability was $3,380,811 and $3,974,023, respectively. The present value of the estimated future payments is calculated using a discount rate range of 3.2% to 8.0% in 2011 and 2010 and applicable mortality tables.

Note 10: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2011	2010
Trust agreements	$ 8,536,185	$ 10,029,418
Support and maintenance of the English Foundation	2,176,261	2,367,200
Land held for investment	689,793	714,663
Program funds of the Indianapolis Parks Foundation	3,370,760	5,388,856
Program funds of TechPoint Foundation	54,788	66,835
Time restrictions	3,307,611	3,202,759
	$ 18,135,398	$ 21,769,731

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to:

	2011	2010
Investment in perpetuity, the income of which is expendable to support		
The Indianapolis Foundation	$ 8,288,411	$ 9,296,363
Central Indiana Community Foundation	4,532,747	5,001,570
Indianapolis Parks Foundation	384,562	387,680
TechPoint Foundation	1,084,302	1,156,679
	14,290,022	15,842,292
Land related to the English Foundation	107,536	107,536
	$ 14,397,558	$ 15,949,828

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2011	2010
Purpose or time restrictions accomplished		
Time and purpose restrictions	$ 3,763,091	$ 1,080,452
Release by third-party trustees of certain gains on operations and depreciation, English Foundation	181,802	-
Purpose restrictions accomplished, TechPoint	145,690	140,561
Purpose restrictions accomplished, Indianapolis Parks Foundation	5,403,640	3,689,777
Total net assets released from restrictions	$ 9,494,223	$ 4,910,790

Note 11: Employee Benefit Plans

The Foundation has a defined-contribution 403(b) pension plan covering substantially all employees. The Board of Directors annually determines the amount, if any, of the Foundation's contributions to the plan. Contributions to this plan were $124,442 and $121,981 for 2011 and 2010, respectively.

The Foundation also has a noncontributory defined-benefit pension plan covering all employees who meet the eligibility requirements. The Foundation's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Foundation may determine to be appropriate from time to time.

In November 2010, the Board of Directors approved a resolution to amend the current plan such that current participants would continue to accrue benefits under the existing plan, but employees hired subsequent to April 2, 2011 would be ineligible for the plan and associated benefits.

The Foundation uses a December 31 measurement date for the plans. Significant balances, costs and assumptions are:

	2011	2010
Benefit obligation	$ 5,935,257	$ 4,732,817
Fair value of plan assets	2,893,139	2,617,955
Funded status	$ (3,042,118)	$ (2,114,862)
Accumulated benefit obligation	$ 4,533,876	$ 3,488,453
Amounts recognized in the statements of financial position:		
Accrued benefit cost	$ 3,042,118	$ 2,114,862

Amounts recognized in unrestricted net assets not yet recognized as components of net periodic benefit cost consist of:

	2011	2010
Net loss	$ 1,304,291	$ 417,012
Prior service cost	17,039	23,255
	$ 1,321,330	$ 440,267

Other significant balances and costs are:

	2011	2010
Employer contributions	$ 447,468	$ 195,892
Benefits paid	60,428	60,428
Benefit costs	493,661	435,369

Other changes in plan assets and benefit obligations recognized in the change in net assets include:

	2011	2010
Amounts arising during the period		
Net (gain) loss	$ 887,279	$ (27,065)
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	-	2,493
Net prior service cost	6,216	6,216

The estimated net loss and prior service cost for the defined-benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $54,469.

Significant assumptions include:

	2011	2010
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	4.75%	5.75%
Rate of compensation increase	4.66%	4.69%
Weighted-average assumptions used to determine benefit costs:		
Discount rate	5.75%	6.00%
Expected return on plan assets	8.00%	8.00%
Rate of compensation increase	4.69%	4.66%

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk-free real rate of return and the associated risk premium. A weighted-average rate was developed based on those overall rates and the target asset allocation of the plan.

