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, 2015 and 2014

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

Central Indiana Community Foundation, Inc.
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and Affiliated Organizations

December 31, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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
August 29, 2016

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

Combined and Consolidated Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 61,862,666	$ 62,123,099
Investments	603,911,766	619,142,210
Contributions and grants receivable	4,514,718	2,038,600
Accrued investment income	101,387	69,067
Other assets	773,316	337,978
Program-related investments	830,268	1,200,187
Land held for investment	756,038	952,584
Contributions receivable from remainder trusts	3,580,801	4,106,074
Property and equipment, net	7,579,751	8,277,838
Beneficial interest in perpetual trusts	14,081,131	15,088,017
Total assets	$ 697,991,842	$ 713,335,654
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 778,274	$ 325,844
Accrued pension and vacation	3,443,449	3,337,408
Investment fees payable	157,217	398,956
Grant and gift commitments payable	11,029,971	10,395,411
Annuities payable	120,581	322,850
Income beneficiaries payable	2,296,381	2,652,615
Amounts held for others	66,323,202	61,021,901
Total liabilities	84,149,075	78,454,985
Net Assets		
Unrestricted	575,946,241	594,627,789
Temporarily restricted	22,988,696	24,344,229
Permanently restricted	14,907,830	15,908,651
Total net assets	613,842,767	634,880,669
Total liabilities and net assets	$ 697,991,842	$ 713,335,654

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, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 35,767,232	$ 4,400,058	$ -	$ 40,167,290
Less amounts for agency funds	(9,383,572)	-	-	(9,383,572)
Total contributions	26,383,660	4,400,058	-	30,783,718
Investment income, net of fees of $3,061,756 and $2,884,025	2,840,547	12,837	5,142	2,858,526
Realized and unrealized gains (losses)	(7,373,659)	(515,390)	(537,440)	(8,426,489)
Rental and other income	1,909,488	-	-	1,909,488
Total revenue	23,760,036	3,897,505	(532,298)	27,125,243
Net assets released from restriction	6,012,062	(5,786,322)	(225,740)	-
Total revenue and other support	29,772,098	(1,888,817)	(758,038)	27,125,243
Expenses				
Grant expenses	39,386,114	-	-	39,386,114
Program expenses	5,153,111	-	-	5,153,111
Management and general	2,581,158	-	-	2,581,158
Fundraising and development	1,789,920	-	-	1,789,920
Total expenses	48,910,303	-	-	48,910,303
Change in Net Assets From Operations Before Other Gains (Losses)	(19,138,205)	(1,888,817)	(758,038)	(21,785,060)
Other Gains (Losses)				
Changes in value of split-interest agreements	203,097	403,629	-	606,726
Net gain (loss) on defined-benefit plan arising during the year	140,432	-	-	140,432
Total other gains (losses)	343,529	403,629	-	747,158
Transfers and Other Changes to Net Assets	113,128	129,655	(242,783)	-
Change in Net Assets	(18,681,548)	(1,355,533)	(1,000,821)	(21,037,902)
Net Assets, Beginning of Year	594,627,789	24,344,229	15,908,651	634,880,669
Net Assets, End of Year	$ 575,946,241	$ 22,988,696	$ 14,907,830	$ 613,842,767

2014			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 24,344,442	$ 3,578,953	$ -	$ 27,923,395
(4,757,224)	-	-	(4,757,224)
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
1,986,749	-	-	1,986,749
44,692,269	4,022,714	207,247	48,922,230
7,958,049	(7,824,479)	(133,570)	-
52,650,318	(3,801,765)	73,677	48,922,230
38,741,441	-	-	38,741,441
4,599,902	-	-	4,599,902
2,434,202	-	-	2,434,202
1,648,867	-	-	1,648,867
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

