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

Independent Auditor's Report and Combined and Consolidated Financial Statements
December 31, 2014 and 2013

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

Central Indiana Community Foundation, Inc.
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and Affiliated Organizations
December 31, 2014 and 2013

Contents

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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., Legacy Fund, Inc. and Affiliated Organizations (collectively, Foundation), which comprise the combined and consolidated statements of financial position as of December 31, 2014 and 2013, and the related combined and consolidated statements of activities 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., Legacy Fund, Inc. and Affiliated Organizations as of December 31, 2014 and 2013, 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
July 24, 2015

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

Combined and Consolidated Statements of Financial Position
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 62,123,099	$ 41,378,846
Investments	619,142,210	632,153,117
Contributions and grants receivable	2,038,600	2,931,796
Accrued investment income	69,067	66,468
Other assets	337,978	159,649
Program-related investments	1,200,187	1,200,107
Land held for investment	952,584	879,098
Contributions receivable from remainder trusts	4,106,074	3,943,887
Property and equipment, net	8,277,838	7,628,920
Beneficial interest in perpetual trusts	15,088,017	15,312,170
Total assets	$ 713,335,654	$ 705,654,058
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 325,844	$ 243,731
Accrued pension and vacation	3,337,408	2,383,611
Investment fees payable	398,956	453,150
Grant and gift commitments payable	10,395,411	8,403,895
Annuities payable	322,850	263,821
Income beneficiaries payable	2,652,615	3,444,826
Amounts held for others	61,021,901	56,581,213
Total liabilities	78,454,985	71,774,247
Net Assets		
Unrestricted	594,627,789	589,373,753
Temporarily restricted	24,344,229	27,253,526
Permanently restricted	15,908,651	17,252,532
Total net assets	634,880,669	633,879,811
Total liabilities and net assets	$ 713,335,654	$ 705,654,058

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

Combined and Consolidated Statements of Activities
Years Ended December 31, 2014 and 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 24,344,442	$ 3,578,953	$ -	$ 27,923,395
Less amounts for agency funds	(4,757,224)	-	-	(4,757,224)
Total contributions	19,587,218	3,578,953	-	23,166,171
Investment income, net of fees of $2,884,025 and $2,860,350	5,399,348	31,275	4,869	5,435,492
Realized and unrealized gains	17,718,954	412,486	202,378	18,333,818
Rental and other income	1,986,749	-	-	1,986,749
Total revenue	44,692,269	4,022,714	207,247	48,922,230
Net assets released from restriction	7,958,049	(7,824,479)	(133,570)	-
Total revenue and other support	52,650,318	(3,801,765)	73,677	48,922,230
Expenses				
Grant expenses	38,741,441	-	-	38,741,441
Program expenses	4,599,902	-	-	4,599,902
Management and general	2,434,202	-	-	2,434,202
Fundraising and development	1,648,867	-	-	1,648,867
Total expenses	47,424,412	-	-	47,424,412
Change in Net Assets From Operations Before Other Gains (Losses)	5,225,906	(3,801,765)	73,677	1,497,818
Other Gains (Losses)				
Changes in value of split-interest agreements	(87,710)	409,104	-	321,394
Net gain (loss) on defined-benefit plan arising during the year	(818,354)	-	-	(818,354)
Total other gains (losses)	(906,064)	409,104	-	(496,960)
Transfers and Other Changes to Net Assets	934,194	483,364	(1,417,558)	-
Change in Net Assets	5,254,036	(2,909,297)	(1,343,881)	1,000,858
Net Assets, Beginning of Year	589,373,753	27,253,526	17,252,532	633,879,811
Net Assets, End of Year	$ 594,627,789	$ 24,344,229	$ 15,908,651	$ 634,880,669

