

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

JUNE 30, 2017 AND 2016

CPAs / ADVISORS



**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

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JUNE 30, 2017 AND 2016

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Community Foundation of Bloomington and Monroe County, Inc. and Affiliate
Bloomington, Indiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Community Foundation of Bloomington and Monroe County, Inc. and Affiliate (the "Foundation") which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation as of June 30, 2017 and 2016, and the consolidated changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual organizations, and is not a required part of the 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the 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 consolidated financial statements or to the 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

October 2, 2017

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

| | 2017 | 2016 |
|---|---------------|---------------|
| Cash and cash equivalents | \$ 5,958,230 | \$ 13,187,645 |
| Investments | 45,307,850 | 24,285,886 |
| Pledges receivable | 114,250 | 234,750 |
| Other current assets | 50,904 | 18,194 |
| Property and equipment, net | 78,718 | 26,880 |
| Undeveloped real estate held for preservation | 1,446,044 | 1,446,044 |
| | \$ 52,955,996 | \$ 39,199,399 |

LIABILITIES AND NET ASSETS

Liabilities

| | | |
|---------------------------------------|------------|-----------|
| Accounts payable and accrued expenses | \$ 112,313 | \$ 49,200 |
| Grants payable | -0- | 34,498 |
| Gift annuities payable | 128,831 | 158,698 |
| Custodial funds | 2,095,528 | 1,867,869 |
| Total liabilities | 2,336,672 | 2,110,265 |

Net assets

| | | |
|------------------------|---------------|---------------|
| Unrestricted: | | |
| Operating | 2,536,187 | 2,131,663 |
| Board designated | 1,113,637 | 1,049,778 |
| | 3,649,824 | 3,181,441 |
| Temporarily restricted | 45,012,379 | 31,413,336 |
| Permanently restricted | 1,957,121 | 2,494,357 |
| Total net assets | 50,619,324 | 37,089,134 |
| | \$ 52,955,996 | \$ 39,199,399 |

See accompanying notes to consolidated financial statements.

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

| | 2017 | | | 2016 | |
|--|---------------------|---------------------------|---------------------------|----------------------|----------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| Support and revenues | | | | | |
| Contributions | \$ 27,769 | \$ 13,703,551 | \$ 20,382 | \$ 13,751,702 | \$ 14,521,042 |
| Investment return, net | 435,338 | 2,510,160 | -0- | 2,945,498 | (126,782) |
| Administrative fee income | 457,918 | -0- | -0- | 457,918 | 420,377 |
| Change in value of split interest agreements | -0- | 18,159 | -0- | 18,159 | 1,928 |
| Net assets released from restrictions | <u>3,190,445</u> | <u>(3,190,445)</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total support and revenues | 4,111,470 | 13,041,425 | 20,382 | 17,173,277 | 14,816,565 |
| Expenses | | | | | |
| Grants | 1,188,727 | -0- | -0- | 1,188,727 | 468,547 |
| Programs | 499,329 | -0- | -0- | 499,329 | 17,604 |
| Salaries and wages | 1,007,203 | -0- | -0- | 1,007,203 | 525,561 |
| Employee benefits | 52,152 | -0- | -0- | 52,152 | 31,442 |
| Administrative fees | 423,534 | -0- | -0- | 423,534 | 388,127 |
| Printing and postage | 20,084 | -0- | -0- | 20,084 | 8,780 |
| Professional fees | 96,867 | -0- | -0- | 96,867 | 69,801 |
| Payroll taxes | 77,917 | -0- | -0- | 77,917 | 40,660 |
| Donor development | 23,600 | -0- | -0- | 23,600 | 17,615 |
| Software | 16,436 | -0- | -0- | 16,436 | 15,111 |
| Depreciation | 22,068 | -0- | -0- | 22,068 | 11,525 |
| Conferences | -0- | -0- | -0- | -0- | 11,427 |
| Rent | 51,464 | -0- | -0- | 51,464 | 8,591 |
| Telephone | 3,830 | -0- | -0- | 3,830 | 2,721 |
| Insurance | 4,435 | -0- | -0- | 4,435 | 6,662 |
| Repairs and maintenance | 18,026 | -0- | -0- | 18,026 | 11,840 |
| Moving expense | 35,972 | -0- | -0- | 35,972 | 4,267 |
| Office supplies | 19,903 | -0- | -0- | 19,903 | 6,286 |
| Travel and entertainment | 21,429 | -0- | -0- | 21,429 | 6,902 |
| Professional development | 3,761 | -0- | -0- | 3,761 | 12,990 |
| Meetings | 34,621 | -0- | -0- | 34,621 | 28,974 |
| Dues and subscriptions | 12,848 | -0- | -0- | 12,848 | 4,677 |
| Miscellaneous | 8,881 | -0- | -0- | 8,881 | 20,278 |
| Total expenses | <u>3,643,087</u> | <u>-0-</u> | <u>-0-</u> | <u>3,643,087</u> | <u>1,720,388</u> |
| Change in net assets | 468,383 | 13,041,425 | 20,382 | 13,530,190 | 13,096,177 |
| Transfer of net assets | -0- | 557,618 | (557,618) | -0- | -0- |
| Net assets, beginning of year | <u>3,181,441</u> | <u>31,413,336</u> | <u>2,494,357</u> | <u>37,089,134</u> | <u>23,992,957</u> |
| Net assets, end of year | <u>\$ 3,649,824</u> | <u>\$ 45,012,379</u> | <u>\$ 1,957,121</u> | <u>\$ 50,619,324</u> | <u>\$ 37,089,134</u> |

See accompanying notes to consolidated financial statements.

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------|---------------------------|---------------------------|----------------------|
| Support and revenues | | | | |
| Contributions | \$ 48,963 | \$ 14,440,453 | \$ 31,626 | \$ 14,521,042 |
| Investment return, net | 72,219 | (199,001) | -0- | (126,782) |
| Administrative fee income | 420,377 | -0- | -0- | 420,377 |
| Change in value of split interest agreements | -0- | 1,928 | -0- | 1,928 |
| Net assets released from restrictions | <u>2,279,732</u> | <u>(2,279,732)</u> | <u>-0-</u> | <u>-0-</u> |
| Total support and revenues | 2,821,291 | 11,963,648 | 31,626 | 14,816,565 |
| Expenses | | | | |
| Grants | 468,547 | -0- | -0- | 468,547 |
| Programs | 17,604 | -0- | -0- | 17,604 |
| Salaries and wages | 525,561 | -0- | -0- | 525,561 |
| