

**Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
Hamilton County Community Foundation, Inc.
and Affiliated Organizations**

Independent Auditor's Report and Combined and Consolidated Financial Statements
December 31, 2019 and 2018

**Affiliated Organizations include:
The William E. English Foundation
The District Theatre, Inc.
Indianapolis Parks Foundation, Inc.
McCaw Family Foundation, Inc.
Nextech
Sheehan Charitable Foundation**

**Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
Hamilton County Community Foundation, Inc.
and Affiliated Organizations**
December 31, 2019 and 2018

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Independent Auditor's 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 financial statements of Central Indiana Community Foundation, Inc.; The Indianapolis Foundation, Inc.; Hamilton County Community Foundation, Inc. and Affiliated Organizations (collectively, Foundation), which comprise the combined and consolidated statements of financial position as of December 31, 2019 and 2018, and the related combined and consolidated statements of activities, expenses and cash flows for the years then ended, and the related notes to the combined and consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined and 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 combined and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, Inc.; Hamilton County Community Foundation, Inc. and Affiliated Organizations as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined and consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis 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 combined and consolidated 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

Indianapolis, Indiana
October 5, 2020

**Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
Hamilton County Community Foundation, Inc.
and Affiliated Organizations**

**Combined and Consolidated Statements of Financial Position
December 31, 2019 and 2018**

	2019	2018
Assets		
Cash and cash equivalents	\$ 42,693,531	\$ 57,119,230
Investments	757,384,751	670,570,677
Contributions and grants receivable	2,443,207	8,788,330
Accrued investment income	152,435	176,048
Other assets	919,296	932,324
Program-related investments	190,000	190,000
Contributions receivable from remainder trusts	5,738,318	5,582,493
Property and equipment, net	9,055,303	6,613,329
Beneficial interest in perpetual trusts	33,131,953	28,259,499
	\$ 851,708,794	\$ 778,231,930
Total assets		
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 1,205,809	\$ 738,630
Accrued pension and vacation	5,128,424	4,351,899
Investment fees payable	122,323	290,454
Grant and gift commitments payable	11,778,631	13,394,638
Annuities payable	78,554	82,185
Income beneficiaries payable	1,959,122	1,860,059
Amounts held for others	92,796,086	82,275,794
Total liabilities	113,068,949	102,993,659
Net Assets		
Without donor restrictions	677,600,162	611,471,379
With donor restrictions	61,039,683	63,766,892
Total net assets	738,639,845	675,238,271
Total liabilities and net assets	\$ 851,708,794	\$ 778,231,930

**Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
Hamilton County Community Foundation, Inc.
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**Combined and Consolidated Statements of Activities
Years Ended December 31, 2019 and 2018**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Total amounts raised	\$ 31,554,997	\$ 1,960,759	\$ 33,515,756
Less amounts for agency funds	(2,009,039)	-	(2,009,039)
Total contributions	29,545,958	1,960,759	31,506,717
Investment income	4,858,404	18,661	4,877,065
Realized and unrealized gains (losses)	83,543,969	7,570,171	91,114,140
Rental and other income	1,788,037	-	1,788,037
Total revenue	119,736,368	9,549,591	129,285,959
Net assets released from restriction	12,343,089	(12,343,089)	-
Total revenue and other support	132,079,457	(2,793,498)	129,285,959
Expenses			
Grant expenses	54,025,242	-	54,025,242
Program expenses	6,247,709	-	6,247,709
Management and general	3,684,015	-	3,684,015
Fundraising and development	1,740,827	-	1,740,827
Total expenses	65,697,793	-	65,697,793
Change in Net Assets Before Other			
Gains (Losses)	66,381,664	(2,793,498)	63,588,166
Other Gains (Losses)			
Changes in value of split-interest agreements	(5,372)	66,289	60,917
Gain on disposal of property and equipment	560,106	-	560,106
Changes in defined-benefit plan	(807,615)	-	(807,615)
Total other gains (losses)	(252,881)	66,289	(186,592)
Change in Net Assets	66,128,783	(2,727,209)	63,401,574
Net Assets, Beginning of Year	611,471,379	63,766,892	675,238,271
Net Assets, End of Year	\$ 677,600,162	\$ 61,039,683	\$ 738,639,845

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 36,832,283	\$ 14,556,277	\$ 51,388,560
(4,821,006)	-	(4,821,006)
<u>32,011,277</u>	<u>14,556,277</u>	<u>46,567,554</u>
3,061,945	14,007	3,075,952
(28,361,346)	(4,036,809)	(32,398,155)
<u>3,301,847</u>	<u>-</u>	<u>3,301,847</u>
10,013,723	10,533,475	20,547,198
<u>6,005,382</u>	<u>(6,005,382)</u>	<u>-</u>
<u>16,019,105</u>	<u>4,528,093</u>	<u>20,547,198</u>
44,060,618	-	44,060,618
6,627,253	-	6,627,253
3,491,289	-	3,491,289
<u>1,635,212</u>	<u>-</u>	<u>1,635,212</u>
<u>55,814,372</u>	<u>-</u>	<u>55,814,372</u>
<u>(39,795,267)</u>	<u>4,528,093</u>	<u>(35,267,174)</u>
(5,503)	480,830	475,327
-	-	-
<u>448,472</u>	<u>-</u>	<u>448,472</u>
<u>442,969</u>	<u>480,830</u>	<u>923,799</u>
(39,352,298)	5,008,923	(34,343,375)
<u>650,823,677</u>	<u>58,757,969</u>	<u>709,581,646</u>
<u>\$ 611,471,379</u>	<u>\$ 63,766,892</u>	<u>\$ 675,238,271</u>

**Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
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**Combined and Consolidated Statements of Expenses
Year Ended December 31, 2019**

	2019				Total
	Grant Expenses	Program Expenses	Management and General	Fundraising and Development	
Grants Disbursed					
Arts and Culture	\$ 11,134,273	\$ -	\$ -	\$ -	\$ 11,134,273
Civic and Community Engagement	5,462,570	-	-	-	5,462,570
Education	14,940,352	-	-	-	14,940,352
Environment	2,376,784	-	-	-	2,376,784
Health and Human Services	20,111,263	-	-	-	20,111,263
Salaries	-	2,589,245	1,826,444	897,030	5,312,719
Taxes and benefits	-	984,026	582,237	255,471	1,821,734
Community engagement	-	453,195	100,299	44,215	597,709
Travel expenses	-	47,675	15,767	6,746	70,188
Meeting expenses	-	95,320	25,230	17,716	138,266
Dues and membership	-	35,089	24,102	18,649	77,840
Information technology	-	225,261	158,315	65,328	448,904
Marketing and communications	-	148,594	91,504	70,470	310,568
Audit and accounting	-	57,808	58,806	17,343	133,957
Professional services	-	128,250	100,032	47,111	275,393
Donor relations	-	116,276	81,393	34,883	232,552
Scholarship administration	-	7,948	5,563	2,384	15,895
In-kind expenses	-	-	13,717	9,145	22,862
Insurance	-	49,085	73,525	14,725	137,335
Occupancy	-	626,808	136,776	69,256	832,840
Depreciation	-	652,822	226,002	96,589	975,413
Other expenses	-	30,307	164,303	73,766	268,376
	<u>\$ 54,025,242</u>	<u>\$ 6,247,709</u>	<u>\$ 3,684,015</u>	<u>\$ 1,740,827</u>	<u>\$ 65,697,793</u>

**Central Indiana Community Foundation, Inc.
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**Combined and Consolidated Statements of Expenses
Year Ended December 31, 2018**

	2018				Total
	Grant Expenses	Program Expenses	Management and General	Fundraising and Development	
Grants Disbursed					
Arts and Culture	\$ 7,524,781	\$ -	\$ -	\$ -	\$ 7,524,781
Civic and Community Engagement	5,643,493	-	-	-	5,643,493
Education	9,181,338	-	-	-	9,181,338
Environment	2,530,956	-	-	-	2,530,956
Health and Human Services	19,180,050	-	-	-	19,180,050
Salaries	-	2,440,240	1,592,806	777,056	4,810,102
Taxes and benefits	-	861,929	532,435	234,947	1,629,311
Community engagement	-	657,737	208,931	97,672	964,340
Travel expenses	-	34,856	18,724	5,438	59,018
Meeting expenses	-	71,505	27,278	19,156	117,939
Dues and membership	-	31,150	21,842	9,790	62,782
Information technology	-	199,000	145,920	60,714	405,634
Marketing and communications	-	119,013	81,546	36,438	236,997
Audit and accounting	-	68,302	61,930	20,491	150,723
Professional services	-	183,986	128,881	60,321	373,188
Donor relations	-	117,678	82,375	35,981	236,034
Scholarship administration	-	10,142	7,100	3,043	20,285
In-kind expenses	-	393,859	55,024	36,683	485,566
Insurance	-	44,886	59,411	13,466	117,763
Occupancy	-	682,423	123,741	72,302	878,466
Depreciation	-	669,317	212,492	90,614	972,423
Other expenses	-	41,230	130,853	61,100	233,183
	<u>\$ 44,060,618</u>	<u>\$ 6,627,253</u>	<u>\$ 3,491,289</u>	<u>\$ 1,635,212</u>	<u>\$ 55,814,372</u>

**Central Indiana Community Foundation, Inc.
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**Combined and Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018**

	2019	2018
Operating Activities		
Change in net assets	\$ 63,401,574	\$ (34,343,375)
Items not requiring (providing) cash		
Depreciation	975,413	970,506
Gain on sale of equipment	(560,106)	-
Realized and unrealized (gains) losses	(91,114,140)	32,398,155
Noncash contributions - stock	(5,612,950)	(8,184,078)
Gifts in kind - building	(1,000,000)	-
Change in		
Contributions and grants receivable	6,345,123	(1,429,682)
Accrued investment income	23,613	24,957
Contributions receivable from remainder trusts	(155,825)	(479,252)
Other assets	13,028	(541,327)
Accounts payable	467,179	461,443
Accrued pension and vacation	776,525	(370,959)
Investment fees payable	(168,131)	157,034
Grant and gift commitments payable	(1,616,007)	(1,455,772)
Annuities payable	(3,631)	(1,024)
Income beneficiaries payable	99,063	(421,891)
Net cash used in operating activities	(28,129,272)	(13,215,265)
Investing Activities		
Proceeds from sale of investments	186,059,635	125,042,777
Purchase of investments	(181,019,073)	(121,736,161)
Proceeds from sale of program related investments	1,038,128	-
Purchase of equipment	(5,483,556)	(452,783)
Proceeds from sale of equipment	2,588,147	-
Net cash provided by investing activities	3,183,281	2,853,833
Financing Activity - change in amounts held for others	10,520,292	(1,757,805)
Decrease in Cash and Cash Equivalents	(14,425,699)	(12,119,237)
Cash and Cash Equivalents, Beginning of Year	57,119,230	69,238,467
Cash and Cash Equivalents, End of Year	\$ 42,693,531	\$ 57,119,230

**Central Indiana Community Foundation, Inc.
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**Notes to Combined and Consolidated Financial Statements
December 31, 2019 and 2018**

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. **Hamilton County Community Foundation, Inc. (HCCF) (formerly known as Legacy Fund, Inc.)**, a community foundation serving Hamilton County, Indiana, was founded in 1991. In early 1997, The Indianapolis Foundation and Hamilton County Community Foundation, 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 Hamilton County Community Foundation, Inc. was amended to change the name of the organization to Central Indiana Community Foundation, Inc. At this point, the assets of Hamilton County Community Foundation, Inc. converted to a component fund within CICF called "Hamilton County Community Foundation" and the Hamilton County Community Foundation, Inc. Board of Governors became a committee of CICF. However, in early 2004, Hamilton County Community Foundation, 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, Hamilton County Community Foundation, 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 it is not considered a private foundation. Subsequent to receiving its exempt status, the assets that had been converted to a component fund within CICF were transferred to the new exempt organization - Hamilton County Community Foundation, 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.