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	$ 51,614,469	$ 2,822,538	$ -	$ 54,437,007
	(6,680,305)	-	-	(6,680,305)
	44,934,164	2,822,538	-	47,756,702
	3,921,076	15,722	6,628	3,943,426
	69,068,697	894,641	2,356,384	72,319,722
	1,855,585	-	8,016	1,863,601
	119,779,522	3,732,901	2,371,028	125,883,451
	3,120,529	(2,836,437)	(284,092)	-
	122,900,051	896,464	2,086,936	125,883,451
	35,371,279	-	-	35,371,279
	4,707,763	-	-	4,707,763
	2,448,962	-	-	2,448,962
	1,661,147	-	-	1,661,147
	44,189,151	-	-	44,189,151
	78,710,900	896,464	2,086,936	81,694,300
	(39,368)	553,374	-	514,006
	1,235,024	-	-	1,235,024
	1,195,656	553,374	-	1,749,030
	60,201	173,826	(234,027)	-
	79,966,757	1,623,664	1,852,909	83,443,330
	509,406,996	25,629,862	15,399,623	550,436,481
	$ 589,373,753	$ 27,253,526	$ 17,252,532	$ 633,879,811

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

Combined and Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ 1,000,858	$ 83,443,330
Items not requiring (providing) cash		
Depreciation	901,407	861,688
Loss on sale of equipment	-	3,286
Realized and unrealized gains	(18,333,818)	(72,319,722)
Noncash contributions - stock	(5,726,733)	(22,877,235)
Change in value of land held for investment	(73,486)	(216,256)
Change in		
Contributions and grants receivable	893,196	(577,286)
Accrued investment income	(2,599)	93,885
Contributions receivable from remainder trusts	(162,187)	(481,625)
Other assets	(178,329)	5,548
Accounts payable	82,113	(241,423)
Accrued pension and vacation	953,797	(1,035,701)
Investment fees payable	(54,194)	259,148
Grant and gift commitments payable	1,991,516	(1,420,337)
Annuities payable	59,029	56,889
Income beneficiaries payable	(792,211)	100,467
Net cash used in operating activities	(19,441,641)	(14,345,344)
Investing Activities		
Proceeds from sale of investments	174,572,746	104,592,020
Purchase of investments	(137,277,215)	(109,612,441)
Purchase of equipment	(1,550,325)	(1,087,052)
Net cash provided by (used in) investing activities	35,745,206	(6,107,473)
Financing Activity - change in amounts held for others	4,440,688	11,349,623
Increase (Decrease) in Cash and Cash Equivalents	20,744,253	(9,103,194)
Cash and Cash Equivalents, Beginning of Year	41,378,846	50,482,040
Cash and Cash Equivalents, End of Year	$ 62,123,099	$ 41,378,846

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.

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.

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.	CICF Board of Directors
The Indianapolis Foundation, Inc.	IF Board of Directors
Legacy Fund, Inc.	LF Board of Governors

CICF is comprised of several component funds, including the Efroymson 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:

Name of Entity	Controlling Organization
The William E. English Foundation, Inc.	The Indianapolis Foundation, Inc.
Indianapolis Parks Foundation, 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, Inc., 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, Inc. Board of Directors
- 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, Inc., Legacy Fund, Inc. and the following affiliated organizations: The William E. English Foundation, Indianapolis Parks Foundation, 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, Inc. - includes the activities of The Indianapolis Foundation, Inc.
- 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., 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, 2014 and 2013, 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 statements 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 2011.

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 Auditor’s Report, which is the date the combined and consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Investments

The Foundation's investments are as follows:

	Fair Value 2014	Fair Value 2013
Large cap equity	$ 153,463,393	$ 145,497,775
Mid cap equity	4,584,913	23,990,822
Small cap equity	268,914	265,356
International equity	119,197,928	101,835,519
Fixed income	89,515,481	96,025,612
	367,030,629	367,615,084
Alternatives and other		
Private equity	72,246,658	88,341,521
Hedge funds	130,275,677	118,619,014
Real estate	9,373,997	12,642,484
Natural resources	40,215,249	44,935,014
	252,111,581	264,538,033
Total investments	$ 619,142,210	$ 632,153,117

Note 3: Contributions and Grants Receivable

	Temporarily Restricted 2014	Temporarily Restricted 2013
Due within one year	$ 1,571,416	$ 2,490,490
Due in one to five years	647,092	461,250
Due in more than five years	175,000	175,000
	2,393,508	3,126,740
Less discount	(164,799)	(110,974)
	2,228,709	3,015,766
Less allowance	(190,109)	(83,970)
Total	$ 2,038,600	$ 2,931,796

The discount rates for 2014 and 2013 ranged from 0.20% to 4.73%.