The investment strategy of the plan assets is to diversify investments so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class or investment category. The diversification does not necessarily depend upon the number of industries or companies in a portfolio or their particular location, but rather upon the broad nature of such investments and of the factors that may influence them. The target asset allocation, which was implemented in 2011, is as follows:

U.S. equity	48%
Global ex-U.S. equity	
Developed international	14%
Emerging markets	7%
Real assets	4%
Fixed income and cash	28%

Pension Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying combined and consolidated statements of financial position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include publicly traded mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy.

The fair values of the Foundation's pension plan assets at December 31, 2011 and 2010, by asset category, are as follows:

		2011 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Equity funds				
U.S. equity	$ 496,587	$ 496,587	$ -	$ -
Global ex-U.S. equity	515,720	515,720	-	-
Developed international	373,636	373,636	-	-
Emerging markets	598,286	598,286	-	-
Fixed income and cash	908,910	908,910	-	-
	$ 2,893,139	$ 2,893,139	$ -	$ -

		2010 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash				
Mutual funds				
Equity funds				
U.S. equity	$ 474,020	$ 474,020	$ -	$ -
Global ex-U.S. equity	512,512	512,512	-	-
Developed international	398,810	398,810	-	-
Emerging markets	492,786	492,786	-	-
Fixed income and cash	739,827	739,827	-	-
	$ 2,617,955	$ 2,617,955	$ -	$ -

Plan assets are held by a trust fund, which invests the plan assets in accordance with the provisions of the plan agreement. The plan agreements permit investment in common stocks, corporate bonds and debentures, U.S. Government securities, certain insurance contracts, real estate and other specified investments, based on certain target allocation percentages.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2011:

2012	$ 95,000
2013	130,000
2014	160,000
2015	190,000
2016	220,000
2017 - 2021	1,310,000

Note 12: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying combined and consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Money Market Mutual Funds

Where quoted market prices are available in an active market, money market mutual funds are classified within Level 1 of the valuation hierarchy.

Investments

Large Cap Equity, Mid Cap Equity, Small Cap Equity and International Equity: Where quoted market prices are available in an active market, these securities are classified within Level 1 of the valuation hierarchy. In situations in which quoted market prices are not available, the Foundation uses net asset value (or its equivalent) as a practical expedient to estimate fair value. Funds in which the Foundation can redeem its investment at the net asset value per share at December 31 or within a reasonable period of time are classified within Level 2 and include large cap equity and international equity funds.

Fixed Income: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the valuation hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the valuation hierarchy.

Alternative Investments: As a practical expedient, fair value of alternative investments is determined using the net asset value (or its equivalent) supplied by the respective fund managers. Alternative investments in which the Foundation can redeem its investment at the net asset value per share at December 31 or within a reasonable period of time are classified within Level 2. Alternative investments that cannot be redeemed at net asset value at December 31 or within a reasonable period of time are classified within Level 3 of the valuation hierarchy. Private equity, hedge funds, real estate and natural resources funds are classified in either Level 2 or Level 3 based upon this determination.

Program Related Investments and Land Held for Investment

Fair value is estimated based appraisals prepared by outside parties.

Contributions Receivable From Remainder Trusts

Fair value is estimated at the present value of the estimated expected future benefits to be received when the trust assets are distributed.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement, which approximates the fair value of the underlying trust assets of marketable securities. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying combined and consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

		2011 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds included in cash equivalents	$ 20,797,628	$ 20,797,628	$ -	$ -
Investments				
Large cap equity	105,543,226	64,260,420	41,282,806	-
Mid cap equity	18,049,122	18,049,122	-	-
Small cap equity	246,522	246,522	-	-
International equity	78,712,714	19,445,693	59,267,021	-
Fixed income	81,880,537	46,797,740	35,082,797	-
Alternatives and other				
Private equity	58,121,822	-	5,856,709	52,265,113
Hedge funds	108,102,743	-	100,047,834	8,054,909
Real estate	16,035,175	-	-	16,035,175
Natural resources	34,162,263	-	-	34,162,263
	500,854,124	148,799,497	241,537,167	110,517,460
Program-related investments	1,346,725	-	1,346,725	-
Land held for investments	1,154,793	-	1,154,793	-
Contributions receivable from remainder trusts	3,512,243	-	-	3,512,243
Beneficial interest in perpetual trusts	12,755,987	-	12,755,987	-