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 Code Section 501(a) and 509(c)(3). On April 22, 2013, The Indianapolis Foundation, Inc. received the IRS federal determination letter granting tax-exempt status under Code Section 501(c)(3) and public charity status under Code Section 170(b)(1)(A)(iv). On September 30, 2013, the assets transferred from The Indianapolis Foundation Trust to The Indianapolis Foundation, Inc.

**Central Indiana Community Foundation, Inc.
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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:

<u>Entity or Component Fund</u>	<u>Governing Body</u>
Central Indiana Community Foundation, Inc.	CICF Board of Directors
The Indianapolis Foundation, Inc.	IF Board of Directors
Hamilton County Community Foundation, Inc.	HCCF Board of Governors

CICF is comprised of several component funds, including the Efroymsen Fund, The Glick Fund, The Library Fund, Women’s Fund of Central Indiana, Central Indiana Senior Fund 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:

<u>Name of Entity</u>	<u>Controlling Organization</u>
The William E. English Foundation, Inc.	The Indianapolis Foundation, Inc.
The District Theatre, Inc.	CICF
Indianapolis Parks Foundation, Inc.	CICF
McCaw Family Foundation, Inc.	CICF
Nextech	CICF
Sheehan Charitable Foundation	Hamilton County Community Foundation

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

Central Indiana Community Foundation, Inc., The Indianapolis Foundation, Inc., Hamilton County Community Foundation, Inc. and Affiliated Organizations are collectively referred to as “Foundation” in the remainder of these notes to the combined and consolidated financial statements.

**Central Indiana Community Foundation, Inc.
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**Notes to Combined and Consolidated Financial Statements
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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, Inc. Board of Directors
- Three members represent the Hamilton County Community Foundation 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, Inc.; Hamilton County Community Foundation, Inc. and the following affiliated organizations: The William E. English Foundation, Inc.; The District Theatre, Inc.; Indianapolis Parks Foundation, Inc.; McCaw Family Foundation, Inc.; Nextech and Sheehan Charitable Foundation. All material inter-organizational accounts and transactions have been eliminated.

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**Notes to Combined and Consolidated Financial Statements
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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 and its single member LLC, CICF Charitable Holdings, LLC
- The Indianapolis Foundation, Inc. - includes the activities of The Indianapolis Foundation, Inc. and its single member LLC, IF Charitable Holdings, LLC
- Hamilton County Community Foundation, Inc. - includes the activities of the Hamilton County Community Foundation and its single member LLC, HCCF Charitable Holdings, LLC
- Affiliated organizations - include the activities of The William E. English Foundation, Inc.; The District Theatre, Inc.; Indianapolis Parks Foundation, Inc.; McCaw Family Foundation, Inc.; Nextech and Sheehan Charitable Foundation

Cash and Cash Equivalents

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents. The Foundation maintains pooled cash accounts for its pass-through and endowment funds, which are components of the managed portfolio, and as such are not insured by the Federal Deposit Insurance Corporation. Cash and cash equivalents maintained in outside managed accounts other than the pass-through and endowment pools are classified as investments. At December 31, 2019 and 2018, 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.

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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.

Asset Held for Sale

At December 31, 2018, the Foundation has a property held for sale with a net book value of \$374,362. In April 2019, the Foundation completed the sale of this property and received net proceeds of \$1,038,128.

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:

	<u>Years</u>
Furniture and equipment	3-7
Buildings and improvements	5-50

Long-Lived Asset Impairment

The Foundation evaluates recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2019 and 2018.

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 statements of financial position.

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**Notes to Combined and Consolidated Financial Statements
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Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are provided to the Foundation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

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When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined and consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

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.

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. The combined and consolidated statement of expenses presents the natural classification detail of expenses by function. 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

In late 2019, the Foundation formed a new organization called IMPACT Central Indiana to facilitate social impact investments into businesses, funds and not-for-profit organizations that generate positive and measurable social impact in the community. There was no activity within this fund until April of 2020.

In July 2020, the Hamilton County Community Foundation, Inc. purchased a new building to provide office and collaborative space for \$1,340,200, which was financed through a \$1,156,000 loan.

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There has been volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments, which has resulted in a decline in the value of our investment portfolio.

Subsequent events have been evaluated through October 5, 2020, which is the date the combined and consolidated financial statements were available to be issued.