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

	2014	2013
Endowment	$ 635,676	$ 2,583,982
Time restriction	329,607	277,814
Projects	1,073,317	70,000
Total	$ 2,038,600	$ 2,931,796

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, 2014 and 2013, the Foundation's unrestricted endowment funds were $423,526,829 and $431,414,057, respectively.

Changes in endowment net assets for the years ended December 31, 2014 and 2013, were:

	Unrestricted	
	2014	**2013**
Endowment net assets, beginning of year	$ 431,414,057	$ 379,660,617
Investment return		
Investment income	5,923,377	4,618,177
Net appreciation	8,641,786	56,113,114
Total investment return	14,565,163	60,731,291
Contributions	2,054,158	15,354,956
Appropriation of endowment assets for expenditure	(24,506,549)	(24,332,807)
Endowment net assets, end of year	$ 423,526,829	$ 431,414,057

Note 6: Property and Equipment

The Foundation's property and equipment are as follows:

	2014	**2013**
Buildings and improvements	$ 18,618,478	$ 17,169,206
Furnishings and equipment	2,701,446	2,600,393
	21,319,924	19,769,599
Accumulated depreciation	(13,299,622)	(12,398,215)
	8,020,302	7,371,384
Land	257,536	257,536
	$ 8,277,838	$ 7,628,920

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 $15,088,017 and $15,312,170, which represents the fair value of the trusts' assets at December 31, 2014 and 2013, respectively.

Note 8: Grant and Gift Commitments

As of December 31, 2014 and 2013, the Foundation was committed to various charitable organizations for grants and commitments, payable over future years in the amounts of $10,395,411 and $8,403,895, respectively. Grant activities detailed during the years are as follows:

	2014	2013
Grants payable, beginning of year	$ 8,403,895	$ 9,824,232
Grants paid during the year		
The Indianapolis Foundation, Inc.	13,497,531	12,354,381
Legacy Fund	2,860,995	2,605,649
Central Indiana Community Foundation	15,517,056	19,490,582
Affiliated Organizations	4,874,343	2,341,004
Total grants paid	36,749,925	36,791,616
Grants approved during the year		
The Indianapolis Foundation, Inc.	13,244,084	11,267,428
Legacy Fund	2,800,126	2,684,466
Central Indiana Community Foundation	17,828,188	19,088,618
Affiliated Organizations	4,869,043	2,330,767
Total grants approved	38,741,441	35,371,279
Grants payable, end of year	$ 10,395,411	$ 8,403,895

Future maturities of grant and gift commitments are as follows:

2015	$ 5,148,542
2016	2,889,698
2017	1,930,199
2018	697,700
2019	90,000
Thereafter	140,000
Total grant and gift commitments	10,896,139
Amounts representing discount	(500,728)
	$ 10,395,411

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, 2014, the Foundation had approximately $300,000 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, 2014 and 2013 of $322,850 and $263,821, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate range of 2.4% 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, 2014 and 2013, this liability was $2,652,615 and $3,444,826, respectively. The present value of the estimated future payments is calculated using a discount rate range of 1.2% to 9.6% in 2014 and 2013 and applicable mortality tables.

Note 10: Net Assets

Temporarily Restricted Net Assets

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

	2014	2013
Trust agreements	$ 10,381,089	$ 10,264,621
Support and maintenance of the English Foundation	2,514,623	2,551,193
Land held for investment	688,974	719,098
Program funds of the Indianapolis Parks Foundation	8,118,712	11,317,935
Program funds of TechPoint Foundation	-	77,516
Time restrictions	2,640,831	2,323,163
	$ 24,344,229	$ 27,253,526

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to:

	2014	2013
Investment in perpetuity, the income of which is expendable to support		
The Indianapolis Foundation, Inc.	$ 10,015,633	$ 10,150,217
Central Indiana Community Foundation	5,185,289	5,234,731
Indianapolis Parks Foundation	600,193	568,744
TechPoint Foundation	-	1,191,304
	15,801,115	17,144,996
Land related to the English Foundation	107,536	107,536
	$ 15,908,651	$ 17,252,532

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.

