

Combined Financial Statements
and Supplementary Information

**COMMUNITY FOUNDATION OF GREATER FORT WAYNE INC.
AND AFFILIATED SUPPORTING ORGANIZATIONS**

*Years ended December 31, 2018 and 2017
with Independent Auditor's Report*

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Financial Statements
and Supplementary Information

Years ended December 31, 2018 and 2017

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Independent Auditor's Report

The Board of Directors
Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Community Foundation of Greater Fort Wayne Inc. and Affiliated Supporting Organizations (Foundation) which comprise the combined statements of financial position as of December 31, 2018 and 2017, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 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 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 financial statements referred to above present fairly, in all material respects, the combined financial position of the Community Foundation of Greater Fort Wayne Inc. and Affiliated Supporting Organizations as of December 31, 2018 and 2017, 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: Combined Statements of Financial Position and Combined Statements of Activities and Changes in Net Assets

Our audits were conducted for the purposes of forming an opinion on the combined financial statements as a whole. The accompanying details of combined statements of financial position as of December 31, 2018 and 2017 and details of combined statements of activities and changes in net assets for the years ended December 31, 2018 and 2017 are presented for purposes of additional analysis and are not a required part of the combined 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined 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 financial statements or to the combined 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 financial statements as a whole.

Haines, Asenbarger & Skiba, LLC

Fort Wayne, Indiana
April 11, 2019

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Statements of Financial Position

	December 31	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 253,113	\$ 346,875
Investments, at fair value	133,148,080	147,053,955
Contributions receivable	53,080	66,080
Other current assets	1,924	5,119
Total current assets	133,456,197	147,472,029
Land, building, and equipment:		
Land	280,000	280,000
Building	1,827,113	1,827,113
Equipment	273,500	210,282
	2,380,613	2,317,395
Less accumulated depreciation	681,663	631,961
	1,698,950	1,685,434
Other assets:		
Cash value of life insurance policies	1,250,731	1,249,139
Beneficial interest in trusts	3,337,984	3,776,651
Program related investments, net	1,332,499	1,169,773
Long-term contributions receivable	155,480	9,078
Real estate and other assets	130,754	253,254
	6,207,448	6,457,895
Total assets	\$141,362,595	\$155,615,358
 Liabilities and net assets		
Current liabilities:		
Current portion of grants and scholarships payable	\$ 1,482,443	\$ 1,593,542
Current portion of annuities payable	114,517	116,917
Current portion of long-term debt	-	34,920
Accounts payable and accrued expenses	38,108	30,925
Funds held for agencies	6,346,320	6,772,086
Total current liabilities	7,981,388	8,548,390
Grants and scholarships payable, less current portion	254,150	1,270,850
Annuities payable, less current portion	821,750	873,808
Long-term debt, less current portion	-	422,832
Total liabilities	9,057,288	11,115,880
Net assets:		
Without donor restrictions:		
Designated for donor-advised grants	54,527,706	58,039,981
Designated for discretionary grants	45,479,634	52,350,517
Designated for other grants	27,273,281	28,850,699
Undesignated—available for operations and capital expenditures	2,276,727	2,215,654
Total without donor restrictions	129,557,348	141,456,851
With donor restrictions—perpetual trusts	2,747,959	3,042,627
Total net assets	132,305,307	144,499,478
Total liabilities and net assets	\$141,362,595	\$155,615,358

See accompanying notes to combined financial statements.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Statements of Activities and Changes in Net Assets

	Year ended December 31					
	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues, and gains (losses)						
Contributions	\$ 6,481,202	\$ -	\$ 6,481,202	\$ 3,473,734	\$ -	\$ 3,473,734
Less contributions received for agency funds	189,749	-	189,749	139,595	-	139,595
Less interfund contributions	822,589	-	822,589	216,511	-	216,511
Net contributions	<u>5,468,864</u>	-	<u>5,468,864</u>	3,117,628	-	3,117,628
Net investment return (loss)	(9,943,530)	-	(9,943,530)	18,718,180	-	18,718,180
Gain (loss) on beneficial interest in trusts and change in value of other items, net	(138,438)	(294,668)	(433,106)	(24,408)	306,059	281,651
Loss on sale of real estate	(47,500)	-	(47,500)	-	-	-
Other	(309,569)	-	(309,569)	57,456	-	57,456
Total support, revenues, and gains (losses) before net assets released from restrictions	<u>(4,970,173)</u>	<u>(294,668)</u>	<u>(5,264,841)</u>	21,868,856	306,059	22,174,915
Net assets released from restrictions for operations	-	-	-	-	-	-
Total support, revenues, and gains (losses)	<u>(4,970,173)</u>	<u>(294,668)</u>	<u>(5,264,841)</u>	21,868,856	306,059	22,174,915
Expenses						
Grants and scholarships awarded	6,423,988	-	6,423,988	8,239,994	-	8,239,994
Less grants made from agency funds	148,785	-	148,785	126,182	-	126,182
Less interfund grants and scholarships	822,589	-	822,589	216,511	-	216,511
Net grants and scholarships awarded	<u>5,452,614</u>	-	<u>5,452,614</u>	7,897,301	-	7,897,301
Program services expense:						
Grantmaking	142,457	-	142,457	164,868	-	164,868
Manage charitable funds	37,347	-	37,347	83,353	-	83,353
Community leadership	117,446	-	117,446	43,503	-	43,503
Total program services expenses	<u>297,250</u>	-	<u>297,250</u>	291,724	-	291,724
Supporting services expense:						
Development and communications	237,545	-	237,545	193,303	-	193,303
Finance and administration	941,921	-	941,921	741,798	-	741,798
Total supporting services expenses	<u>1,179,466</u>	-	<u>1,179,466</u>	935,101	-	935,101
Total expenses	<u>6,929,330</u>	-	<u>6,929,330</u>	9,124,126	-	9,124,126
Increase (decrease) in net assets	<u>(11,899,503)</u>	<u>(294,668)</u>	<u>(12,194,171)</u>	12,744,730	306,059	13,050,789
Net assets at beginning of year	141,456,851	3,042,627	144,499,478	128,712,121	2,736,568	131,448,689
Net assets at end of year	<u>\$ 129,557,348</u>	<u>\$ 2,747,959</u>	<u>\$ 132,305,307</u>	<u>\$ 141,456,851</u>	<u>\$ 3,042,627</u>	<u>\$ 144,499,478</u>

See accompanying notes to combined financial statements.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Statement of Functional Expenses