Combined and Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Operating Activities		
Change in net assets	$ (21,037,902)	$ 1,000,858
Items not requiring (providing) cash		
Depreciation	983,953	901,407
Loss on sale of equipment	678	-
Realized and unrealized (gains) losses	8,426,489	(18,333,818)
Noncash contributions - stock	(5,690,691)	(5,726,733)
Change in value of land held for investment	196,546	(73,486)
Change in		
Contributions and grants receivable	(2,476,118)	893,196
Accrued investment income	(32,320)	(2,599)
Contributions receivable from remainder trusts	525,273	(162,187)
Other assets	(435,338)	(178,329)
Accounts payable	452,430	82,113
Accrued pension and vacation	106,041	953,797
Investment fees payable	(241,739)	(54,194)
Grant and gift commitments payable	634,560	1,991,516
Annuities payable	(202,269)	59,029
Income beneficiaries payable	(356,234)	(792,211)
Net cash used in operating activities	(19,146,641)	(19,441,641)
Investing Activities		
Proceeds from sale of investments	97,077,503	174,572,746
Purchase of investments	(83,206,052)	(137,277,215)
Purchase of equipment	(286,544)	(1,550,325)
Net cash provided by investing activities	13,584,907	35,745,206
Financing Activity - change in amounts held for others	5,301,301	4,440,688
Increase (Decrease) in Cash and Cash Equivalents	(260,433)	20,744,253
Cash and Cash Equivalents, Beginning of Year	62,123,099	41,378,846
Cash and Cash Equivalents, End of Year	$ 61,862,666	$ 62,123,099

Central Indiana Community Foundation, Inc.
The Indianapolis Foundation, Inc.
Legacy Fund, Inc.
and Affiliated Organizations
Notes to Combined and Consolidated Financial Statements
December 31, 2015 and 2014

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
Nextech	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, Inc.; 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.; Nextech 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, 2015 and 2014, 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 2012.

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 2014 financial statements to conform to the 2015 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 2015	Fair Value 2014
Large cap equity	$ 141,822,039	$ 153,463,393
Mid cap equity	3,420,390	4,584,913
Small cap equity	224,518	268,914
International equity	116,449,639	119,197,928
Fixed income	88,893,055	89,515,481
	350,809,641	367,030,629
Alternatives and other		
Private equity	79,051,990	72,246,658
Hedge funds	131,614,042	130,275,677
Real estate	5,336,742	9,373,997
Natural resources	37,099,351	40,215,249
	253,102,125	252,111,581
Total investments	$ 603,911,766	$ 619,142,210

Note 3: Contributions and Grants Receivable

	Temporarily Restricted 2015	Temporarily Restricted 2014
Due within one year	$ 4,143,765	$ 1,571,416
Due in one to five years	518,700	647,092
Due in more than five years	175,000	175,000
	4,837,465	2,393,508
Less discount	(157,207)	(164,799)
	4,680,258	2,228,709
Less allowance	(165,540)	(190,109)
Total	$ 4,514,718	$ 2,038,600

The discount rates for 2015 and 2014 ranged from 0.20% to 4.73%.

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

	2015	2014
Endowment	$ 2,762,207	$ 635,676
Time restriction	788,141	329,607
Projects	964,370	1,073,317
Total	$ 4,514,718	$ 2,038,600

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, 2015 and 2014, the Foundation's unrestricted endowment funds were $396,167,718 and $423,526,829, respectively.

Changes in endowment net assets for the years ended December 31, 2015 and 2014, were:

	Unrestricted 2015	Unrestricted 2014
Endowment net assets, beginning of year	$ 423,526,829	$ 431,414,057
Investment return		
Investment income	1,866,790	3,836,535
Net appreciation (depreciation)	(4,117,355)	10,728,628
Total investment return	(2,250,565)	14,565,163
Contributions	537,434	2,054,158
Appropriation of endowment assets for expenditure	(25,645,980)	(24,506,549)
Endowment net assets, end of year	$ 396,167,718	$ 423,526,829

Note 6: Property and Equipment

The Foundation's property and equipment are as follows:

	2015	2014
Buildings and improvements	$ 18,862,171	$ 18,618,478
Furnishings and equipment	2,645,364	2,701,446
	21,507,535	21,319,924
Accumulated depreciation	(14,185,320)	(13,299,622)
	7,322,215	8,020,302
Land	257,536	257,536
	$ 7,579,751	$ 8,277,838

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 $14,081,131 and $15,088,017, which represents the fair value of the trusts' assets at December 31, 2015 and 2014, respectively.