	2014	2013
Purpose or time restrictions accomplished		
Time and purpose restrictions	$ 3,192,892	$ 469,080
Release by third-party trustees of certain gains on operations and depreciation, English Foundation	192,082	257,352
Purpose restrictions accomplished, TechPoint	77,330	276,397
Purpose restrictions accomplished, Indianapolis Parks Foundation	4,495,745	2,117,700
Total net assets released from restrictions	$ 7,958,049	$ 3,120,529

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 $107,972 and $125,913 for 2014 and 2013, 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:

	2014	2013
Benefit obligation	$ 7,885,841	$ 6,479,229
Fair value of plan assets	4,848,412	4,318,624
Funded status	$ (3,037,429)	$ (2,160,605)
Accumulated benefit obligation	$ 6,509,738	$ 5,275,166
Amounts recognized in the combined and consolidated statements of financial position:		
Accrued benefit cost	$ 3,037,429	$ 2,160,605

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

	2014	2013
Net (gain) loss	$ 873,672	$ 27,821
Prior service cost	-	4,607
	$ 873,672	$ 32,428

Other significant balances and costs are:

	2014	2013
Employer contributions	$ 413,213	$ 328,487
Benefits paid	128,559	97,151
Net periodic benefit costs	448,793	539,693

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

	2014	2013
Amounts arising during the period		
Net (gain) loss	$ 845,851	$ (1,178,524)
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	-	50,963
Net prior service cost	4,607	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 $0.

Significant assumptions include:

	2014	2013
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	4.05%	5.00%
Rate of compensation increase	4.08%	4.08%
Weighted-average assumptions used to determine benefit costs:		
Discount rate	5.00%	4.25%
Expected return on plan assets	6.50%	8.00%
Rate of compensation increase	4.08%	4.08%

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 is as follows:

U.S. equity	27%
Global ex-U.S. equity	
Developed international	7%
Emerging markets	3%
Real assets	18%
Fixed income and cash	45%

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, 2014 and 2013, by asset category, are as follows:

		2014 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	$ 1,596,250	$ 1,596,250	$ -	$ -
Developed international	346,002	346,002	-	-
Emerging markets	129,918	129,918	-	-
Real assets	614,908	614,908	-	-
Fixed income and cash	2,161,334	2,161,334	-	-
	$ 4,848,412	$ 4,848,412	$ -	$ -

		2013 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	$ 1,340,198	$ 1,340,198	$ -	$ -
Developed international	328,785	328,785	-	-
Emerging markets	122,066	122,066	-	-
Real assets	546,983	546,983	-	-
Fixed income and cash	1,980,592	1,980,592	-	-
	$ 4,318,624	$ 4,318,624	$ -	$ -

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, 2014:

2015	$ 180,000
2016	210,000
2017	200,000
2018	220,000
2019	240,000
2020 - 2024	1,750,000

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, 2014. 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.

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 (generally considered to be 12 months) 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, net asset value 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.

Fair value determinations for Level 3 measurements of investments are the responsibility of the Finance & Operation’s office. The Finance & 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 and Land Held for Investment

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.

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, 2014 and 2013:

		2014 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	$ 34,569,616	$ 34,569,616	$ -	$ -
Investments				
Large cap equity	153,463,393	82,177,484	71,285,909	-
Mid cap equity	4,584,913	4,584,913	-	-
Small cap equity	268,914	268,914	-	-
International equity	119,197,928	27,464,612	91,733,316	-
Fixed income	89,515,481	26,009,083	63,506,398	-
Alternatives and other				
Private equity	72,246,658	-	-	72,246,658
Hedge funds	130,275,677	-	122,099,972	8,175,705
Real estate	9,373,997	-	-	9,373,997
Natural resources	40,215,249	-	8,512,803	31,702,446
	619,142,210	140,505,006	357,138,398	121,498,806
Program-related investments	1,200,187	-	1,200,187	-
Land held for investments	952,584	-	952,584	-
Contributions receivable from remainder trusts	4,106,074	-	-	4,106,074
Beneficial interest in perpetual trusts	15,088,017	-	15,088,017	-