Year ended December 31, 2018

	Program Expenses					Supporting Services			Total Expenses
	Grants Awarded	Manage Grantmaking	Charitable Funds	Community Leadership	Total	Development and Communications	Finance and Administration	Total	
Grants and scholarships awarded:									
Arts and culture	\$ 599,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 599,664
Community development	1,409,021	-	-	-	-	-	-	-	1,409,021
Education	1,230,900	-	-	-	-	-	-	-	1,230,900
Health and human services	2,730,476	-	-	-	-	-	-	-	2,730,476
Other charitable purpose	453,927	-	-	-	-	-	-	-	453,927
	<u>6,423,988</u>	-	-	-	-	-	-	-	<u>6,423,988</u>
Less grants made from agency funds	148,785	-	-	-	-	-	-	-	148,785
Less interfund grants and scholarships	822,589	-	-	-	-	-	-	-	822,589
Net grants and scholarships awarded	<u>5,452,614</u>	-	-	-	-	-	-	-	<u>5,452,614</u>
Salaries and benefits	-	112,998	29,623	82,887	225,508	163,321	681,376	844,697	1,070,205
Accounting and legal fees	-	3,099	813	2,273	6,185	4,480	18,689	23,169	29,354
Training, conferences, and travel	-	2,985	783	2,190	5,958	4,314	17,999	22,313	28,271
Community education/strategic planning	-	-	-	12,951	12,951	-	-	-	12,951
Printing and publications, including marketing and fundraising	-	-	-	-	-	31,645	-	31,645	31,645
Office supplies	-	313	82	229	624	452	1,885	2,337	2,961
Postage	-	400	105	293	798	578	2,412	2,990	3,788
Occupancy	-	7,352	1,927	5,393	14,672	10,626	44,331	54,957	69,629
Telephone	-	1,202	315	882	2,399	1,738	7,250	8,988	11,387
Depreciation expense	-	-	-	-	-	-	49,702	49,702	49,702
Office equipment and maintenance	-	8,639	2,265	6,337	17,241	12,486	52,092	64,578	81,819
Insurance—other	-	2,662	698	1,953	5,313	3,848	16,054	19,902	25,215
Dues and subscriptions	-	430	113	315	858	622	2,593	3,215	4,073
Interest expense	-	-	-	-	-	-	16,483	16,483	16,483
Other expenses	-	2,377	623	1,743	4,743	3,435	31,055	34,490	39,233
Total expenses	<u>\$ 5,452,614</u>	<u>\$ 142,457</u>	<u>\$ 37,347</u>	<u>\$ 117,446</u>	<u>\$ 297,250</u>	<u>\$ 237,545</u>	<u>\$ 941,921</u>	<u>\$ 1,179,466</u>	<u>\$ 6,929,330</u>

See accompanying notes.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Statement of Functional Expenses

Year ended December 31, 2017

	Program Expenses				Supporting Services			Total Expenses	
	Grants Awarded	Manage Grantmaking	Charitable Funds	Community Leadership	Total	Development and Communications	Finance and Administration		Total
Grants and scholarships awarded:									
Arts and culture	\$ 561,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,106
Community development	3,590,550	-	-	-	-	-	-	-	3,590,550
Education	1,251,184	-	-	-	-	-	-	-	1,251,184
Health and human services	2,420,464	-	-	-	-	-	-	-	2,420,464
Other charitable purpose	416,690	-	-	-	-	-	-	-	416,690
	<u>8,239,994</u>	-	-	-	-	-	-	-	<u>8,239,994</u>
Less grants made from agency funds	126,182	-	-	-	-	-	-	-	126,182
Less interfund grants and scholarships	216,511	-	-	-	-	-	-	-	216,511
Net grants and scholarships awarded	<u>7,897,301</u>	-	-	-	-	-	-	-	<u>7,897,301</u>
Salaries and benefits	-	127,244	64,331	25,581	217,156	129,402	511,411	640,813	857,969
Accounting and legal fees	-	5,269	2,664	1,059	8,992	5,358	21,175	26,533	35,525
Training, conferences, and travel	-	2,508	1,268	504	4,280	2,551	10,080	12,631	16,911
Community education/strategic planning	-	-	-	10,358	10,358	-	-	-	10,358
Printing and publications, including marketing and fundraising	-	-	-	-	-	25,636	-	25,636	25,636
Office supplies	-	515	260	104	879	524	2,069	2,593	3,472
Postage	-	512	259	103	874	521	2,056	2,577	3,451
Occupancy	-	10,093	5,103	2,029	17,225	10,265	40,567	50,832	68,057
Telephone	-	1,639	829	330	2,798	1,667	6,587	8,254	11,052
Depreciation expense	-	-	-	-	-	-	57,135	57,135	57,135
Office equipment and maintenance	-	10,741	5,430	2,159	18,330	10,923	43,168	54,091	72,421
Insurance—other	-	3,562	1,801	716	6,079	3,623	14,317	17,940	24,019
Dues and subscriptions	-	965	488	194	1,647	982	3,879	4,861	6,508
Interest expense	-	-	-	-	-	-	18,702	18,702	18,702
Other expenses	-	1,820	920	366	3,106	1,851	10,652	12,503	15,609
Total expenses	<u>\$ 7,897,301</u>	<u>\$ 164,868</u>	<u>\$ 83,353</u>	<u>\$ 43,503</u>	<u>\$ 291,724</u>	<u>\$ 193,303</u>	<u>\$ 741,798</u>	<u>\$ 935,101</u>	<u>\$ 9,124,126</u>

See accompanying notes.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Combined Statements of Cash Flows

	Year ended December 31	
	2018	2017
Operating activities		
Increase (decrease) in net assets	\$ (12,194,171)	\$ 13,050,789
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized (gain) loss on investments	14,338,556	(14,253,238)
Noncash gifts received	(2,713,098)	(1,671,318)
Depreciation	49,702	57,136
Accretion of present value discount on program related investments	(16,829)	-
(Gain) loss on beneficial interest in trusts and change in value of other items, net	433,106	(281,651)
Loss on sale of real estate	47,500	-
Present value discount on program related investments	378,659	-
Changes in operating assets and liabilities:		
Contributions receivable	(133,402)	3,655,702
Other current assets	3,195	2,080
Beneficial interest in trusts	3,969	34,153
Program related investments	(24,556)	(17,405)
Grants and scholarships payable	(1,127,799)	(1,483,857)
Annuities payable	(54,458)	275,903
Accounts payable and accrued expenses	7,183	661
Funds held for agencies	(425,766)	885,502
Net cash provided by (used in) operating activities	(1,428,209)	254,457
Investing activities		
Proceeds from sale and maturities of investments	12,413,828	100,564,765
Purchases of investments	(10,133,411)	(100,619,400)
Acquisitions of equipment	(63,218)	(3,638)
Proceeds from sale of real estate	75,000	-
Advances on program related investments	(500,000)	-
Net cash provided by (used in) investing activities	1,792,199	(58,273)
Financing activity —payments on mortgage note payable	(457,752)	(33,578)
Increase (decrease) in cash and cash equivalents	(93,762)	162,606
Cash and cash equivalents at beginning of year	346,875	184,269
Cash and cash equivalents at end of year	\$ 253,113	\$ 346,875

See accompanying notes to combined financial statements.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements

December 31, 2018

1. Organization and Summary of Significant Accounting Policies

Organization

The mission of the Community Foundation of Greater Fort Wayne Inc. and Affiliated Supporting Organizations (collectively, the Foundation) is:

“to serve as a community leader to improve the quality of life by building permanent endowments, promoting effective grantmaking, fostering philanthropy, stimulating community dialogue, and helping donors achieve their charitable goals.”

The Community Foundation of Greater Fort Wayne Inc. operates as an administrator of funds set up exclusively for religious, charitable, scientific, testing for public safety, literary and educational purposes, and for the prevention of cruelty to children and animals, primarily in Allen County, Indiana, unless otherwise designated by a donor.

The Community Foundation of Greater Fort Wayne Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction. The Community Foundation of Greater Fort Wayne Inc. has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting.

Principles of Combination

The combined financial statements include the Community Foundation of Greater Fort Wayne Inc. and its Affiliated Supporting Organizations, the Fort Wayne Central Improvement Foundation, Inc., Community Partnerships, Inc., and Summit Initiatives Foundation, Inc. All significant interorganization transactions and balances have been eliminated in combination.