Note 2: Investments

The Foundation's investments are as follows:

	Fair Value	
	2019	2018
Large cap equity	\$ 238,024,816	\$ 145,181,434
Mid cap equity	2,553,858	2,295,977
Small cap equity	-	14,373,711
International equity	158,938,837	138,254,783
Fixed income	136,552,438	108,143,698
	<u>536,069,949</u>	<u>408,249,603</u>
Alternatives and other		
Private equity	105,764,640	101,495,678
Hedge funds	86,855,163	128,595,106
Real estate	21,829	97,673
Natural resources	28,673,170	32,132,617
	<u>221,314,802</u>	<u>262,321,074</u>
Total investments	<u>\$ 757,384,751</u>	<u>\$ 670,570,677</u>

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Note 3: Contributions and Grants Receivable

	With Donor Restrictions	
	2019	2018
Due within one year	\$ 2,372,957	\$ 8,470,804
Due in one to five years	82,500	365,000
Due in more than five years	175,000	175,000
	<u>2,630,457</u>	<u>9,010,804</u>
Less discount	(109,124)	(116,668)
	<u>2,521,333</u>	<u>8,894,136</u>
Less allowance	(78,126)	(105,806)
	<u>2,443,207</u>	<u>8,788,330</u>
Total	<u>\$ 2,443,207</u>	<u>\$ 8,788,330</u>

The discount rates for 2019 and 2018 ranged from 1.52% to 4.73% and 0.95% and 4.73%, respectively.

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

	2019	2018
Endowment	\$ 668,441	\$ 6,865,709
Time restriction	646,269	413,231
Projects	1,128,497	1,509,390
	<u>\$ 2,443,207</u>	<u>\$ 8,788,330</u>
Total	<u>\$ 2,443,207</u>	<u>\$ 8,788,330</u>

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 Foundation has entered into long-term lease arrangements and charges the organizations nominal rent. Therefore, such program-related investments are not income-producing properties.

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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.

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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. The primary objective of the endowment is to achieve a total return, net of fees, equal to or greater than spending, administrative fees and inflation. 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, 2019 and 2018, the Foundation's endowment funds without donor restrictions were \$436,949,681 and \$395,703,079, respectively.

Changes in endowment net assets for the years ended December 31, 2019 and 2018, were:

	Without Donor Restrictions	
	2019	2018
Endowment net assets, beginning of year	\$ 395,703,079	\$ 429,414,422
Investment return		
Investment income	2,581,081	3,032,017
Net appreciation (depreciation)	53,856,744	(23,536,516)
Total investment return	56,437,825	(20,504,499)
Contributions	9,929,066	7,890,607
Appropriation of endowment assets for expenditure	(25,120,289)	(21,097,451)
Endowment net assets, end of year	\$ 436,949,681	\$ 395,703,079

Note 6: Property and Equipment

The Foundation's property and equipment are as follows:

	2019	2018
Buildings and improvements	\$ 20,391,385	\$ 19,215,987
Furnishings and equipment	3,636,783	3,129,962
	24,028,168	22,345,949
Accumulated depreciation	(15,116,529)	(16,012,806)
	8,911,639	6,333,143
Work in process	36,128	22,650
Land	107,536	257,536
	\$ 9,055,303	\$ 6,613,329

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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 \$33,131,953 and \$28,259,499, which represents the fair value of the trusts' assets at December 31, 2019 and 2018, respectively.

Note 8: Grant and Gift Commitments

As of December 31, 2019 and 2018, the Foundation was committed to various charitable organizations for grants and commitments, payable over future years in the amounts of \$11,778,631 and \$13,394,638, respectively. Grant activities detailed during the years are as follows:

	<u>2019</u>	<u>2018</u>
Grants payable, beginning of year	\$ 13,394,638	\$ 14,850,410
Grants paid during the year		
The Indianapolis Foundation, Inc.	16,581,486	12,761,223
Hamilton County Community Foundation, Inc.	5,266,364	5,406,627
Central Indiana Community Foundation	29,519,640	24,348,423
Affiliated Organizations	4,273,759	3,000,117
Total grants paid	<u>55,641,249</u>	<u>45,516,390</u>
Grants approved during the year		
The Indianapolis Foundation, Inc.	16,591,370	13,449,622
Hamilton County Community Foundation, Inc.	5,489,204	5,397,073
Central Indiana Community Foundation	27,670,909	22,213,806
Affiliated Organizations	4,273,759	3,000,117
Total grants approved	<u>54,025,242</u>	<u>44,060,618</u>
Grants payable, end of year	<u>\$ 11,778,631</u>	<u>\$ 13,394,638</u>

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Future maturities of grant and gift commitments are as follows:

2020		\$ 7,015,860
2021		3,070,450
2022		1,773,355
2023		378,250
2024		12,250
Thereafter		5,500
	Total grant and gift commitments	12,255,665
	Amounts representing discount	(477,034)
		\$ 11,778,631

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, 2019, the Foundation had approximately \$275,000 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, 2019 and 2018 of \$78,554 and \$82,185, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate range of 2.2% 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 contributions with donor restrictions 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, 2019 and 2018, this liability was \$1,959,122 and \$1,860,059, respectively. The present value of the estimated future payments is calculated using a discount rate range of 1.2% to 10.0% in 2019 and 2018 and applicable mortality tables.

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Note 10: Net Assets

Net Assets With Donor Restrictions

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

	2019	2018
Subject to expenditure for specified purpose		
Support and maintenance of the English Foundation	\$ 2,417,708	\$ 2,326,608
Program funds of the Indianapolis Parks Foundation	8,335,674	11,218,534
Program funds of Nextech	-	61,186
	10,753,382	13,606,328
Subject to the passage of time		
Trust agreements	13,668,421	12,367,260
Time restrictions	2,669,237	8,767,768
	16,337,658	21,135,028
Endowments		
Subject to appropriation and expenditures when a specified event occurs		
Restricted by donors for support of Indianapolis Parks Foundation	709,154	658,501
	33,131,953	28,259,499
Beneficial interest in perpetual trusts	107,536	107,536
Land related to English Foundation	33,239,489	28,367,035
	\$ 61,039,683	\$ 63,766,892

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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.