		2010 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds included in cash equivalents	$ 25,205,855	$ 25,205,855	$ -	$ -
Investments				
Large cap equity	109,538,764	71,454,071	38,084,693	-
Mid cap equity	19,429,589	19,429,589	-	-
Small cap equity	523,695	523,695	-	-
International equity	86,199,401	24,441,453	61,757,948	-
Fixed income	96,793,023	60,177,424	36,615,599	-
Alternatives and other				
Private equity	56,038,895	-	7,549,200	48,489,695
Hedge funds	119,892,676	-	113,532,579	6,360,097
Real estate	9,721,992	-	-	9,721,992
Natural resources	31,046,184	-	-	31,046,184
	529,184,219	176,026,232	257,540,019	95,617,968
Program-related investments	1,610,000	-	1,610,000	-
Land held for investments	1,179,663	-	1,179,663	-
Contributions receivable from remainder trusts	3,667,010	-	-	3,667,010
Beneficial interest in perpetual trusts	14,261,377	-	14,261,377	-

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying combined and consolidated statements of financial position using significant unobservable (Level 3) inputs:

	Alternative Investments				Contributions Receivable From Remainder Trusts
	Private Equity	Hedge Funds	Real Estate	Natural Resources	
Balance, January 1, 2010	$ 38,595,969	$ 44,578,712	$ 8,805,530	$ 24,560,720	$ 1,594,725
Total realized and unrealized gains included in other gains on the statement of activities	7,400,191	604,324	214,465	2,043,216	-
Purchases, capital calls and other additions	6,142,503	3,084,201	1,133,873	5,082,085	-
Proceeds from sales and other distributions	(3,648,968)	(10,025,149)	(431,876)	(639,837)	-
Transfers	-	(31,881,991)	-	-	1,002,510
Change in value of split-interest agreements	-	-	-	-	1,069,775
Balance, December 31, 2010	48,489,695	6,360,097	9,721,992	31,046,184	3,667,010
Total realized and unrealized gains included in other gains (losses) on the statement of activities	4,326,739	(215,146)	526,584	3,348,653	-
Purchases, capital calls and other additions	7,475,323	1,909,958	6,648,221	5,330,753	-
Proceeds from sales and other distributions	(8,026,644)	-	(861,622)	(5,563,327)	-
Change in value of split-interest agreements	-	-	-	-	(154,767)
Balance, December 31, 2011	$ 52,265,113	$ 8,054,909	$ 16,035,175	$ 34,162,263	$ 3,512,243
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31, 2011	$ 4,326,739	$ (215,146)	$ 526,584	$ 3,348,653	$ -
Total gains for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31, 2010	$ 7,400,191	$ 604,324	$ 214,465	$ 2,043,216	$ -

The Foundation recognized transfers from Level 3 to Level 2 during the years ended December 31, 2011 and 2010, as a result of the expiration of fund lock-up provisions. The expiration of these provisions allows the Foundation to redeem its interest in these funds at net asset value within a reasonable period of time. These transfers were recognized as of the end of the year.

The following tables present information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund.

2011

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	$ 41,282,806	$ -	Quarterly, semi-annually	30-60 days
International equity	59,267,021	-	Monthly, quarterly	10-60 days
Fixed income	35,082,797	-	Monthly, quarterly	10-60 days
Alternative investments				
Private equity	54,956,433	23,688,691	Not eligible	n/a
Hedge funds	108,102,743	-	Monthly, quarterly or annually	5-90 days
Real estate	16,035,175	2,407,518	Not eligible	n/a
Natural resources	34,162,263	9,320,876	Not eligible	n/a