Fort Wayne Central Improvement Foundation, Inc.

The Fort Wayne Central Improvement Foundation, Inc. (FWCIF), a supporting organization, was reorganized in 1995. It was reorganized to receive and manage real estate donations for the future benefit of the Community Foundation of Greater Fort Wayne Inc. The Community Foundation of Greater Fort Wayne Inc. has the authority to appoint a majority of members to the FWCIF Board of Directors. FWCIF had net assets at December 31, 2018 and 2017 of \$1,635,241 and \$1,390,936, respectively.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Principles of Combination (continued)

Community Partnerships, Inc.

In 1995, Community Partnerships, Inc. (CPI), a supporting organization, was incorporated for the purposes of supporting charitable community projects, which bring together a variety of funding partners. The Community Foundation of Greater Fort Wayne Inc. has the authority to appoint a majority of members of the CPI Board of Directors. CPI had net assets at December 31, 2018 and 2017 of \$516 and \$510, respectively.

Summit Initiatives Foundation, Inc.

In 2011, Summit Initiatives Foundation, Inc. (SIF), a supporting organization, was incorporated to support charitable economic development efforts in the greater Fort Wayne area. The Community Foundation of Greater Fort Wayne Inc. has the authority to appoint a majority of members of the SIF Board of Directors. SIF had net assets consisting of cash at December 31, 2018 and 2017 of \$1,009 and \$1,000, respectively.

The aforementioned affiliated supporting organizations were established as supporting organizations to the Community Foundation of Greater Fort Wayne Inc. as described in Section 509(a)(3) of the Internal Revenue Code.

The Community Foundation of Greater Fort Wayne Inc. and its Affiliated Supporting Organizations are exempt from income taxes under Section 501(c)(3) and Section 509(a)(3), respectively, of the Internal Revenue Code and similar provisions of state law. However, the Community Foundation of Greater Fort Wayne Inc. and its Affiliated Supporting Organizations are subject to federal income tax on any unrelated business taxable income. The Community Foundation of Greater Fort Wayne Inc. and its Affiliated Supporting Organizations provide liabilities for uncertain income tax positions when a liability is probable and estimable. Management believes that it has appropriate support for any tax positions taken or expects to be taken and as such, does not have any uncertain tax positions that should be recognized, measured or disclosed in the combined financial statements. Management believes the Community Foundation of Greater Fort Wayne Inc. and its Affiliated Supporting Organizations are no longer subject to examination by tax authorities for years before December 31, 2015.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents, except those short-term investments managed as part of long-term investment strategies. The Foundation maintains cash accounts at a local bank. From time to time during the year, the Foundation's cash accounts exceeded federally insured limits due to the transfer of funds to pay for grants awarded.

Investments and Investment Income

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, the Foundation's investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. 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. See *Note 4* for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Realized and unrealized investment gains or losses are determined by comparison of asset cost, using the specific identification method, to net proceeds received at the time of sale and changes in the difference between market values and cost, respectively. These amounts are reported in the combined statements of activities and changes in net assets as realized and unrealized gain (loss) on investments.

The Foundation maintains a significant and diverse investment portfolio, without concentration of risk by type, industry, or geographic area, which is managed by professional investment managers in compliance with the investment policy established by the Board of Directors. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect account balances.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Funds Held for Agencies

The Foundation holds certain funds for other organizations as agencies and recognizes the related liability in the combined statements of financial position. Funds held for agencies were \$6,346,320 and \$6,772,086 at December 31, 2018 and 2017, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions—Net assets available for general use and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions consist of the following types of internally-designated funds:

Designated for donor advised grants—funds established by donor contributions that enable donors to make recommendations from time to time about the distributions from the funds. The donors' advice in the grant-making process is considered by the Board of Directors in making grants from these resources.

Designated for discretionary grants—funds which are designated for discretionary grants to meet the most pressing needs of the community.

Designated for other grants—other funds include field of interest funds used to support particular interests to the donor, designated funds intended to benefit designated charitable organizations, and scholarship funds intended to assist students in obtaining an education.

Undesignated—available for operations and capital expenditures—funds or cash reserves available used for general operations of the Foundation and capital expenditures such as acquisitions of land, building, and equipment.

Certain of these net assets are designated by the Board of Directors as endowment funds. These funds represent assets contributed to the Foundation with the intention of the donor that these assets remain in perpetuity and are designated by the Board of Directors to provide such perpetual support through the Foundation's investment and spending policies.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets (continued)

Net Assets With Donor Restrictions—Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In August 2008, the Financial Accounting Standards Board (FASB) released Staff Position FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds* now included in FASB Accounting Standards Codification (ASC) Topic 958 (ASC 958). ASC 958 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Effective July 1, 2007, the Indiana General Assembly amended the Uniform Management of Institutional Funds of Colleges and Universities (UMIFA) by adopting provisions of UPMIFA. ASC 958 also improved disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

Based on the advice of legal counsel and review of the bylaws of the Foundation and donor documentation by management, the Board of Directors believes that substantially all of the funds held by the Foundation are not institutional endowment funds under UPMIFA because the terms of the funds do not specifically restrict the ability of the Foundation to spend a portion of the principal.

The Foundation may hold donor-restricted endowment funds where the gift instrument clearly stipulates that the Foundation is not to spend the principal or some other portion of the gift, in which case such gift instrument will supersede the Foundation's ability to spend a portion of the principal.

Management continues to evaluate ASC 958 and has determined that it does not have a significant impact on the net asset classifications in the combined statements of financial position and combined statements of activities and changes in net assets of the Foundation.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Management continues to evaluate ASC 958 and has determined that it does not have a significant impact on the net asset classifications in the combined statements of financial position and combined statements of activities and changes in net assets of the Foundation.

Contributions and Contributions Receivable

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions without donor restrictions consisted of the following:

	Year ended December 31	
	2018	2017
Contributions to unrestricted grantmaking and operating funds	\$ 605,546	\$ 359,294
Contributions to donor-advised funds	3,598,790	2,220,374
Contributions to other funds	2,087,117	754,471
Contributions received for agencies	189,749	139,595
	\$ 6,481,202	\$ 3,473,734

Contributions of assets other than cash are recorded at their fair market value.

Unconditional promises or pledges are recorded at net realizable value. The Foundation provides an allowance for uncollectible pledges which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of all pledges receivable. As of December 31, 2018 and 2017, no allowance for uncollectible pledges was deemed necessary.

Contributions receivable at December 31, 2018 are scheduled to be received by the Foundation as follows:

2019	\$ 53,080
2020	52,080
2021	52,080
2022	51,320
	\$ 208,560

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Land, Building, and Equipment

Land, building, and equipment is stated at cost or if donated, at fair value at the date of the donation, except for land, building, and equipment that has been impaired. For impaired assets, the carrying amount is reduced to the estimated fair market value. There were no impaired assets at December 31, 2018. Items with a cost or value of \$500 or more for computers and software and \$1,000 or more for other capital expenditures are capitalized.

Depreciation is computed by the straight-line method over the following estimated useful lives:

Building	40 years
Equipment	3-5 years

Expenditures for normal repairs and maintenance are expensed when incurred.

Legacies, Bequests, and Beneficial Interest in Trusts

The Foundation is a beneficiary under various wills, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when clear title is established and the proceeds are clearly measurable.