		2013 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	$ 15,022,146	$ 15,022,146	$ -	$ -
Investments				
Large cap equity	145,497,775	58,424,885	87,072,890	-
Mid cap equity	23,990,822	23,990,822	-	-
Small cap equity	265,356	265,356	-	-
International equity	101,835,519	29,478,987	72,356,532	-
Fixed income	96,025,612	31,106,842	64,918,770	-
Alternatives and other				
Private equity	88,341,521	-	-	88,341,521
Hedge funds	118,619,014	-	87,216,563	31,402,451
Real estate	12,642,484	-	-	12,642,484
Natural resources	44,935,014	-	10,256,077	34,678,937
	632,153,117	143,266,892	321,820,832	167,065,393
Program-related investments	1,200,107	-	1,200,107	-
Land held for investments	879,098	-	879,098	-
Contributions receivable from remainder trusts	3,943,887	-	-	3,943,887
Beneficial interest in perpetual trusts	15,312,170	-	15,312,170	-

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
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Notes to Combined and Consolidated Financial Statements
December 31, 2014 and 2013

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, 2013	$ 55,437,154	$ -	$ 15,004,144	$ 33,122,573	$ 3,462,262
Total realized and unrealized gains (losses) included in other gains on the statement of activities	12,423,512	4,825,017	4,541,874	1,603,250	-
Purchases, capital calls and other additions	28,196,671	10,222,269	120,000	2,912,725	-
Proceeds from sales and other distributions	(9,948,572)	(7,222,269)	(7,023,534)	(2,959,611)	-
Transfers	2,232,756	23,577,434	-	-	-
Change in value of split-interest agreements	-	-	-	-	481,625
Balance, December 31, 2013	88,341,521	31,402,451	12,642,484	34,678,937	3,943,887
Total realized and unrealized gains included in other gains on the statement of activities	7,463,151	(164,921)	4,688,443	(1,827,657)	-
Purchases, capital calls and other additions	12,689,576	1,678,743	116,094	2,933,169	-
Proceeds from sales and other distributions	(36,247,590)	(178,743)	(8,073,024)	(4,082,003)	-
Transfers	-	(24,561,825)	-	-	-
Change in value of split-interest agreements	-	-	-	-	162,187
Balance, December 31, 2014	$ 72,246,658	$ 8,175,705	$ 9,373,997	$ 31,702,446	$ 4,106,074
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, 2014	$ 7,463,151	$ (164,921)	$ 4,688,443	$ (1,827,657)	$ -
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, 2013	$ 12,423,512	$ 4,825,017	$ 4,541,874	$ 1,603,250	$ -

The Foundation occasionally recognizes transfers from Level 3 to Level 2 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. Such transfers are recognized as of the end of the year.

Unobservable (Level 3) Inputs

As previously noted, the Foundation's alternative investments are valued at NAV or its equivalent and classified within the fair value hierarchy based on the Foundation's ability to redeem the fund within a reasonable period of time. Therefore, the valuation of alternative investments is considered to be based on unobservable inputs. There are no quantitative measurements (i.e. discount rates, market return rates, etc.) used to adjust NAV.

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 $4,106,074 and $3,943,887 at December 31, 2014 and 2013, 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 9.6%.

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.

	2014			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	$ 71,285,909	$ -	Daily, monthly, quarterly	1-60 days
International equity	91,733,316	-	Monthly, quarterly	10-60 days
Fixed income	63,506,398	-	Daily, monthly, quarterly	1-60 days
Alternative investments				
Private equity	72,246,658	28,891,591	Not eligible	n/a
Hedge funds	130,275,677	-	Monthly, quarterly or (bi)annually	5-90 days
Real estate	9,373,997	955,018	Not eligible	n/a
Natural resources	40,215,249	9,862,575	Not eligible	n/a

	2013			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	$ 87,072,890	$ -	Quarterly, semi-annually	30-60 days
International equity	72,356,532	-	Monthly, quarterly	10-60 days
Fixed income	64,918,770	-	Monthly, quarterly	10-60 days
Alternative investments				
Private equity	49,267,863	30,964,004	Not eligible	n/a
Hedge funds	118,619,014	-	Monthly, quarterly or annually	5-90 days
Real estate	12,642,484	1,063,952	Not eligible	n/a
Natural resources	44,935,014	12,204,525	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.