	2019	2018
Purpose or time restrictions accomplished		
Time and purpose restrictions	\$ 8,111,369	\$ 2,918,186
Release by third-party trustees of certain gains on operations and depreciation, English Foundation	314,028	127,938
Purpose restrictions accomplished, Nextech	86,186	174,814
Purpose restrictions accomplished, Indianapolis Parks Foundation	3,831,506	2,784,444
Total net assets released from restrictions	\$ 12,343,089	\$ 6,005,382

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 \$265,953 and \$232,062 for 2019 and 2018, 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.

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

	<u>2019</u>	<u>2018</u>
Benefit obligation	\$ 10,783,968	\$ 8,892,204
Fair value of plan assets	<u>5,810,707</u>	<u>4,809,713</u>
Funded status	<u>\$ (4,973,261)</u>	<u>\$ (4,082,491)</u>
Accumulated benefit obligation	<u>\$ 9,160,993</u>	<u>\$ 7,659,910</u>
Amounts recognized in the combined and consolidated statements of financial position:		
Accrued benefit cost	<u>\$ 4,973,261</u>	<u>\$ 4,082,491</u>

Amounts recognized in net assets without donor restrictions not yet recognized as components of net periodic benefit cost consist of:

	<u>2019</u>	<u>2018</u>
Net loss	<u>\$ 1,845,225</u>	<u>\$ 971,550</u>

Other significant balances and costs are:

	<u>2019</u>	<u>2018</u>
Employer contributions	\$ 436,329	\$ 416,897
Benefits paid	193,189	171,057
Net periodic benefit costs	453,424	515,162

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

	<u>2019</u>	<u>2018</u>
Amounts arising during the period		
Net (gain) loss	\$ 882,509	\$ (427,285)
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	8,834	54,608

The estimated net loss for the defined-benefit pension plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$79,629.

Significant assumptions include:

	<u>2019</u>	<u>2018</u>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	3.30%	4.20%
Rate of compensation increase	3.61%	3.61%
Weighted-average assumptions used to determine benefit costs:		
Discount rate	4.20%	3.65%
Expected return on plan assets	5.80%	5.80%
Rate of compensation increase	3.61%	3.67%

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.

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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 is as follows:

	2019	2018
Large cap equity	24%	29%
Mid cap equity	5%	6%
Small cap equity	2%	2%
International equity	14%	2%
Fixed income	55%	61%
	100%	100%

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.

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The fair values of the Foundation's pension plan assets at December 31, 2019 and 2018, by asset category, are as follows:

	2019				Investments Measured at NAV
	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	\$ 1,373,559	\$ 1,373,559	\$ -	\$ -	\$ -
Developed international	299,778	299,778	-	-	-
Emerging markets	123,075	123,075	-	-	-
Real assets	809,158	809,158	-	-	-
Fixed income and cash	<u>3,205,137</u>	<u>3,205,137</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,810,707</u>	<u>\$ 5,810,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2018				Investments Measured at NAV
	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	\$ 1,401,814	\$ 1,401,814	\$ -	\$ -	\$ -
Developed international	257,592	257,592	-	-	-
Emerging markets	100,060	100,060	-	-	-
Real assets	115,591	115,591	-	-	-
Fixed income and cash	<u>2,934,656</u>	<u>2,934,656</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,809,713</u>	<u>\$ 4,809,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2019:

2020	\$ 240,000
2021	300,000
2022	330,000
2023	330,000
2024	440,000
2025 - 2029	2,610,000

Note 12: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of 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 supported by little or no market activity and 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. There have been no significant changes in the valuation techniques during the year ended December 31, 2019. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

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.

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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 fair value of the funds have been estimated using the NAV per share of the investments are included within the Investments Measured at NAV category of the valuation hierarchy.

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, net asset value and reference data market research publications. Funds in which the fair value of the funds have been estimated using the NAV per share of the investments are included within the Investments Measured at NAV category 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 fair value of the funds have been estimated using the NAV per share of the investments are included within the Investments Measured at NAV category of the valuation hierarchy.

Fair value determinations for investments measured at NAV are the responsibility of the Finance and Operation's office. The Finance and Operation's office utilizes the valuations provided by fund managers to generate fair value estimates on a monthly or quarterly basis and challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting principles generally accepted in the United States of America.

Program-Related Investments

Fair value is estimated based on 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.

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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.

Recurring Measurements

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, 2019 and 2018:

	2019				
	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)	Investments Measured at NAV ^(A)	
Money market mutual funds included in cash equivalents	\$ 9,677,032	\$ 9,677,032	\$ -	\$ -	\$ -
Investments					
Large cap equity (B)	236,430,556	72,727,238	-	-	163,703,318
Mid cap equity	2,553,858	2,553,858	-	-	-
International equity	158,938,837	66,351,268	-	-	92,587,569
Fixed income	136,552,438	54,774,718	-	-	81,777,720
Alternatives and other					
Private equity	105,764,640	-	-	-	105,764,640
Hedge funds	86,855,163	-	-	-	86,855,163
Real estate	21,829	-	-	-	21,829
Natural resources	28,673,170	-	-	-	28,673,170
	<u>755,790,491</u>	<u>196,407,082</u>	<u>-</u>	<u>-</u>	<u>559,383,409</u>
Program-related investments	190,000	-	190,000	-	-
Contributions receivable from remainder trusts	5,738,318	-	-	5,738,318	-
Beneficial interest in perpetual trusts	33,131,953	-	33,131,953	-	-