Note 8: Grant and Gift Commitments

As of December 31, 2015 and 2014, the Foundation was committed to various charitable organizations for grants and commitments, payable over future years in the amounts of $11,029,971 and $10,395,411, respectively. Grant activities detailed during the years are as follows:

	2015	2014
Grants payable, beginning of year	$ 10,395,411	$ 8,403,895
Grants paid during the year		
The Indianapolis Foundation, Inc.	12,947,317	13,497,531
Legacy Fund	3,355,635	2,860,995
Central Indiana Community Foundation	19,675,444	15,517,056
Affiliated Organizations	2,773,158	4,874,343
Total grants paid	38,751,554	36,749,925
Grants approved during the year		
The Indianapolis Foundation, Inc.	12,163,148	13,244,084
Legacy Fund	3,600,288	2,800,126
Central Indiana Community Foundation	19,497,064	17,828,188
Affiliated Organizations	4,125,614	4,869,043
Total grants approved	39,386,114	38,741,441
Grants payable, end of year	$ 11,029,971	$ 10,395,411

Future maturities of grant and gift commitments are as follows:

2016	$ 6,648,685
2017	2,980,666
2018	1,251,166
2019	323,750
2020	35,000
Thereafter	105,000
Total grant and gift commitments	11,344,267
Amounts representing discount	(314,296)
	$ 11,029,971

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, 2015, the Foundation had approximately $235,000 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, 2015 and 2014 of $120,581 and $322,850, 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, 2015 and 2014, this liability was $2,296,381 and $2,652,615, respectively. The present value of the estimated future payments is calculated using a discount rate range of 1.2% to 9.6% in 2015 and 2014 and applicable mortality tables.

Note 10: Net Assets

Temporarily Restricted Net Assets

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

	2015	2014
Trust agreements	$ 9,647,210	$ 10,381,089
Support and maintenance of the English Foundation	2,290,060	2,514,623
Land held for investment	641,038	688,974
Program funds of the Indianapolis Parks Foundation	5,529,445	8,118,712
Time restrictions	4,880,943	2,640,831
	$ 22,988,696	$ 24,344,229

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to:

	2015	2014
Investment in perpetuity, the income of which is expendable to support		
The Indianapolis Foundation, Inc.	$ 9,369,437	$ 10,015,633
Central Indiana Community Foundation	4,847,145	5,185,289
Indianapolis Parks Foundation	583,712	600,193
	14,800,294	15,801,115
Land related to the English Foundation	107,536	107,536
	$ 14,907,830	$ 15,908,651

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.

	2015	2014
Purpose or time restrictions accomplished		
Time and purpose restrictions	$ 2,318,089	$ 3,192,892
Release by third-party trustees of certain gains on operations and depreciation, English Foundation	189,157	192,082
Purpose restrictions accomplished, TechPoint	-	77,330
Purpose restrictions accomplished, Indianapolis Parks Foundation	3,504,816	4,495,745
Total net assets released from restrictions	$ 6,012,062	$ 7,958,049

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 $165,762 and $107,972 for 2015 and 2014, 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:

	2015	2014
Benefit obligation	$ 7,974,000	$ 7,885,841
Fair value of plan assets	4,893,679	4,848,412
Funded status	$ (3,080,321)	$ (3,037,429)
Accumulated benefit obligation	$ 6,698,671	$ 6,509,738
Amounts recognized in the combined and consolidated statements of financial position:		
Accrued benefit cost	$ 3,080,321	$ 3,037,429