Fair Value of Financial Instruments

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: 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 32% and 39% of all contributions were received from three and one donors for the years ended December 31, 2014 and 2013, 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.

Supplementary Information

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

Combining and Consolidating Information - Statement of Financial Position
December 31, 2014

	2014					
	The Indianapolis Foundation, Inc (1)	Legacy Fund	Central Indiana Community Foundation	Affiliated Organizations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 20,354,759	$ 4,490,492	$ 26,425,769	$ 10,852,079	$ -	$ 62,123,099
Investments, at market	212,443,628	40,523,900	355,932,336	10,242,346	-	619,142,210
Contributions and grants receivable	533,986	150,000	910,268	504,346	(60,000)	2,038,600
Accrued investment income	33,394	9,586	25,881	206	-	69,067
Other assets	4,992	5,847	320,995	6,144	-	337,978
Program-related investments	1,200,187	-	-	-	-	1,200,187
Land held for investment	792,584	160,000	-	-	-	952,584
Contributions receivable in remainder trust	472,848	1,111,522	2,521,704	-	-	4,106,074
Property and equipment, net	732,196	-	4,987,936	2,557,706	-	8,277,838
Beneficial interest in perpetual trusts	9,902,728	-	5,185,289	-	-	15,088,017
Due from other funds	1,034,000	-	165,046	-	(1,199,046)	-
Total assets	$ 247,505,302	$ 46,451,347	$ 396,475,224	$ 24,162,827	$ (1,259,046)	$ 713,335,654
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 6,017	$ 860	$ 112,884	$ 206,083	$ -	$ 325,844
Accrued pension and vacation	1,089,411	460,807	1,590,305	196,885	-	3,337,408
Investment fees payable	138,519	29,649	228,308	2,480	-	398,956
Grant and gift commitments payable	530,563	1,027,684	8,891,164	6,000	(60,000)	10,395,411
Annuities payable	11,432	-	311,418	-	-	322,850
Income beneficiaries payable	-	-	2,652,615	-	-	2,652,615
Amounts held for others	30,206,104	5,316,095	25,499,702	-	-	61,021,901
Due to other funds	874	14,170	959,000	225,002	(1,199,046)	-
Total liabilities	31,982,920	6,849,265	40,245,396	636,450	(1,259,046)	78,454,985
Net Assets						
Unrestricted	203,810,940	38,490,560	340,140,976	12,185,313	-	594,627,789
Temporarily restricted	1,695,809	1,111,522	10,903,563	10,633,335	-	24,344,229
Permanently restricted	10,015,633	-	5,185,289	707,729	-	15,908,651
Total net assets	215,522,382	39,602,082	356,229,828	23,526,377	-	634,880,669
Total liabilities and net assets	$ 247,505,302	$ 46,451,347	$ 396,475,224	$ 24,162,827	$ (1,259,046)	$ 713,335,654

(1) For purposes of these combining and consolidating schedules, The Indianapolis Foundation, Inc. column includes The Indianapolis Foundation, Inc. activities and the activities of The Indianapolis Foundation, Inc. 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, Inc.
Legacy Fund, Inc.
and Affiliated Organizations

Combining and Consolidating Information - Statement of Activities
Year Ended December 31, 2014