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	2018				
	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)	Investments Measured at NAV ^(A)	
Money market mutual funds included in cash equivalents	\$ 22,627,847	\$ 22,627,847	\$ -	\$ -	\$ -
Investments					
Large cap equity (B)	140,197,988	53,065,253	-	-	87,132,735
Mid cap equity	2,295,977	2,295,977	-	-	-
Small cap equity	14,373,711	14,373,711	-	-	-
International equity	138,254,783	45,036,868	-	-	93,217,915
Fixed income	108,143,698	33,401,196	-	-	74,742,502
Alternatives and other					
Private equity	101,495,678	-	-	-	101,495,678
Hedge funds	128,595,106	-	-	-	128,595,106
Real estate	97,673	-	-	-	97,673
Natural resources	32,132,617	-	-	-	32,132,617
	<u>665,587,231</u>	<u>148,173,005</u>	<u>-</u>	<u>-</u>	<u>517,414,226</u>
Program-related investments	190,000	-	190,000	-	-
Contributions receivable from remainder trusts	5,582,493	-	-	5,582,493	-
Beneficial interest in perpetual trusts	28,259,499	-	28,259,499	-	-

- (A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
- (B) The large cap equity amounts above exclude \$4,983,446 and \$8,967,189 of cash balances that are outside the endowment and pass-through pools and not considered to be fair value measurements at December 31, 2019 and 2018, respectively.

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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:

	Contributions Receivable From Remainder Trusts
Balance, January 1, 2018	\$ 5,103,241
Change in value of split-interest agreements	479,252
Balance, December 31, 2018	5,582,493
Change in value of split-interest agreements	155,825
Balance, December 31, 2019	\$ 5,738,318
Total gains for the period included in the change in net assets attributable to the change in unrealized gains related to assets still held at December 31, 2019	\$ -
Total gains for the period included in the change in net assets attributable to the change in unrealized gains related to assets still held at December 31, 2018	\$ -

Unobservable (Level 3) Inputs

The fair value of the contributions receivable from remainder trusts is estimated at the present value of the estimated expected future benefits to be received and was \$5,738,318 and \$5,582,493 at December 31, 2019 and 2018, respectively. The fair value of the receivable from remainder trusts is based on unobservable inputs such as mortality tables and discount rates, which ranged from 1.2% to 10.0%.

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Investments Valued at Net Asset Value

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.

	2019			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	\$ 163,703,318	\$ -	Monthly, quarterly	1-60 days
International equity	92,587,569	-	Monthly, quarterly	10-60 days
Fixed income	81,777,720	-	Daily, monthly	2-10 days
Alternative investments				
Private equity	105,764,640	40,117,979	Not eligible	n/a
Hedge funds	86,855,163	-	Monthly, quarterly or (bi)annually	5-90 days
Real estate	21,829	150,000	Not eligible	n/a
Natural resources	28,673,170	12,026,689	Monthly, not eligible	5 - n/a

	2018			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	\$ 87,132,735	\$ -	Monthly, quarterly	1-60 days
International equity	93,217,915	-	Monthly, quarterly	10-60 days
Fixed income	74,742,502	-	Daily, monthly	2-10 days
Alternative investments				
Private equity	101,495,678	33,734,215	Not eligible	n/a
Hedge funds	128,595,106	-	Monthly, quarterly or (bi)annually	5-90 days
Real estate	97,673	393,333	Not eligible	n/a
Natural resources	32,132,617	9,461,778	Monthly, not eligible	5 - 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.

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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.

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Note 13: Line of Credit

In June 2019, the Foundation established a line of credit of \$1,000,000 for short-term borrowings. At December 31, 2019, there were no borrowings outstanding under the line of credit. Interest on the line of credit borrowings is payable monthly at 0.25% less than the Daily Prime Rate (4.50% at December 31, 2019). The line of credit expires in August 2021 and is secured by the assets maintained in a depository account held by the lending institution.

Note 14: Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 42,693,531	\$ 57,119,230
Redeemable investments	650,004,022	563,993,880
Contributions and grants receivable	2,443,207	8,788,330
Accrued investment income	152,435	176,048
Total liquid financial assets	695,293,195	630,077,488
 Donor-imposed restrictions		
Restricted funds, less trust agreements, beneficial interest in perpetual trusts and land held for investment	13,422,619	22,374,096
Endowments	709,154	658,501
Total donor-imposed restrictions	14,131,773	23,032,597
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 681,161,422	 \$ 607,044,891

The Foundation's endowment fund consists of funds established by donors and funds designated by the Board. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Occasionally, the Board will designate a portion of any operating surplus to its operating reserve, which was \$3,921,093 and \$5,723,472 as of December 31, 2019 and 2018, respectively.

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**Notes to Combined and Consolidated Financial Statements
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Note 15: Significant Estimates, Concentrations and Contingencies

Concentrations

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Approximately 12% and 11% of all contributions were received from one donor for the years ended December 31, 2019 and 2018, respectively.

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.

Pension Benefit Obligations

The Foundation has a noncontributory defined-benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Investments

The Foundation invests in various investment securities including those held in the defined-benefit pension plan. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying combined and consolidated statements of financial position.

Economic Uncertainty

In January 2020, the World Health Organization declared a “Public Health Emergency of International Concern,” due to the outbreak of a novel coronavirus (COVID-19). The world-wide spread has adversely impacted global commercial activity and contributed to significant declines in asset values and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and financial market conditions. Given the volatility of this situation, the value of assets recorded in the combined and consolidated financial statements could change rapidly, resulting in material future adjustments in investment values.