2010

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	$ 38,084,693	$ -	Quarterly, semi-annually	30-60 days
International equity	61,757,948	-	Monthly, quarterly	10-60 days
Fixed income	36,615,599	-	Monthly, quarterly	10-60 days
Alternative investments				
Private equity	50,771,818	28,111,270	Not eligible	n/a
Hedge funds	119,892,676	-	Monthly, quarterly or annually	5-90 days
Real estate	9,721,992	3,979,185	Not eligible	n/a
Natural resources	31,046,184	12,154,896	Not eligible	n/a

Large cap and international equity are investments in marketable securities managed within a partnership agreement. The fund manager is able to shift strategies within a specific band and may employ financing to execute such strategies, but does not use net short positions. The fair values of these investments have been estimated using the net asset value per share.

Fixed income includes various fixed income securities managed within a partnership agreement. The fair values of these investments have been estimated using the net asset value per share.

Private equity includes partnerships with fund managers investing in debt or equity securities of primarily U.S. public or private companies at various stages within their life cycle. The partnerships are either direct, fund of funds or secondary issuances across multiple strategies expected to significantly exceed performance of traditional equity indices. It is estimated that the underlying assets of the fund will be liquidated over the next 2 to 7 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Foundation’s ownership interest in partners’ capital.

Hedge funds include absolute return, opportunistic and equity-oriented long/short hedge funds. The Foundation is a limited partner with the fund manager who is compensated by outperforming global equity markets using multiple strategies. Managers are selected based on demonstrated expertise within their strategy but are not restricted as to securities within any asset class. The partnership may be net long [i.e. own a security] or net short [i.e. an obligation to buy a security] and have multiple sources and levels of financing beyond the partners’ capital in order to execute strategy. It is estimated that the underlying assets of the fund will be liquidated over the next 1 to 3 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Foundation’s ownership interest in partners’ capital.

Real estate investments include partnerships that invest in residential, multi-family, commercial and distressed properties primarily in North America. The fair values of the investments in this category have been estimated using the net asset value of the Foundation’s ownership interest in the partners’ capital. It is estimated that the underlying assets of the fund will be liquidated over the next 3 to 7 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Foundation’s ownership interest in partners’ capital.

Natural resources include investments in partnerships that invest primarily in oil and gas royalties and timber properties. The fair values of the investments in this category have been estimated using the net asset value of the Foundation’s ownership interest in the partners’ capital. Under the terms of the partnership agreements, capital is committed for 7 to 12 years and may not be redeemed. Typically, the general partner requests capital during the initial 3 to 5 year period in order to fund activities. Distributions are made throughout and upon dissolution of the partnership. It is estimated that the underlying assets of the fund will be liquidated over the next 3 to 15 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Foundation’s ownership interest in partners’ capital.

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying combined and consolidated statements of financial position at amounts other than fair value.

Cash and Cash Equivalents

The carrying value approximates fair value.

Contributions and Grants Receivable

The carrying value approximates fair value, which is estimated using a discounted cash flow model.

Accrued Investment Income

The carrying value approximates fair value.

Gift and Grant Commitments Payable

The carrying value approximates fair value, which is estimated using a discounted cash flow model.

Annuities and Income Beneficiaries Payable

The carrying value approximates fair value, which is estimated based on the borrowing rates currently available to the Foundation for bank loans with similar terms and maturities.

Amounts Held for Others

The carrying amount approximates fair value.

Note 13: Concentrations and Contingencies

Concentrations

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Approximately 24% of all contributions were received from two donors for the year ended December 31, 2010.

Contingencies

The Foundation is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of these claims and lawsuits will not have a material adverse effect on the combined and consolidated financial position, change in net assets and cash flows of the Foundation.