The Foundation is also the income or principal beneficiary under various term and perpetual trusts, the corpus of which are not controlled or administered by the management of the Foundation. In the absence of donor-imposed conditions, the Foundation recognizes its beneficial interest in a trust as a contribution in the period in which it receives notice that the trust agreement conveys an unconditional right to receive benefits.

Although the Foundation has no control over the administration or investment of the funds held in these term and perpetual trusts, the present value of the estimated expected future cash flows from the trusts is recognized as an asset in the accompanying combined financial statements. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is recorded as additional contribution revenue.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Program Related Investments, Net

The Community Foundation of Greater Fort Wayne Inc. provided loans to the Fort Wayne Downtown Development Trust, Inc. pursuant to the funding of community projects designed to better and transform the future of Fort Wayne and the region. At the inception of a programmatic loan, the Community Foundation of Greater Fort Wayne Inc. determines whether the promissory note carries a market rate of interest. A present value discount is recorded if it is determined that the promissory note carries an interest rate below the market rate. The Community Foundation of Greater Fort Wayne Inc. amortizes the present value discount over the contractual term of the promissory note. Interest income on the promissory notes is included in other income (loss), net.

The initial carrying value of programmatic loans is determined using present value techniques which consider the fair market rate of interest based on the borrower's risk profile and estimated cash flows to be received. Programmatic loans are recorded on a net basis to reflect the present value discount.

The Community Foundation of Greater Fort Wayne Inc. will provide an allowance for losses that will be incurred. The loss reserve estimate is adjusted if collectability risk has significantly changed based on management's understanding of the borrower's financial health and payment history. Programmatic loans are charged off if they are deemed to be uncollectible with no recoverable collateral value.

Grants and Scholarships Awarded

Unconditional grants and scholarships are considered awarded and recorded as payable upon their approval by the Board of Directors and communication to designated grantees. Conditional grants and scholarships are recognized when all conditions of the grant or scholarship are satisfied by the grantee or scholarship recipient.

Recently Issued Accounting Standards

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard is intended to address questions stemming from FASB ASU No. 2014-09, *Revenue from Contracts with Customers*, regarding its implications on the grants and contracts of not-for-

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Standards (continued)

profit organizations. The guidance clarifies how entities determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as an exchange transaction or a contribution. The new guidance also clarifies that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. ASU 2018-08 applies to resource providers and resource recipients. The new standard is effective for the Foundation in the year ending December 31, 2020. Early adoption is permitted. The Foundation is currently evaluating the impact of the adoption of the standard on its combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the combined statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the combined statement of activities. The new standard is effective for the Foundation's December 31, 2020 combined financial statements. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the combined financial statements, with certain practical expedients available. The Foundation is currently evaluating the effect of the pending adoption of the new standard on the combined financial statements.

Change in Accounting Principle

On August 18, 2016, FASB issued ASU 2016-14, *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses, and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these combined financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The carrying amounts reported in the Foundation's statements of financial position of financial instruments, including cash and cash equivalents, receivables, and payables approximate their fair values at December 31, 2018 and 2017 primarily due to the short-term nature of these instruments. The carrying amount reported in the Foundation's statements of financial position for long-term debt at December 31, 2017 approximates its fair value based on the current interest rate environment and the terms of the instrument (see *Note 9*). See Investments, Beneficial Interest in Trusts, Notes and Accrued Interest Receivable, and Charitable Gift Annuities Payable in *Notes 1, 3, 4, 5, 6, and 8* for further discussion of the fair value of the Foundation's other financial instruments.

Functional Expenses

The costs of grants awarded, program and supporting services activities have been summarized on a functional basis in the combined statements of activities. The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort and other factors.

Use of Estimates

Preparation of the combined 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 in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

2. Liquidity and Availability

Financial assets available for grants and other program and supporting services expenses, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 253,113
Short-term investments	2,911,511
Contributions receivable	53,080
Distributions from beneficial interest in trusts	97,544
Endowment spending-rate distributions and appropriation	5,122,305
Administrative fee appropriations	1,242,534
	<u>\$ 9,680,087</u>

The Foundation's investment policies provides five distinct and separate investment objectives (pools) to accommodate the differing time horizons and risk and return requirements needed for endowed and non-endowed funds. The Foundation's Board of Directors has determined that the majority of its investments are to be managed as endowed funds. The Foundation's distribution (or spending) policy, as applied to these board designated endowment and other funds, shall be designed to take into account total return concepts of investment and spending, with the goal of preserving the real spending power of such funds over time while balancing the need for consistent spending to support the charitable and similar exempt purposes of such funds.

The recommended spending percentage rate is recommended by the Investment Committee to the Board of Directors annually and is effective January 1 of each year. The Foundation's spending percentage rate was 4.5 percent in 2018 and 2017. Each fund's available to spend balance is calculated annually at December 31 using a rolling average fund balance for each quarter of existence, not to exceed 20 quarters. The amount calculated shall be available for grant distributions on February 1 of each year. The available to spend balance is intended to be used for grantmaking and other purposes approved by the Foundation.

A spendable amount of \$5,122,305 will be made available for grantmaking and administrative expenses from these funds within the next 12 months.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

2. Liquidity and Availability (continued)

In addition to these funds available for general expenditures, the Foundation's Board of Directors charges an administrative fee to all funds to cover general expenditures required to operate the Foundation. These funds are managed through pools of assets and charged an administrative fee, assessed quarterly, based on a percentage of the fair value of the assets in each fund. Administrative fees are recognized in the year in which they occur. Administrative fees of \$1,144,332 for 2018 and \$1,141,632 for 2017 were charged to specific funds. Such administrative fee income and administrative fee expense is netted (eliminated) in the presentation of the combined statement of activities and changes in net assets. Estimated administrative fees available for general expenditures during 2019 are \$1,242,534.

The Foundation also receives contributions each year from donors, which are available to help meet its cash needs for grants and general expenditures.

As part of the Foundation's liquidity management, it has the policy to structure its financial assets to be available as its grants, general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments, certificates of deposits, and money market funds. Occasionally, the Board of Directors designates a portion of any operating surplus to its operating reserve which was \$157,926 as of December 31, 2018.

3. Investments

Investments at fair value and historical cost are as follows:

	December 31	
	2018	2017
Investments at fair value	<u>\$ 133,148,080</u>	<u>\$ 147,053,955</u>
Investments at historical cost	<u>\$ 134,421,307</u>	<u>\$ 131,733,628</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

3. Investments (continued)

The composition of net investment return (loss) is as follows:

	Year ended December 31	
	2018	2017
Investment income (loss):		
Interest and dividends	\$ 4,654,078	\$ 4,757,604
Net realized gain on investments	2,504,360	3,290,829
Net unrealized gain (loss) on investments	(16,842,916)	10,962,409
	(9,684,478)	19,010,842
Less investment management and custodial fees	(259,052)	(292,662)
Net investment return (loss) recognized in the combined statements of activities and changes in net assets	(9,943,530)	18,718,180
Net investment return (loss) on funds held for agencies	(445,715)	891,840
Total net investment return (loss)	\$ (10,389,245)	\$ 19,610,020

4. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

4. Fair Value Measurements (continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Money market funds: The money market funds are valued at quoted market prices in an exchange and active market, which represent the net asset values of shares held by the Foundation at year-end.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Foundation at year-end.

Exchange traded funds: Exchange traded funds are publicly traded on major exchanges and are valued at the closing price reported on the major market on which the individual securities are traded.