Supplementary Information

**Central Indiana Community Foundation, Inc.
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**Combining and Consolidating Information - Statement of Financial Position
December 31, 2019**

	2019					
	The Indianapolis Foundation, Inc.	Hamilton County Community Foundation	Central Indiana Community Foundation	Affiliated Organizations	Eliminations	Total
Assets						
Cash and cash equivalents	\$ 11,567,639	\$ 2,989,550	\$ 17,623,268	\$ 10,513,074	\$ -	\$ 42,693,531
Investments, at market	264,398,370	65,228,300	413,189,738	14,568,343	-	757,384,751
Contributions and grants receivable	1,233,888	143,947	536,910	671,462	(143,000)	2,443,207
Accrued investment income	69,853	15,779	66,322	481	-	152,435
Other assets	567,000	14,396	324,191	13,709	-	919,296
Program-related investments	190,000	-	-	-	-	190,000
Land held for investment	-	-	-	-	-	-
Contributions receivable in remainder trust	854,949	588,376	4,294,993	-	-	5,738,318
Property and equipment, net	-	3,371	6,337,160	2,714,772	-	9,055,303
Beneficial interest in perpetual trusts	27,532,884	-	5,599,069	-	-	33,131,953
Due from other funds	423,500	-	1,579,657	-	(2,003,157)	-
	<u>\$ 306,838,083</u>	<u>\$ 68,983,719</u>	<u>\$ 449,551,308</u>	<u>\$ 28,481,841</u>	<u>\$ (2,146,157)</u>	<u>\$ 851,708,794</u>
Total assets						
Liabilities and Net Assets						
Liabilities						
Accounts payable	\$ 72,820	\$ 18,880	\$ 233,547	\$ 880,562	\$ -	\$ 1,205,809
Accrued pension and vacation	1,305,501	885,003	2,436,086	501,834	-	5,128,424
Investment fees payable	40,526	11,634	69,540	623	-	122,323
Grant and gift commitments payable	1,825,823	1,379,803	8,716,005	-	(143,000)	11,778,631
Annuities payable	10,175	-	68,379	-	-	78,554
Income beneficiaries payable	-	-	1,959,122	-	-	1,959,122
Amounts held for others	45,547,182	7,494,463	39,754,441	-	-	92,796,086
Due to other funds	-	-	1,805,000	198,157	(2,003,157)	-
	<u>48,802,027</u>	<u>9,789,783</u>	<u>55,042,120</u>	<u>1,581,176</u>	<u>(2,146,157)</u>	<u>113,068,949</u>
Total liabilities						
Net Assets						
Without donor restrictions	228,244,968	58,461,612	375,562,989	15,330,593	-	677,600,162
With donor restrictions	29,791,088	732,324	18,946,199	11,570,072	-	61,039,683
	<u>258,036,056</u>	<u>59,193,936</u>	<u>394,509,188</u>	<u>26,900,665</u>	<u>-</u>	<u>738,639,845</u>
Total net assets						
Total liabilities and net assets	<u>\$ 306,838,083</u>	<u>\$ 68,983,719</u>	<u>\$ 449,551,308</u>	<u>\$ 28,481,841</u>	<u>\$ (2,146,157)</u>	<u>\$ 851,708,794</u>

**Central Indiana Community Foundation, Inc.
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**Combining and Consolidating Information - Statement of Activities
Year Ended December 31, 2019**

	The Indianapolis Foundation, Inc.		
	Without Donor Restrictions	With Donor Restrictions	IF Total
Revenue and Support			
Total amounts raised	\$ 13,596,317	\$ 729,313	\$ 14,325,630
Less amounts for agency funds	(743,501)	-	(743,501)
Total contributions	12,852,816	729,313	13,582,129
Investment income	1,884,178	-	1,884,178
Realized and unrealized losses	27,593,169	4,755,095	32,348,264
Rental and other income	348,096	-	348,096
Total revenue	42,678,259	5,484,408	48,162,667
Net assets released from restriction	7,071,585	(7,071,585)	-
Total revenue and support	49,749,844	(1,587,177)	48,162,667
Expenses			
Grant expenses	22,245,189	-	22,245,189
Program expenses	1,284,204	-	1,284,204
Management and general	898,943	-	898,943
Fundraising and development	385,261	-	385,261
Total expenses	24,813,597	-	24,813,597
Change in Net Assets Before Other			
Gains (Losses)	24,936,247	(1,587,177)	23,349,070
Other Gains (Losses)			
Changes in value of split-interest agreements	(943)	82,641	81,698
Gain on disposal of property and equipment	560,106	-	560,106
Changes in defined-benefit plan	(215,633)	-	(215,633)
Total other gains (losses)	343,530	82,641	426,171
Transfers and Other Changes to Net Assets			
	8,680	-	8,680
Change in Net Assets	25,288,457	(1,504,536)	23,783,921
Net Assets, Beginning of Year	202,956,511	31,295,624	234,252,135
Net Assets, End of Year	\$ 228,244,968	\$ 29,791,088	\$ 258,036,056

2019

Hamilton County Community Foundation, Inc.			Central Indiana Community Foundation		
Without Donor Restrictions	With Donor Restrictions	HCCF Total	Without Donor Restrictions	With Donor Restrictions	CICF Total
\$ 2,582,591	\$ 85,554	\$ 2,668,145	\$ 22,600,498	\$ 212,577	\$ 22,813,075
(212,239)	-	(212,239)	(1,053,299)	-	(1,053,299)
2,370,352	85,554	2,455,906	21,547,199	212,577	21,759,776
511,783	-	511,783	2,220,917	-	2,220,917
7,739,867	-	7,739,867	46,840,512	2,230,089	49,070,601
125,822	-	125,822	660,057	-	660,057
10,747,824	85,554	10,833,378	71,268,685	2,442,666	73,711,351
-	-	-	1,039,784	(1,039,784)	-
10,747,824	85,554	10,833,378	72,308,469	1,402,882	73,711,351
5,953,693	-	5,953,693	31,020,986	-	31,020,986
382,560	-	382,560	2,682,531	-	2,682,531
267,791	-	267,791	1,877,771	-	1,877,771
114,768	-	114,768	804,759	-	804,759
6,718,812	-	6,718,812	36,386,047	-	36,386,047
4,029,012	85,554	4,114,566	35,922,422	1,402,882	37,325,304
-	-	-	(4,429)	(16,352)	(20,781)
-	-	-	-	-	-
(146,178)	-	(146,178)	(394,117)	-	(394,117)
(146,178)	-	(146,178)	(398,546)	(16,352)	(414,898)
26,250	-	26,250	(34,930)	-	(34,930)
3,909,084	85,554	3,994,638	35,488,946	1,386,530	36,875,476
54,552,528	646,770	55,199,298	340,074,043	17,559,669	357,633,712
\$ 58,461,612	\$ 732,324	\$ 59,193,936	\$ 375,562,989	\$ 18,946,199	\$ 394,509,188