Supplementary Information

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combining and Consolidating Information - Statement of Financial Position
December 31, 2011

	2011					
	The Indianapolis Foundation (1)	Legacy Fund	Central Indiana Community Foundation	Affiliated Organizations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 15,650,230	$ 1,998,467	$ 16,927,812	$ 4,486,110	$ -	$ 39,062,619
Investments, at market	182,507,856	33,604,438	277,413,930	7,327,900	-	500,854,124
Contributions and grants receivable	1,760,618	-	583,660	63,448	(7,500)	2,400,226
Accrued investment income	91,546	26,266	94,197	1,802	-	213,811
Other assets	44,915	14,720	69,653	24,627	-	153,915
Program-related investments	1,346,725	-	-	-	-	1,346,725
Land held for investment	1,154,793	-	-	-	-	1,154,793
Contributions receivable in remainder trust	178,551	1,111,522	2,222,170	-	-	3,512,243
Property and equipment, net	1,022,633	-	890,962	2,889,113	-	4,802,708
Beneficial interest in perpetual trusts	8,223,241	-	4,532,746	-	-	12,755,987
Due from other funds	-	-	119,808	-	(119,808)	-
Total assets	$ 211,981,108	$ 36,755,413	$ 302,854,938	$ 14,793,000	$ (127,308)	$ 566,257,151
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 154,284	$ 1,375	$ 263,764	$ 378,521	$ -	$ 797,944
Accrued pension and vacation	914,132	426,340	1,385,059	537,672	-	3,263,203
Investment fees payable	27,394	8,239	40,330	676	-	76,639
Grant and gift commitments payable	1,425,228	1,559,667	8,455,972	25,500	(7,500)	11,458,867
Annuities payable	12,071	-	299,308	-	-	311,379
Income beneficiaries payable	42,953	-	3,337,858	-	-	3,380,811
Amounts held for others	24,441,855	4,366,888	14,478,971	-	-	43,287,714
Due to other funds	-	-	20,000	99,808	(119,808)	-
Total liabilities	27,017,917	6,362,509	28,281,262	1,042,177	(127,308)	62,576,557
Net Assets						
Unrestricted	173,900,050	29,281,382	261,393,592	6,572,614	-	471,147,638
Temporarily restricted	2,774,730	1,111,522	8,647,337	5,601,809	-	18,135,398
Permanently restricted	8,288,411	-	4,532,747	1,576,400	-	14,397,558
Total net assets	184,963,191	30,392,904	274,573,676	13,750,823	-	503,680,594
Total liabilities and net assets	$ 211,981,108	$ 36,755,413	$ 302,854,938	$ 14,793,000	$ (127,308)	$ 566,257,151

(1) For purposes of these combining and consolidating schedules, The Indianapolis Foundation column includes The Indianapolis Foundation activities and the activities of The Indianapolis Foundation component fund held at Central Indiana Community Foundation as described in Note 1 to the combined and consolidated financial statements.

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combining and Consolidating Information - Statement of Activities
Year Ended December 31, 2011

	The Indianapolis Foundation (1)			
	Unrestricted	Temporarily Restricted	Permanently Restricted	IF Total
Revenue and Support				
Total amounts raised	$ 6,228,941	$ 1,200,000	$ -	$ 7,428,941
Less amounts for agency funds	(547,800)	-	-	(547,800)
Total contributions	5,681,141	1,200,000	-	6,881,141
Investment income, net of fees of $2,332,658	1,510,920	-	-	1,510,920
Rental and other income	264,671	-	-	264,671
Total revenue	7,456,732	1,200,000	-	8,656,732
Net assets released from restriction	1,522,623	(1,311,482)	(211,141)	-
Total revenue and support	8,979,355	(111,482)	(211,141)	8,656,732
Expenses				
Grant expenses	15,920,276	-	-	15,920,276
Program expenses	968,722	-	-	968,722
Management and general	581,236	-	-	581,236
Fundraising and development	387,489	-	-	387,489
Total expenses	17,857,723	-	-	17,857,723
Change in Net Assets From Operations Before Other Gains (Losses)	(8,878,368)	(111,482)	(211,141)	(9,200,991)
Other Gains (Losses)				
Changes in value of split-interest agreements	(1,023)	(10,915)	-	(11,938)
Net realized gain on investments	4,456,870	-	310,736	4,767,606
Net unrealized loss on investments	(6,536,384)	(48,264)	(1,107,547)	(7,692,195)
Amortization of net loss and prior service cost included in net periodic pension cost	(332,634)	-	-	(332,634)
Total other gains (losses)	(2,413,171)	(59,179)	(796,811)	(3,269,161)
Transfers and Other Changes to Net Assets	(810,058)	-	-	(810,058)
Change in Net Assets	(12,101,597)	(170,661)	(1,007,952)	(13,280,210)
Net Assets, Beginning of Year	186,001,647	2,945,391	9,296,363	198,243,401
Net Assets, End of Year	$ 173,900,050	$ 2,774,730	$ 8,288,411	$ 184,963,191