	The Indianapolis Foundation, Inc. (1)			
	Unrestricted	Temporarily Restricted	Permanently Restricted	IF Total
Revenue and Support				
Total amounts raised	$ 12,047,344	$ 410,720	$ -	$ 12,458,064
Less amounts for agency funds	(2,594,276)	-	-	(2,594,276)
Total contributions	9,453,068	410,720	-	9,863,788
Investment income, net of fees of $2,884,025	1,784,543	-	-	1,784,543
Realized and unrealized gains	6,072,602	18,168	99,723	6,190,493
Rental and other income	427,020	-	-	427,020
Total revenue	17,737,233	428,888	99,723	18,265,844
Net assets released from restriction	1,406,902	(1,172,595)	(234,307)	-
Total revenue and support	19,144,135	(743,707)	(134,584)	18,265,844
Expenses				
Grant expenses	16,242,353	-	-	16,242,353
Program expenses	1,133,465	-	-	1,133,465
Management and general	680,078	-	-	680,078
Fundraising and development	453,386	-	-	453,386
Total expenses	18,509,282	-	-	18,509,282
Change in Net Assets From Operations Before Other Gains (Losses)	634,853	(743,707)	(134,584)	(243,438)
Other Gains (Losses)				
Changes in value of split-interest agreements	(983)	79,959	-	78,976
Amortization of net gain and prior service cost included in net periodic pension cost	(284,378)	-	-	(284,378)
Total other gains (losses)	(285,361)	79,959	-	(205,402)
Transfers and Other Changes to Net Assets	(1,236,603)	257,111	-	(979,492)
Change in Net Assets	(887,111)	(406,637)	(134,584)	(1,428,332)
Net Assets, Beginning of Year	204,698,051	2,102,446	10,150,217	216,950,714
Net Assets, End of Year	$ 203,810,940	$ 1,695,809	$ 10,015,633	$ 215,522,382

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

2014

Legacy Fund			Central Indiana Community Foundation			
Unrestricted	Temporarily Restricted	LF Total	Unrestricted	Temporarily Restricted	Permanently Restricted	CICF Total
$ 3,427,723	$ -	$ 3,427,723	$ 13,909,586	$ 1,877,735	$ -	$ 15,787,321
(63,573)	-	(63,573)	(2,099,375)	-	-	(2,099,375)
3,364,150	-	3,364,150	11,810,211	1,877,735	-	13,687,946
338,499	-	338,499	3,129,748	-	-	3,129,748
1,197,918	-	1,197,918	10,143,969	270,081	70,237	10,484,287
112,519	-	112,519	846,420	-	-	846,420
5,013,086	-	5,013,086	25,930,348	2,147,816	70,237	28,148,401
-	-	-	1,785,990	(1,892,565)	106,575	-
5,013,086	-	5,013,086	27,716,338	255,251	176,812	28,148,401
3,065,226	-	3,065,226	20,287,472	-	-	20,287,472
441,117	-	441,117	1,992,213	-	-	1,992,213
264,670	-	264,670	1,195,329	-	-	1,195,329
176,447	-	176,447	796,886	-	-	796,886
3,947,460	-	3,947,460	24,271,900	-	-	24,271,900
1,065,626	-	1,065,626	3,444,438	255,251	176,812	3,876,501
-	-	-	(86,727)	329,145	-	242,418
(120,298)	-	(120,298)	(387,818)	-	-	(387,818)
(120,298)	-	(120,298)	(474,545)	329,145	-	(145,400)
330,726	-	330,726	1,829,171	226,253	(226,254)	1,829,170
1,276,054	-	1,276,054	4,799,064	810,649	(49,442)	5,560,271
37,214,506	1,111,522	38,326,028	335,341,912	10,092,914	5,234,731	350,669,557
$ 38,490,560	$ 1,111,522	$ 39,602,082	$ 340,140,976	$ 10,903,563	$ 5,185,289	$ 356,229,828

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

Combining and Consolidating Information - Statement of Activities (Continued)
Year Ended December 31, 2014