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

	2015	2014
Net loss	$ 714,241	$ 873,672

Other significant balances and costs are:

	2015	2014
Employer contributions	$ 200,000	$ 413,213
Benefits paid	163,452	128,559
Net periodic benefit costs	402,323	448,793

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

	2015	2014
Amounts arising during the period		
Net (gain) loss	$ (151,908)	$ 845,851
Amounts reclassified as components of net periodic benefit cost of the period		
Net loss	7,523	-
Net prior service cost	-	4,607

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:

	2015	2014
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	4.60%	4.05%
Rate of compensation increase	4.08%	4.08%
Weighted-average assumptions used to determine benefit costs:		
Discount rate	4.05%	5.00%
Expected return on plan assets	6.50%	6.50%
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, 2015 and 2014, by asset category, are as follows:

		2015 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	$ 1,680,440	$ 1,680,440	$ -	$ -
Developed international	371,134	371,134	-	-
Emerging markets	117,578	117,578	-	-
Real assets	665,742	665,742	-	-
Fixed income and cash	2,058,785	2,058,785	-	-
	$ 4,893,679	$ 4,893,679	$ -	$ -

		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	$ -	$ -

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, 2015:

2016	$ 190,000
2017	200,000
2018	220,000
2019	240,000
2020	240,000
2021 - 2025	1,990,000

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, 2015. 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, 2015 and 2014:

		2015 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds included in cash equivalents	$ 25,850,174	$ 25,850,174	$ -	$ -
Investments				
Large cap equity	141,822,039	72,814,263	69,007,776	-
Mid cap equity	3,420,390	3,420,390	-	-
Small cap equity	224,518	224,518	-	-
International equity	116,449,639	26,485,639	89,964,000	-
Fixed income	88,893,055	36,923,862	51,969,193	-
Alternatives and other				
Private equity	79,051,990	-	-	79,051,990
Hedge funds	131,614,042	-	90,055,459	41,558,583
Real estate	5,336,742	-	-	5,336,742
Natural resources	37,099,351	-	6,355,660	30,743,691
	603,911,766	139,868,672	307,352,088	156,691,006
Program-related investments	830,268	-	830,268	-
Land held for investments	756,038	-	756,038	-
Contributions receivable from remainder trusts	3,580,801	-	-	3,580,801
Beneficial interest in perpetual trusts	14,081,131	-	14,081,131	-

		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	-	830,268	-
Land held for investments	952,584	-	756,038	-
Contributions receivable from remainder trusts	4,106,074	-	-	4,106,074
Beneficial interest in perpetual trusts	15,088,017	-	14,081,131	-

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
	Private Equity	Hedge Funds	Real Estate	Natural Resources	Remainder Trusts
Balance, January 1, 2014	$ 88,341,521	$ 31,402,451	$ 12,642,484	$ 34,678,937	$ 3,943,887
Total realized and unrealized gains (losses) included in other gains on the combined and consolidated 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 realized and unrealized gains included in other gains on the combined and consolidated statement of activities	7,121,237	(1,982,096)	1,067,668	(2,999,032)	-
Purchases, capital calls and other additions	14,559,810	26,553,374	472,298	3,982,673	-
Proceeds from sales and other distributions	(14,875,715)	(18,553,374)	(5,577,221)	(1,942,396)	-
Transfers	-	27,364,974	-	-	-
Change in value of split-interest agreements	-	-	-	-	(525,273)
Balance, December 31, 2015	$ 79,051,990	$ 41,558,583	$ 5,336,742	$ 30,743,691	$ 3,580,801
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, 2015	$ 7,121,237	$ (1,982,096)	$ 1,067,668	$ (2,999,032)	$ -
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)	$ -

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 $3,580,801 and $4,106,074 at December 31, 2015 and 2014, 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.