(1) For purposes of these combining and consolidating schedules, The Indianapolis Foundation column includes The Indianapolis Foundation activities and the activities of The Indianapolis Foundation component fund held at Central Indiana Community Foundation as described in Note 1 to the combined and consolidated financial statements.

2011

	Legacy Fund			Central Indiana Community Foundation			
Unrestricted	Temporarily Restricted	LF Total	Unrestricted	Temporarily Restricted	Permanently Restricted	CICF Total
$ 2,324,600	$ -	$ 2,324,600	$ 18,114,521	$ 745,749	$ -	$ 18,860,270
(141,472)	-	(141,472)	(610,453)	-	-	(610,453)
2,183,128	-	2,183,128	17,504,068	745,749	-	18,249,817
244,842	-	244,842	1,677,660	-	-	1,677,660
72,174	-	72,174	358,386	-	-	358,386
2,500,144	-	2,500,144	19,540,114	745,749	-	20,285,863
-	-	-	2,240,468	(2,037,207)	(203,261)	-
2,500,144	-	2,500,144	21,780,582	(1,291,458)	(203,261)	20,285,863
4,176,132	-	4,176,132	23,917,510	-	-	23,917,510
420,170	-	420,170	1,612,128	-	-	1,612,128
252,103	-	252,103	967,277	-	-	967,277
168,068	-	168,068	644,851	-	-	644,851
5,016,473	-	5,016,473	27,141,766	-	-	27,141,766
(2,516,329)	-	(2,516,329)	(5,361,184)	(1,291,458)	(203,261)	(6,855,903)
-	-	-	(36,792)	48,868	-	12,076
956,882	-	956,882	7,645,357	-	249,986	7,895,343
(1,245,763)	-	(1,245,763)	(9,546,937)	-	(515,548)	(10,062,485)
(155,338)	-	(155,338)	(407,133)	-	-	(407,133)
(444,219)	-	(444,219)	(2,345,505)	48,868	(265,562)	(2,562,199)
420,297	-	420,297	389,761	-	-	389,761
(2,540,251)	-	(2,540,251)	(7,316,928)	(1,242,590)	(468,823)	(9,028,341)
31,821,633	1,111,522	32,933,155	268,710,520	9,889,927	5,001,570	283,602,017
$ 29,281,382	$ 1,111,522	$ 30,392,904	$ 261,393,592	$ 8,647,337	$ 4,532,747	$ 274,573,676

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Combining and Consolidating Information - Statement of Activities (Continued)
Year Ended December 31, 2011

	Affiliated Organizations			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 714,648	$ 3,445,539	$ -	$ 4,160,187
Less amounts for agency funds	-	-	-	-
Total contributions	714,648	3,445,539	-	4,160,187
Investment income, net of fees of $2,332,658	95,267	23,812	(916)	118,163
Rental and other income	658,529	-	-	658,529
Total revenue	1,468,444	3,469,351	(916)	4,936,879
Net assets released from restriction	5,731,132	(5,657,484)	(73,648)	-
Total revenue and support	7,199,576	(2,188,133)	(74,564)	4,936,879
Expenses				
Grant expenses	5,153,752	-	-	5,153,752
Program expenses	1,695,045	-	-	1,695,045
Management and general	360,895	-	-	360,895
Fundraising and development	222,489	-	-	222,489
Total expenses	7,432,181	-	-	7,432,181
Change in Net Assets From Operations Before Other Gains (Losses)	(232,605)	(2,188,133)	(74,564)	(2,495,302)
Other Gains (Losses)				
Changes in value of split-interest agreements	-	-	-	-
Net realized gain (loss) on investments	(57,872)	103,907	11,645	57,680
Net unrealized gain (loss) on investments	2,901	(136,856)	(12,576)	(146,531)
Amortization of net gain (loss) and prior service cost included in net periodic pension cost	(63,256)	-	-	(63,256)
Total other gains (losses)	(118,227)	(32,949)	(931)	(152,107)
Transfers and Other Changes to Net Assets	-	-	-	-
Change in Net Assets	(350,832)	(2,221,082)	(75,495)	(2,647,409)
Net Assets, Beginning of Year	6,923,446	7,822,891	1,651,895	16,398,232
Net Assets, End of Year	$ 6,572,614	$ 5,601,809	$ 1,576,400	$ 13,750,823