Alternative investments: Certain alternative investments in pooled investment funds are valued at estimated fair value based on the periodic financial information received from the investment advisor and/or managing member and the Foundation's percentage ownership in the alternative investment entity whose underlying assets are valued using prices and other relevant information generated by market transactions involving identical or comparable assets, appraised values, or other valuation methodology. As of December 31 2018, the Foundation has invested \$8,450,000 in the FEG Private Opportunities Fund II and has committed to invest an additional \$1,550,000. FEG Private Opportunities Fund II is a pooled investment fund that seeks to invest in private equity, real assets, and special situations funds.

Certificates of deposit: Recorded at cost plus accrued interest (carrying value), which approximates fair value.

Cash value of life insurance policies: Valued at the redemption value as determined by the insurance carrier at year-end.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

4. Fair Value Measurements (continued)

Beneficial interest in trusts: The Foundation's beneficial interest in trusts are valued at its proportional interest in the underlying trust assets which are valued at the fair market value as reported by the investment manager at year-end or the present value of the expected future cash flows.

Real estate and other assets: Quoted market prices are not available for certain investments, including limited partnership investments and real property. These investments are recorded at their estimated fair market value; therefore, the reported value may differ from the value that would have been used had a quoted market price existed. The Foundation believes that the reported amounts for these investments are a reasonable estimate of their fair value at December 31, 2018 and 2017.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

4. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2018 and 2017:

	Assets at Fair Value at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,701,250	\$ -	\$ -	\$ 2,701,250
Mutual and exchange traded funds:				
International equity funds	22,536,166	-	-	22,536,166
United States equity funds	54,005,533	-	-	54,005,533
Bonds/fixed income funds	27,590,297	-	-	27,590,297
Natural resource funds	8,315,824	-	-	8,315,824
Real estate funds	-	7,299,361	-	7,299,361
Total mutual and exchange traded funds	112,447,820	7,299,361	-	119,747,181
Alternative investments:				
Private capital fund	-	-	8,646,655	8,646,655
Global emerging markets fund	-	-	2,052,994	2,052,994
Total alternative investments	-	-	10,699,649	10,699,649
Total investments at fair value	115,149,070	7,299,361	10,699,649	133,148,080
Cash value of life insurance policies	-	1,250,731	-	1,250,731
Beneficial interest in trusts	-	1,410,027	1,927,957	3,337,984
Real estate and other assets	-	-	130,754	130,754
Total other assets at fair value	-	2,660,758	2,058,711	4,719,469
Assets at fair value	\$ 115,149,070	\$ 9,960,119	\$ 12,758,360	\$ 137,867,549

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

4. Fair Value Measurements (continued)

	Assets at Fair Value at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,990,660	\$ -	\$ -	\$ 2,990,660
Mutual and exchange traded funds:				
International equity funds	30,129,148	-	-	30,129,148
United States equity funds	63,121,919	-	-	63,121,919
Bonds/fixed income funds	25,445,410	-	-	25,445,410
Natural resource funds	9,855,736	-	-	9,855,736
Real estate funds	-	6,807,794	-	6,807,794
Total mutual and exchange traded funds	128,552,213	6,807,794	-	135,360,007
Alternative investments:				
Private capital fund	-	-	6,628,027	6,628,027
Global emerging markets fund	-	-	2,075,261	2,075,261
Total alternative investments	-	-	8,703,288	8,703,288
Total investments at fair value	131,542,873	6,807,794	8,703,288	147,053,955
Cash value of life insurance policies	-	1,249,139	-	1,249,139
Beneficial interest in trusts	-	1,637,675	2,138,976	3,776,651
Real estate and other assets	-	-	253,254	253,254
Total other assets at fair value	-	2,886,814	2,392,230	5,279,044
Assets at fair value	<u>\$ 131,542,873</u>	<u>\$ 9,694,608</u>	<u>\$ 11,095,518</u>	<u>\$ 152,332,999</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

4. Fair Value Measurements (continued)

The changes in assets classified as Level 3 are as follows:

	Alternative Investments	Beneficial Interest in Trusts	Real Estate and Other Assets	Total
Year ended December 31, 2018				
Balance at beginning of year	\$ 8,703,288	\$ 2,138,976	\$ 253,254	\$ 11,095,518
Purchases (sales and redemptions), net	900,000	-	(122,500)	777,500
Return on assets—net realized and unrealized gain (loss)	1,096,361	(211,019)	-	885,342
Balance at end of year	<u>\$ 10,699,649</u>	<u>\$ 1,927,957</u>	<u>\$ 130,754</u>	<u>\$ 12,758,360</u>

	Alternative Investments	Beneficial Interest in Trusts	Real Estate and Other Assets	Total
Year ended December 31, 2017				
Balance at beginning of year	\$ 31,407,749	\$ 1,982,286	\$ 253,254	\$ 33,643,289
Sales and redemptions, net of purchases	(23,481,208)	-	-	(23,481,208)
Return on assets—net realized and unrealized gain	776,747	156,690	-	933,437
Balance at end of year	<u>\$ 8,703,288</u>	<u>\$ 2,138,976</u>	<u>\$ 253,254</u>	<u>\$ 11,095,518</u>

5. Beneficial Interest in Trusts

The estimated present value of the Foundation's beneficial interest in trusts is as follows:

	December 31	
	2018	2017
Perpetual trusts	\$ 2,747,959	\$ 3,042,627
Charitable remainder annuity trust	-	39,547
Charitable remainder unitrust	474,458	552,593
Supplemental and other trusts	115,567	141,884
	<u>\$ 3,337,984</u>	<u>\$ 3,776,651</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

6. Program Related Investments, Net

Program related investments are programmatic loans and accrued interest receivable due the Community Foundation of Greater Fort Wayne Inc. and consist of the following:

	December 31	
	2018	2017
Programmatic loans receivable from Fort Wayne Downtown Development Trust, Inc. pursuant to the:		
Development of West Columbia Street (Riverfront and The Landing Project) 2.5% interest, payments of \$23,557 due quarterly beginning on June 15, 2020, with the remaining principal and accrued interest due on May 11, 2033.	\$ 1,169,773	\$ 1,117,500
Development of Electric Works (the former General Electric Campus Project) 12% interest, with the principal and accrued interest due on December 31, 2019.	500,000	-
Accrued interest receivable	24,556	52,273
	1,694,329	1,169,773
Less present value discount	361,830	-
Total program related investments, net	\$ 1,332,499	\$ 1,169,773

At December 31, 2017, the Foundation had two short-term notes receivable from the Fort Wayne Downtown Development Trust, Inc. totaling \$1,117,500 pursuant to the development of West Columbia Street, usually noted as The Landing, in Fort Wayne, Indiana. The notes receivable which were originally issued by the SIF bore interest at 1.5 percent. Accrued interest related to these notes receivable at December 31, 2017 was \$52,273.

On May 10, 2018, the Community Foundation of Greater Fort Wayne Inc. and the Fort Wayne Downtown Development Trust, Inc. (Borrower) entered into a new Promissory Note Agreement (Note) for \$1,175,633 (representing principal and accrued interest due at that date). The Note bears interest at 2.5 percent with no amounts payable for a period of two years and is secured by certain collateral. On June 15, 2020 (Payment Start Date), all then accrued but unpaid interest shall be added to the outstanding principal balance of the CFGFW Loan and shall become a part of the principal due under this Note. Commencing on the Payment Start Date, principal and interest on the unpaid principal balance of the CFGFW Loan shall be payable quarterly on the fifteenth day of each March, June, September, and December. If not earlier paid, the principal of, and all accrued and unpaid interest on, the Note shall be payable in full on May 11, 2033.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

6. Notes and Accrued Interest Receivable (continued)

During the period beginning on the eighty-fourth month through the ninetieth month after the closing date, the Community Foundation of Greater Fort Wayne Inc. shall have the absolute right, but not the obligation, by written notice to Borrower to require Borrower to pay within 180 days the then outstanding principal balance of this Note, together with all accrued and unpaid interest.