	2015			
	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Assets				
Large cap equity	$ 69,007,776	$ -	Daily, monthly, quarterly	1-60 days
International equity	89,964,000	-	Monthly, quarterly	10-60 days
Fixed income	51,969,193	-	Daily, monthly	1-10 days
Alternative investments				
Private equity	79,051,990	33,874,703	Not eligible	n/a
Hedge funds	131,614,042	-	Monthly, quarterly or (bi)annually	5-90 days
Real estate	5,336,742	718,952	Not eligible	n/a
Natural resources	37,099,351	15,752,310	Monthly, not eligible	5 - n/a

	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

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.

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 23% and 32% of all contributions were received from two and three donors for the years ended December 31, 2015 and 2014, 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, 2015

	2015					
	The Indianapolis Foundation, Inc.	Legacy Fund	Central Indiana Community Foundation	Affiliated Organizations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 20,679,969	$ 3,790,215	$ 28,904,846	$ 8,487,636	$ -	$ 61,862,666
Investments, at market	203,651,516	44,000,704	343,463,152	12,796,394	-	603,911,766
Contributions and grants receivable	444,789	40,585	3,640,284	419,060	(30,000)	4,514,718
Accrued investment income	48,249	18,353	34,518	267	-	101,387
Other assets	708	417,228	347,596	7,784	-	773,316
Program-related investments	830,268	-	-	-	-	830,268
Land held for investment	641,038	115,000	-	-	-	756,038
Contributions receivable in remainder trust	449,643	795,848	2,335,310	-	-	3,580,801
Property and equipment, net	636,345	-	4,763,252	2,180,154	-	7,579,751
Beneficial interest in perpetual trusts	9,233,985	-	4,847,146	-	-	14,081,131
Due from other funds	481,500	-	218,578	-	(700,078)	-
Total assets	$ 237,098,010	$ 49,177,933	$ 388,554,682	$ 23,891,295	$ (730,078)	$ 697,991,842
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 42,746	$ 3,356	$ 169,097	$ 563,075	$ -	$ 778,274
Accrued pension and vacation	1,106,508	484,695	1,571,280	280,966	-	3,443,449
Investment fees payable	53,235	14,898	88,134	950	-	157,217
Grant and gift commitments payable	558,692	1,403,024	9,098,255	-	(30,000)	11,029,971
Annuities payable	11,191	-	109,390	-	-	120,581
Income beneficiaries payable	-	-	2,296,381	-	-	2,296,381
Amounts held for others	28,997,694	5,333,141	31,992,367	-	-	66,323,202
Due to other funds	-	20,407	496,100	183,571	(700,078)	-
Total liabilities	30,770,066	7,259,521	45,821,004	1,028,562	(730,078)	84,149,075
Net Assets						
Unrestricted	195,423,037	41,122,564	325,048,660	14,351,980	-	575,946,241
Temporarily restricted	1,535,470	795,848	12,837,873	7,819,505	-	22,988,696
Permanently restricted	9,369,437	-	4,847,145	691,248	-	14,907,830
Total net assets	206,327,944	41,918,412	342,733,678	22,862,733	-	613,842,767
Total liabilities and net assets	$ 237,098,010	$ 49,177,933	$ 388,554,682	$ 23,891,295	$ (730,078)	$ 697,991,842