2011	Combined and Consolidated			
Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Totals
$ (5,663,493)	$ 21,719,217	$ 5,391,288	$ -	$ 27,110,505
-	(1,299,725)	-	-	(1,299,725)
(5,663,493)	20,419,492	5,391,288	-	25,810,780
-	3,528,689	23,812	(916)	3,551,585
(67,890)	1,285,870	-	-	1,285,870
(5,731,383)	25,234,051	5,415,100	(916)	30,648,235
-	9,494,223	(9,006,173)	(488,050)	-
(5,731,383)	34,728,274	(3,591,073)	(488,966)	30,648,235
(5,663,493)	43,504,177	-	-	43,504,177
-	4,696,065	-	-	4,696,065
(67,890)	2,093,621	-	-	2,093,621
-	1,422,897	-	-	1,422,897
(5,731,383)	51,716,760	-	-	51,716,760
-	(16,988,486)	(3,591,073)	(488,966)	(21,068,525)
-	(37,815)	37,953	-	138
-	13,001,237	103,907	572,367	13,677,511
-	(17,326,183)	(185,120)	(1,635,671)	(19,146,974)
-	(958,361)	-	-	(958,361)
-	(5,321,122)	(43,260)	(1,063,304)	(6,427,686)
-	-	-	-	-
-	(22,309,608)	(3,634,333)	(1,552,270)	(27,496,211)
-	493,457,246	21,769,731	15,949,828	531,176,805
$ -	$ 471,147,638	$ 18,135,398	$ 14,397,558	$ 503,680,594

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation
Legacy Fund, Inc.
and Affiliated Organizations

Comparison of Operating Funds Activities to Budget
Year Ended December 31, 2011

	2011					
	Actual Accrual	Cash Basis Adjustments	Actual Cash Basis	Annual Cash Budget	Over (Under) Budget	% Over (Under)
Revenue and Support						
Administrative support fees collected	$ 4,641,908	$ -	$ 4,641,908	$ 4,390,000	$ 251,908	5.7%
Community leadership support	373,050	-	373,050	500,000	(126,950)	-25.4%
Other board contributions	27,775	-	27,775	50,000	(22,225)	-44.5%
Other operating revenues	751,629	(50,946)	700,683	388,000	312,683	80.6%
Total revenue from operations	5,794,362	(50,946)	5,743,416	5,328,000	415,416	7.8%
Expenses						
Program and grantmaking	2,594,941	-	2,594,941	2,592,500	2,441	0.1%
Donor services and development	1,037,047	-	1,037,047	1,037,000	47	0.0%
Management and administrative	2,774,145	(1,218,575)	1,555,570	1,555,500	70	0.0%
Capital expenditures	-	250,422	250,422	143,000	107,422	75.1%
Total expenses	6,406,133	(968,153)	5,437,980	5,328,000	109,980	2.1%
Revenue (Expense) From Operations Before Other Revenue (Expense)	(611,771)	917,207	305,436	-	305,436	0.0%
Transfer (to) From Operating Reserve	-	-	-	-	-	0.0%
Net revenue (expense) from operations	$ (611,771)	$ 917,207	$ 305,436	$ -	$ 305,436	0.0%