On December 31, 2018, the Community Foundation of Greater Fort Wayne Inc. and the Borrower entered into a Convertible Promissory Note Agreement (Promissory Note) for \$500,000. The Promissory Note bears interest at 12 percent and is unsecured. The Community Foundation of Greater Fort Wayne Inc. has the option of converting the principal and accrued interest of the Promissory Note into membership units of the Broadway Redevelopment Partners, LLC (converted Units) with proper notice in the defined time period.

The notes receivable are recorded at cost less the unamortized present value discount, which approximates fair value.

7. Grants and Scholarships Payable

The following summarizes the changes in grants and scholarships payable:

	Year ended December 31	
	2018	2017
Grants and scholarships payable at beginning of year	\$ 2,864,392	\$ 4,348,249
Unconditional grants and scholarships expensed	6,423,988	8,239,994
Less payments made	7,551,787	9,723,851
Grants and scholarships payable at end of year	<u>\$ 1,736,593</u>	<u>\$ 2,864,392</u>

Grants and scholarships payable at December 31, 2018 are scheduled to be disbursed as follows:

2019	\$ 1,482,443
2020	172,600
2021	81,550
	<u>\$ 1,736,593</u>

Community Foundation of Greater Fort Wayne Inc.
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Notes to Combined Financial Statements (continued)

8. Charitable Gift Annuities Payable

The Foundation has entered into various charitable gift annuities in which the donor contributes assets to the Foundation in exchange for the right to receive a fixed dollar annual return during their lifetime and/or, for joint annuitants, the lifetime of the donor's spouse, whichever is longer. The fair value of the assets contributed over the present value of the liability for future payments has been recognized as a contribution at the date of the gift. The contributed assets are comprised of various equity and fixed income investments, which are included in the Foundation's investments. The fair value of these investments and corresponding liabilities (including payments currently due and the present value of the estimated future actuarial liability to annuitants) of the charitable gift annuities are as follows:

	December 31	
	2018	2017
Investments	\$ 1,476,603	\$ 1,750,769
Current portion of annuities payable	\$ 114,517	\$ 116,917
Annuities payable, less current portion	821,750	873,808
	\$ 936,267	\$ 990,725

The liability for the charitable gift annuities was calculated as of December 31, 2018 and 2017, based on the age of the donor(s) using the following key assumptions:

Range of annuity rates	4.8% - 10.2%
Range of discount rates	1.2% - 6.2%
Mortality tables	Published mortality-rate tables adopted by the Internal Revenue Service

9. Debt Arrangement

Pursuant to a debt agreement, as modified on November 10, 2014, the Foundation paid monthly principal and interest installments of \$4,357 with a final payment due on November 10, 2019. The mortgage note payable bore interest at a fixed rate of 3.875 percent and was secured by land and a building. The Foundation elected to pay off the remaining amount outstanding in 2018.

Interest expense and interest paid was \$16,483 in 2018 and \$18,702 in 2017.

Community Foundation of Greater Fort Wayne Inc.
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Notes to Combined Financial Statements (continued)

10. Employee Retirement Plan

The Foundation sponsors a Simple IRA Plan (Plan). All employees are eligible to participate in the Plan, which allows the maximum employee contribution permitted under the Internal Revenue Code. The Foundation is required to match 100 percent of employee contributions up to 3 percent of the employee's salary. Expense for the Plan was \$24,940 in 2018 and \$20,087 in 2017.

11. Endowment

The Foundation's endowment consists of approximately 253 individual funds established for a variety of purposes including funds designated by the Board of Directors to function as endowments subject to the Foundation's investment and spending policies. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-proposed restrictions.

The Board of Directors of the Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2018 and 2017, there were nominal number of funds and amounts with such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time of accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of the Foundation, including balancing the Community's short-term and long-term needs for grant making dollars.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

Community Foundation of Greater Fort Wayne Inc.
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Notes to Combined Financial Statements (continued)

11. Endowment (continued)

	Without Donor Restriction	With Donor Restriction	Total
December 31, 2018:			
Board-designated endowment funds	\$ 82,934,308	\$ 2,747,959	\$ 85,682,267
December 31, 2017:			
Board-designated endowment funds	\$ 91,619,175	\$ 3,042,627	\$ 94,661,802

Changes in endowment net assets are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Year ended December 31, 2018:			
Endowment net assets at beginning of year	\$ 91,619,175	\$ 3,042,627	\$ 94,661,802
Net investment return (loss)	(5,595,599)	-	(5,595,599)
Contributions	2,192,849	-	2,192,849
Other changes—distribution from board-designed endowment pursuant to distribution policy	(5,282,117)	(294,668)	(5,576,785)
Endowment net assets at end of year	\$ 82,934,308	\$ 2,747,959	\$ 85,682,267
Year ended December 31, 2017:			
Endowment net assets at beginning of year	\$ 83,650,911	\$ 2,736,568	\$ 86,387,479
Net investment return	12,067,645	-	12,067,645
Contributions	705,897	-	705,897
Other changes—distribution from board-designed endowment pursuant to distribution policy	(4,805,278)	306,059	(4,499,219)
Endowment net assets at end of year	\$ 91,619,175	\$ 3,042,627	\$ 94,661,802

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

11. Endowment (continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2018 and 2017, there were no deficiencies in endowment funds with donor restriction.

The Foundation has adopted investment and spending policies for the endowment that attempt to provide predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments. The target minimum rate of return is the net of the fee time-weighted return less the Consumer Price Index equaling the spending rate plus average administrative fee. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Foundation uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment each year. The recommended spending percentage rate is recommended by the Investment Committee to the Board of Directors annually and is effective January 1 of each year. The Foundation's spending percentage rate was 4.5 percent in 2018 and 2017. Each fund's available to spend balance is calculated annually at December 31 using a rolling average fund balance for each quarter of existence, not to exceed 20 quarters. The amount calculated shall be available for grant distributions on February 1 of each year. In establishing this policy, the Foundation considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

12. Net Assets with Donor Restrictions

Net assets with donor restrictions that are not subject to spending policy or appropriation consist of the aforementioned beneficial interest in perpetual trusts amounted to \$2,747,959 and \$3,042,627 at December 31, 2018 and 2017, respectively.

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Notes to Combined Financial Statements (continued)

13. Related Party Transactions

Certain members of the Board of Directors are employed by, or affiliated with, organizations that provide financial, computer, and other services to the Foundation. The fees paid for these services were based on customary and reasonable rates for such services.

14. Subsequent Events

On March 13, 2019, the Foundation announced that it has received a grant of \$2 million as part of the Lilly Endowment Inc.'s seventh phase of its Giving Indiana Funds for Tomorrow (GIFT) initiative. The Foundation is using this matching fund grant to build financial assets and to support charitable activities. The matching fund grant is designated to support the growth of the Foundation's unrestricted endowments, which over time will provide flexibility to help the Foundation meet community needs. Lilly Endowment will provide \$2 for every \$1 contributed to the unrestricted endowments such as the Community Impact Fund during the matching period, October 1, 2018, through December 31, 2020.

Starting in 2019, the Foundation will have the opportunity to apply for more funds through GIFT community leadership grants. This component includes both planning and implementation grants, which are available to help the Foundation deepen its understanding of the challenges and opportunities facing its community; convene key local stakeholders and explore how it can effectively play a leadership role in implementing initiatives and strategies that enhance the quality of life in Allen County.

Management has evaluated subsequent events through April 11, 2019, the date on which the financial statements were available to be issued.

Supplementary Information

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Details of Combined Statement of Financial Position

December 31, 2018

	Supporting Organizations				Total
	Community Foundation of Greater Fort Wayne Inc.	Fort Wayne Central Improvement Foundation, Inc.	Community Partnerships, Inc.	Summit Initiatives Foundation, Inc.	
Assets					
Current assets:					
Cash and cash equivalents	\$ 253,073	\$ 15	\$ 25	\$ -	\$ 253,113
Investments, at fair value	133,146,463	117	491	1,009	133,148,080
Contributions receivable	53,080	-	-	-	53,080
Other current assets	1,924	-	-	-	1,924
Total current assets	<u>133,454,540</u>	<u>132</u>	<u>516</u>	<u>1,009</u>	<u>133,456,197</u>
Land, building, and equipment:					
Land	-	280,000	-	-	280,000
Building	-	1,827,113	-	-	1,827,113
Equipment	273,500	-	-	-	273,500
	<u>273,500</u>	<u>2,107,113</u>	<u>-</u>	<u>-</u>	<u>2,380,613</u>
Less accumulated depreciation	209,659	472,004	-	-	681,663
	<u>63,841</u>	<u>1,635,109</u>	<u>-</u>	<u>-</u>	<u>1,698,950</u>
Other assets:					
Cash value of life insurance policies	1,250,731	-	-	-	1,250,731
Beneficial interest in trusts	3,337,984	-	-	-	3,337,984
Program related investments, net	1,332,499	-	-	-	1,332,499
Long-term contributions receivable	155,480	-	-	-	155,480
Real estate and other assets	130,754	-	-	-	130,754
	<u>6,207,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,207,448</u>
Total assets	<u>\$ 139,725,829</u>	<u>\$ 1,635,241</u>	<u>\$ 516</u>	<u>\$ 1,009</u>	<u>\$ 141,362,595</u>
Liabilities and net assets					
Current liabilities:					
Current portion of grants and scholarships payable	\$ 1,482,443	\$ -	\$ -	\$ -	\$ 1,482,443
Current portion of annuities payable	114,517	-	-	-	114,517
Current portion of long-term debt	-	-	-	-	-
Accounts payable and accrued expenses	38,108	-	-	-	38,108
Funds held for agencies	6,346,320	-	-	-	6,346,320
Total current liabilities	<u>7,981,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,981,388</u>
Grants and scholarships payable, less current portion	254,150	-	-	-	254,150
Annuities payable, less current portion	821,750	-	-	-	821,750
Long-term debt, less current portion	-	-	-	-	-
Total liabilities	<u>9,057,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,057,288</u>
Net assets:					
Without donor restrictions:					
Designated for donor-advised grants	54,527,706	-	-	-	54,527,706
Designated for discretionary grants	45,479,634	-	-	-	45,479,634
Designated for other grants	27,271,756	-	516	1,009	27,273,281
Undesignated—available for operations and capital expenditures	641,486	1,635,241	-	-	2,276,727
Total without donor restrictions	<u>127,920,582</u>	<u>1,635,241</u>	<u>516</u>	<u>1,009</u>	<u>129,557,348</u>
With donor restrictions—perpetual trusts	2,747,959	-	-	-	2,747,959
Total net assets	<u>130,668,541</u>	<u>1,635,241</u>	<u>516</u>	<u>1,009</u>	<u>132,305,307</u>
Total liabilities and net assets	<u>\$ 139,725,829</u>	<u>\$ 1,635,241</u>	<u>\$ 516</u>	<u>\$ 1,009</u>	<u>\$ 141,362,595</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Details of Combined Statement of Financial Position

December 31, 2017

	<u>Supporting Organizations</u>				Total
	Community Foundation of Greater Fort Wayne Inc.	Fort Wayne Central Improvement Foundation, Inc.	Community Partnerships, Inc.	Summit Initiatives Foundation, Inc.	
Assets					
Current assets:					
Cash and cash equivalents	\$ 345,834	\$ 15	\$ 26	\$ 1,000	\$ 346,875
Investments, at fair value	147,008,085	45,386	484	-	147,053,955
Contributions receivable	66,080	-	-	-	66,080
Other current assets	5,119	-	-	-	5,119
Total current assets	147,425,118	45,401	510	1,000	147,472,029
Land, building, and equipment:					
Land	-	280,000	-	-	280,000
Building	-	1,827,113	-	-	1,827,113
Equipment	210,282	-	-	-	210,282
	210,282	2,107,113	-	-	2,317,395
Less accumulated depreciation	205,635	426,326	-	-	631,961
	4,647	1,680,787	-	-	1,685,434
Other assets:					
Cash value of life insurance policies	1,249,139	-	-	-	1,249,139
Beneficial interest in trusts	3,776,651	-	-	-	3,776,651
Program related investments, net	1,169,773	-	-	-	1,169,773
Long-term contributions receivable	9,078	-	-	-	9,078
Real estate and other assets	130,754	122,500	-	-	253,254
	6,335,395	122,500	-	-	6,457,895
Total assets	<u>\$ 153,765,160</u>	<u>\$ 1,848,688</u>	<u>\$ 510</u>	<u>\$ 1,000</u>	<u>\$155,615,358</u>
Liabilities and net assets					
Current liabilities:					
Current portion of grants and scholarships payable	\$ 1,593,542	\$ -	\$ -	\$ -	\$ 1,593,542
Current portion of annuities payable	116,917	-	-	-	116,917
Current portion of long-term debt	-	34,920	-	-	34,920
Accounts payable and accrued expenses	30,925	-	-	-	30,925
Funds held for agencies	6,772,086	-	-	-	6,772,086
Total current liabilities	8,513,470	34,920	-	-	8,548,390
Grants and scholarships payable, less current portion	1,270,850	-	-	-	1,270,850
Annuities payable, less current portion	873,808	-	-	-	873,808
Long-term debt, less current portion	-	422,832	-	-	422,832
Total liabilities	10,658,128	457,752	-	-	11,115,880
Net assets:					
Without donor restrictions:					
Designated for donor-advised grants	58,039,981	-	-	-	58,039,981
Designated for discretionary grants	52,350,517	-	-	-	52,350,517
Designated for other grants	28,849,189	-	510	1,000	28,850,699
Undesignated—available for operations and capital expenditures	824,718	1,390,936	-	-	2,215,654
Total without donor restrictions	140,064,405	1,390,936	510	1,000	141,456,851
With donor restrictions—perpetual trusts	3,042,627	-	-	-	3,042,627
Total net assets	143,107,032	1,390,936	510	1,000	144,499,478
Total liabilities and net assets	<u>\$ 153,765,160</u>	<u>\$ 1,848,688</u>	<u>\$ 510</u>	<u>\$ 1,000</u>	<u>\$155,615,358</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Details of Combined Statement of Activities and Changes in Net Assets