	Affiliated Organizations			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 683,442	$ 1,290,498	$ -	$ 1,973,940
Less amounts for agency funds	-	-	-	-
Total contributions	683,442	1,290,498	-	1,973,940
Investment income, net of fees of $2,884,025	146,558	31,275	4,869	182,702
Realized and unrealized gains	304,465	124,237	32,418	461,120
Rental and other income	679,465	-	-	679,465
Total revenue	1,813,930	1,446,010	37,287	3,297,227
Net assets released from restriction	4,765,157	(4,759,319)	(5,838)	-
Total revenue and support	6,579,087	(3,313,309)	31,449	3,297,227
Expenses				
Grant expenses	4,870,043	-	-	4,870,043
Program expenses	1,033,107	-	-	1,033,107
Management and general	372,800	-	-	372,800
Fundraising and development	222,148	-	-	222,148
Total expenses	6,498,098	-	-	6,498,098
Change in Net Assets From Operations Before Other Gains (Losses)	80,989	(3,313,309)	31,449	(3,200,871)
Other Gains (Losses)				
Changes in value of split-interest agreements	-	-	-	-
Amortization of net gain and prior service cost included in net periodic pension cost	(25,860)	-	-	(25,860)
Total other gains (losses)	(25,860)	-	-	(25,860)
Transfers and Other Changes to Net Assets	10,900	-	(1,191,304)	(1,180,404)
Change in Net Assets	66,029	(3,313,309)	(1,159,855)	(4,407,135)
Net Assets, Beginning of Year	12,119,284	13,946,644	1,867,584	27,933,512
Net Assets, End of Year	$ 12,185,313	$ 10,633,335	$ 707,729	$ 23,526,377

2014	Combined and Consolidated			
Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Totals
$ (5,723,653)	$ 24,344,442	$ 3,578,953	$ -	$ 27,923,395
-	(4,757,224)	-	-	(4,757,224)
(5,723,653)	19,587,218	3,578,953	-	23,166,171
-	5,399,348	31,275	4,869	5,435,492
-	17,718,954	412,486	202,378	18,333,818
(78,675)	1,986,749	-	-	1,986,749
(5,802,328)	44,692,269	4,022,714	207,247	48,922,230
-	7,958,049	(7,824,479)	(133,570)	-
(5,802,328)	52,650,318	(3,801,765)	73,677	48,922,230
(5,723,653)	38,741,441	-	-	38,741,441
-	4,599,902	-	-	4,599,902
(78,675)	2,434,202	-	-	2,434,202
-	1,648,867	-	-	1,648,867
(5,802,328)	47,424,412	-	-	47,424,412
-	5,225,906	(3,801,765)	73,677	1,497,818
-	(87,710)	409,104	-	321,394
-	(818,354)	-	-	(818,354)
-	(906,064)	409,104	-	(496,960)
-	934,194	483,364	(1,417,558)	-
-	5,254,036	(2,909,297)	(1,343,881)	1,000,858
-	589,373,753	27,253,526	17,252,532	633,879,811
$ -	$ 594,627,789	$ 24,344,229	$ 15,908,651	$ 634,880,669

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

Comparison of Operating Funds Activities to Budget
Year Ended December 31, 2014

	2014			
	Actual	Budget	Over (Under) Budget	% Over (Under)
Revenue and Support				
Administrative support fees collected	$ 5,281,193	$ 4,950,000	$ 331,193	6.7%
Community leadership support	709,183	700,000	9,183	1.3%
Other board contributions	4,100	25,000	(20,900)	-83.6%
Other operating revenues	1,015,920	804,250	211,670	26.3%
Total revenue from operations	7,010,396	6,479,250	531,146	8.2%
Expenses				
Program and grant-making	3,224,826	3,180,987	43,839	1.4%
Donor services and development	1,289,930	1,272,395	17,535	1.4%
Management and administrative	1,934,896	1,908,593	26,303	1.4%
Capital expenditures	112,586	117,275	(4,689)	-4.0%
Total expenses	6,562,238	6,479,250	82,988	1.3%
Net Revenue From Operations Before Reconciling Items	448,158	-	448,158	n/a
Reconciling Items				
Prepaid expenses	40,106	-	40,106	n/a
Vacation accrual	(10,923)	-	(10,923)	n/a
Pension adjustment	187,762	-	187,762	n/a
Total reconciling items	216,945	-	216,945	n/a
Net Revenue From Operations	$ 665,103	$ -	$ 665,103	0.0%