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, 2015

	The Indianapolis Foundation, Inc.			
	Unrestricted	Temporarily Restricted	Permanently Restricted	IF Total
Revenue and Support				
Total amounts raised	$ 13,937,531	$ (2,219)	$ -	$ 13,935,312
Less amounts for agency funds	(818,728)	-	-	(818,728)
Total contributions	13,118,803	(2,219)	-	13,116,584
Investment income, net of fees of $3,061,756	981,899	-	-	981,899
Realized and unrealized gains	(2,713,720)	(34,634)	(375,933)	(3,124,287)
Rental and other income	357,448	-	-	357,448
Total revenue	11,744,430	(36,853)	(375,933)	11,331,644
Net assets released from restriction	372,307	(102,044)	(270,263)	-
Total revenue and support	12,116,737	(138,897)	(646,196)	11,331,644
Expenses				
Grant expenses	15,670,171	-	-	15,670,171
Program expenses	1,292,995	-	-	1,292,995
Management and general	775,797	-	-	775,797
Fundraising and development	517,198	-	-	517,198
Total expenses	18,256,161	-	-	18,256,161
Change in Net Assets From Operations Before Other Gains (Losses)	(6,139,424)	(138,897)	(646,196)	(6,924,517)
Other Gains (Losses)				
Changes in value of split-interest agreements	(968)	(21,442)	-	(22,410)
Amortization of net gain and prior service cost included in net periodic pension cost	48,730	-	-	48,730
Total other gains (losses)	47,762	(21,442)	-	26,320
Transfers and Other Changes to Net Assets	(2,296,241)	-	-	(2,296,241)
Change in Net Assets	(8,387,903)	(160,339)	(646,196)	(9,194,438)
Net Assets, Beginning of Year	203,810,940	1,695,809	10,015,633	215,522,382
Net Assets, End of Year	$ 195,423,037	$ 1,535,470	$ 9,369,437	$ 206,327,944

2015

Legacy Fund			Central Indiana Community Foundation			
	Temporarily	LF		Temporarily	Permanently	CICF
Unrestricted	Restricted	Total	Unrestricted	Restricted	Restricted	Total
$ 6,726,315	$ -	$ 6,726,315	$ 16,768,114	$ 3,496,084	$ -	$ 20,264,198
(356,653)	-	(356,653)	(8,208,191)	-	-	(8,208,191)
6,369,662	-	6,369,662	8,559,923	3,496,084	-	12,056,007
215,942	-	215,942	1,538,738	-	-	1,538,738
10,612	-	10,612	(4,404,737)	(432,513)	(149,240)	(4,986,490)
115,670	-	115,670	837,925	-	-	837,925
6,711,886	-	6,711,886	6,531,849	3,063,571	(149,240)	9,446,180
862,484	(862,484)	-	1,083,298	(1,137,177)	53,879	-
7,574,370	(862,484)	6,711,886	7,615,147	1,926,394	(95,361)	9,446,180
3,806,259	-	3,806,259	21,566,857	-	-	21,566,857
460,723	-	460,723	2,026,619	-	-	2,026,619
276,437	-	276,437	1,215,972	-	-	1,215,972
184,293	-	184,293	810,643	-	-	810,643
4,727,712	-	4,727,712	25,620,091	-	-	25,620,091
2,846,658	(862,484)	1,984,174	(18,004,944)	1,926,394	(95,361)	(16,173,911)
-	546,810	546,810	204,065	(121,739)	-	82,326
21,346	-	21,346	63,194	-	-	63,194
21,346	546,810	568,156	267,259	(121,739)	-	145,520
(236,000)	-	(236,000)	2,645,369	129,655	(242,783)	2,532,241
2,632,004	(315,674)	2,316,330	(15,092,316)	1,934,310	(338,144)	(13,496,150)
38,490,560	1,111,522	39,602,082	340,140,976	10,903,563	5,185,289	356,229,828
$ 41,122,564	$ 795,848	$ 41,918,412	$ 325,048,660	$ 12,837,873	$ 4,847,145	$ 342,733,678