Year ended December 31, 2018

	Supporting Organizations										Total
	Community Foundation of Greater Fort Wayne Inc.		Fort Wayne Central Improvement Foundation, Inc.		Community Partnerships, Inc.		Summit Initiatives Foundation, Inc.		Combined		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Support, revenues, and gains (losses)											
Contributions	\$ 6,481,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,481,202	\$ -	\$ 6,481,202
Less contributions received for agency funds	189,749	-	-	-	-	-	-	-	189,749	-	189,749
Less interfund contributions	822,589	-	-	-	-	-	-	-	822,589	-	822,589
Net contributions	5,468,864	-	-	-	-	-	-	-	5,468,864	-	5,468,864
Net investment return (loss)	(9,943,914)	-	369	-	6	-	9	-	(9,943,530)	-	(9,943,530)
Gain on beneficial interest in trusts and change in value of other assets	(138,438)	(294,668)	-	-	-	-	-	-	(138,438)	(294,668)	(433,106)
Loss on sale of real estate	-	-	(47,500)	-	-	-	-	-	(47,500)	-	(47,500)
Other	(776,562)	-	466,993	-	-	-	-	-	(309,569)	-	(309,569)
Total support, revenues, and gains (losses) before net assets released from restrictions	(5,390,050)	(294,668)	419,862	-	6	-	9	-	(4,970,173)	(294,668)	(5,264,841)
Net assets released from restrictions for operations	-	-	-	-	-	-	-	-	-	-	-
Total support, revenues, and gains (losses)	(5,390,050)	(294,668)	419,862	-	6	-	9	-	(4,970,173)	(294,668)	(5,264,841)
Expenses											
Grants and scholarships awarded	6,423,988	-	-	-	-	-	-	-	6,423,988	-	6,423,988
Less grants made from agency funds	148,785	-	-	-	-	-	-	-	148,785	-	148,785
Less interfund grants and scholarships	822,589	-	-	-	-	-	-	-	822,589	-	822,589
Net grants and scholarships awarded	5,452,614	-	-	-	-	-	-	-	5,452,614	-	5,452,614
Program services expense:											
Grantmaking	142,457	-	-	-	-	-	-	-	142,457	-	142,457
Manage charitable funds	37,347	-	-	-	-	-	-	-	37,347	-	37,347
Community leadership	117,446	-	-	-	-	-	-	-	117,446	-	117,446
Total program services expenses	297,250	-	-	-	-	-	-	-	297,250	-	297,250
Program services expense:											
Development and communications	237,545	-	-	-	-	-	-	-	237,545	-	237,545
Finance and administration	863,037	-	78,884	-	-	-	-	-	941,921	-	941,921
Total supporting services expenses	1,100,582	-	78,884	-	-	-	-	-	1,179,466	-	1,179,466
Administrative fees (income)	(306)	-	306	-	-	-	-	-	-	-	-
Total expenses	6,850,140	-	79,190	-	-	-	-	-	6,929,330	-	6,929,330
Increase (decrease) in net assets before other changes	(12,240,190)	(294,668)	340,672	-	6	-	9	-	(11,899,503)	(294,668)	(12,194,171)
Other changes in net assets											
Transfer	96,367	-	(96,367)	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	(12,143,823)	(294,668)	244,305	-	6	-	9	-	(11,899,503)	(294,668)	(12,194,171)
Net assets at beginning of year	140,064,405	3,042,627	1,390,936	-	510	-	1,000	-	141,456,851	3,042,627	144,499,478
Net assets at end of year	<u>\$ 127,920,582</u>	<u>\$ 2,747,959</u>	<u>\$ 1,635,241</u>	<u>\$ -</u>	<u>\$ 516</u>	<u>\$ -</u>	<u>\$ 1,009</u>	<u>\$ -</u>	<u>\$ 129,557,348</u>	<u>\$ 2,747,959</u>	<u>\$ 132,305,307</u>

Community Foundation of Greater Fort Wayne Inc.
and Affiliated Supporting Organizations

Details of Combined Statement of Activities and Changes in Net Assets

Year ended December 31, 2017

	Community Foundation of Greater Fort Wayne Inc.		Fort Wayne Central Improvement Foundation, Inc.		Community Partnerships, Inc.		Summit Initiatives Foundation, Inc.		Combined		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Support, revenues, and gains (losses)											
Contributions	\$ 3,473,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,473,734	-	\$ 3,473,734
Less contributions received for agency funds	139,595	-	-	-	-	-	-	-	139,595	-	139,595
Less interfund contributions	216,511	-	-	-	-	-	-	-	216,511	-	216,511
Net contributions	3,117,628	-	-	-	-	-	-	-	3,117,628	-	3,117,628
Net investment return	18,717,539	-	439	-	6	-	196	-	18,718,180	-	18,718,180
Gain on beneficial interest in trusts and change in value of other assets	(24,408)	306,059	-	-	-	-	-	-	(24,408)	306,059	281,651
Other	5,177	-	52,279	-	-	-	-	-	57,456	-	57,456
Total support, revenues, and gains (losses) before net assets released from restrictions	21,815,936	306,059	52,718	-	6	-	196	-	21,868,856	306,059	22,174,915
Net assets released from restrictions for operations	-	-	-	-	-	-	-	-	-	-	-
Total support, revenues, and gains (losses)	21,815,936	306,059	52,718	-	6	-	196	-	21,868,856	306,059	22,174,915
Expenses											
Grants and scholarships awarded	8,239,994	-	-	-	-	-	-	-	8,239,994	-	8,239,994
Less grants made from agency funds	126,182	-	-	-	-	-	-	-	126,182	-	126,182
Less interfund grants and scholarships	216,511	-	-	-	-	-	-	-	216,511	-	216,511
Net grants and scholarships awarded	7,897,301	-	-	-	-	-	-	-	7,897,301	-	7,897,301
Program services expense:											
Grantmaking	164,868	-	-	-	-	-	-	-	164,868	-	164,868
Manage charitable funds	83,353	-	-	-	-	-	-	-	83,353	-	83,353
Community leadership	43,503	-	-	-	-	-	-	-	43,503	-	43,503
Total program services expenses	291,724	-	-	-	-	-	-	-	291,724	-	291,724
Program services expense:											
Development and communications	193,303	-	-	-	-	-	-	-	193,303	-	193,303
Finance and administration	674,082	-	67,716	-	-	-	-	-	741,798	-	741,798
Total supporting services expenses	867,385	-	67,716	-	-	-	-	-	935,101	-	935,101
Administrative fees (income)	(443)	-	443	-	-	-	-	-	-	-	-
Total expenses	9,055,967	-	68,159	-	-	-	-	-	9,124,126	-	9,124,126
Increase (decrease) in net assets before other changes	12,759,969	306,059	(15,441)	-	6	-	196	-	12,744,730	306,059	13,050,789
Other changes in net assets											
Transfer	56,274	-	-	-	-	-	(56,274)	-	-	-	-
Increase (decrease) in net assets	12,816,243	306,059	(15,441)	-	6	-	(56,078)	-	12,744,730	306,059	13,050,789
Net assets at beginning of year	127,248,162	2,736,568	1,406,377	-	504	-	57,078	-	128,712,121	2,736,568	131,448,689
Net assets at end of year	\$ 140,064,405	\$ 3,042,627	\$ 1,390,936	\$ -	\$ 510	\$ -	\$ 1,000	\$ -	\$ 141,456,851	\$ 3,042,627	\$ 144,499,478