**Central Indiana Community Foundation, Inc.
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**Combining and Consolidating Information - Statement of Activities (Continued)
Year Ended December 31, 2019**

	Affiliated Organizations		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Total amounts raised	\$ 2,458,796	\$ 933,315	\$ 3,392,111
Less amounts for agency funds	-	-	-
Total contributions	2,458,796	933,315	3,392,111
Investment income	241,526	18,661	260,187
Realized and unrealized losses	1,370,421	584,987	1,955,408
Rental and other income	762,463	-	762,463
Total revenue	4,833,206	1,536,963	6,370,169
Net assets released from restriction	4,231,720	(4,231,720)	-
Total revenue and support	9,064,926	(2,694,757)	6,370,169
Expenses			
Grant expenses	4,488,579	-	4,488,579
Program expenses	1,898,414	-	1,898,414
Management and general	747,911	-	747,911
Fundraising and development	436,039	-	436,039
Total expenses	7,570,943	-	7,570,943
Change in Net Assets Before Other			
Gains (Losses)	1,493,983	(2,694,757)	(1,200,774)
Other Gains (Losses)			
Changes in value of split-interest agreements	-	-	-
Gain on disposal of property and equipment	-	-	-
Changes in defined-benefit plan	(51,687)	-	(51,687)
Total other gains (losses)	(51,687)	-	(51,687)
Transfers and Other Changes to Net Assets			
	-	-	-
Change in Net Assets	1,442,296	(2,694,757)	(1,252,461)
Net Assets, Beginning of Year	13,888,297	14,264,829	28,153,126
Net Assets, End of Year	\$ 15,330,593	\$ 11,570,072	\$ 26,900,665

2019			
Eliminations	Combined and Consolidated		
	Without Donor Restrictions	With Donor Restrictions	2019 Totals
\$ (9,683,205)	\$ 31,554,997	\$ 1,960,759	\$ 33,515,756
-	(2,009,039)	-	(2,009,039)
(9,683,205)	29,545,958	1,960,759	31,506,717
-	4,858,404	18,661	4,877,065
-	83,543,969	7,570,171	91,114,140
(108,401)	1,788,037	-	1,788,037
(9,791,606)	119,736,368	9,549,591	129,285,959
-	12,343,089	(12,343,089)	-
(9,791,606)	132,079,457	(2,793,498)	129,285,959
(9,683,205)	54,025,242	-	54,025,242
-	6,247,709	-	6,247,709
(108,401)	3,684,015	-	3,684,015
-	1,740,827	-	1,740,827
(9,791,606)	65,697,793	-	65,697,793
-	66,381,664	(2,793,498)	63,588,166
-	(5,372)	66,289	60,917
-	560,106	-	560,106
-	(807,615)	-	(807,615)
-	(252,881)	66,289	(186,592)
-	-	-	-
-	66,128,783	(2,727,209)	63,401,574
-	611,471,379	63,766,892	675,238,271
\$ -	\$ 677,600,162	\$ 61,039,683	\$ 738,639,845

**Central Indiana Community Foundation, Inc.
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**Comparison of Operating Funds Activities to Budget
Year Ended December 31, 2019**

	2019			
	Actual	Budget	Over (Under) Budget	% Over (Under)
Revenue and Support				
Administrative support fees collected	\$ 5,458,121	\$ 5,600,000	\$ (141,879)	-2.5%
Community leadership support	800,000	800,000	-	0.0%
Other operating revenues	<u>1,694,813</u>	<u>1,294,530</u>	<u>400,283</u>	<u>30.9%</u>
Total revenue from operations	<u>7,952,934</u>	<u>7,694,530</u>	<u>258,404</u>	<u>3.4%</u>
Expenses				
Program and grant-making	3,961,604	3,811,615	149,989	3.9%
Donor services and development	1,584,642	1,524,646	59,996	3.9%
Management and administrative	2,376,962	2,286,969	89,993	3.9%
Capital expenditures	<u>90,108</u>	<u>71,300</u>	<u>18,808</u>	<u>26.4%</u>
Total expenses	<u>8,013,316</u>	<u>7,694,530</u>	<u>318,786</u>	<u>4.1%</u>
Net Revenue From Operations Before				
Reconciling Items	<u>(60,382)</u>	<u>-</u>	<u>(60,382)</u>	<u>n/a</u>
Reconciling Items				
Pension accrual	(729)	-	(729)	n/a
Vacation accrual	20,147	-	20,147	n/a
Depreciation expense	<u>280,858</u>	<u>-</u>	<u>280,858</u>	<u>n/a</u>
Total reconciling items	<u>300,276</u>	<u>-</u>	<u>300,276</u>	<u>n/a</u>
Net Revenue From Operations	<u>\$ 239,894</u>	<u>\$ -</u>	<u>\$ 239,894</u>	<u>0.0%</u>