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, 2015

	Affiliated Organizations			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Total amounts raised	$ 4,058,925	$ 906,193	$ -	$ 4,965,118
Less amounts for agency funds	-	-	-	-
Total contributions	4,058,925	906,193	-	4,965,118
Investment income, net of fees of $3,061,756	103,968	12,837	5,142	121,947
Realized and unrealized gains	(265,814)	(48,243)	(12,267)	(326,324)
Rental and other income	677,120	-	-	677,120
Total revenue	4,574,199	870,787	(7,125)	5,437,861
Net assets released from restriction	3,693,973	(3,684,617)	(9,356)	-
Total revenue and support	8,268,172	(2,813,830)	(16,481)	5,437,861
Expenses				
Grant expenses	4,066,480	-	-	4,066,480
Program expenses	1,372,774	-	-	1,372,774
Management and general	391,627	-	-	391,627
Fundraising and development	277,786	-	-	277,786
Total expenses	6,108,667	-	-	6,108,667
Change in Net Assets From Operations Before Other Gains (Losses)	2,159,505	(2,813,830)	(16,481)	(670,806)
Other Gains (Losses)				
Changes in value of split-interest agreements	-	-	-	-
Amortization of net gain and prior service cost included in net periodic pension cost	7,162	-	-	7,162
Total other gains (losses)	7,162	-	-	7,162
Transfers and Other Changes to Net Assets	-	-	-	-
Change in Net Assets	2,166,667	(2,813,830)	(16,481)	(663,644)
Net Assets, Beginning of Year	12,185,313	10,633,335	707,729	23,526,377
Net Assets, End of Year	$ 14,351,980	$ 7,819,505	$ 691,248	$ 22,862,733

2015	Combined and Consolidated			
		Temporarily	Permanently	2015
Eliminations	Unrestricted	Restricted	Restricted	Totals
$ (5,723,653)	$ 35,767,232	$ 4,400,058	$ -	$ 40,167,290
-	(9,383,572)	-	-	(9,383,572)
(5,723,653)	26,383,660	4,400,058	-	30,783,718
-	2,840,547	12,837	5,142	2,858,526
-	(7,373,659)	(515,390)	(537,440)	(8,426,489)
(78,675)	1,909,488	-	-	1,909,488
(5,802,328)	23,760,036	3,897,505	(532,298)	27,125,243
-	6,012,062	(5,786,322)	(225,740)	-
(5,802,328)	29,772,098	(1,888,817)	(758,038)	27,125,243
(5,723,653)	39,386,114	-	-	39,386,114
-	5,153,111	-	-	5,153,111
(78,675)	2,581,158	-	-	2,581,158
-	1,789,920	-	-	1,789,920
(5,802,328)	48,910,303	-	-	48,910,303
-	(19,138,205)	(1,888,817)	(758,038)	(21,785,060)
-	203,097	403,629	-	606,726
-	140,432	-	-	140,432
-	343,529	403,629	-	747,158
-	113,128	129,655	(242,783)	-
-	(18,681,548)	(1,355,533)	(1,000,821)	(21,037,902)
-	594,627,789	24,344,229	15,908,651	634,880,669
$ -	$ 575,946,241	$ 22,988,696	$ 14,907,830	$ 613,842,767

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, 2015

	2015			
	Actual	Budget	Over (Under) Budget	% Over (Under)
Revenue and Support				
Administrative support fees collected	$ 5,425,374	$ 5,300,000	$ 125,374	2.4%
Community leadership support	673,127	700,000	(26,873)	-3.8%
Other operating revenues	942,837	1,077,700	(134,863)	-12.5%
Total revenue from operations	7,041,338	7,077,700	(36,362)	-0.5%
Expenses				
Program and grant-making	3,192,964	3,409,663	(216,699)	-6.4%
Donor services and development	1,277,185	1,363,865	(86,680)	-6.4%
Management and administrative	1,915,778	2,045,798	(130,020)	-6.4%
Capital expenditures	39,652	180,000	(140,348)	-78.0%
Total expenses	6,425,579	6,999,326	(573,747)	-8.2%
Net Revenue From Operations Before Reconciling Items	615,759	78,374	537,385	n/a
Reconciling Items				
Pension accrual	99,108	-	99,108	n/a
Vacation accrual	9,455	-	9,455	n/a
Depreciation expense	182,130	-	182,130	n/a
Total reconciling items	290,693	-	290,693	n/a
Net Revenue From Operations	$ 906,452	$ 78,374	$ 828,078	1056.6%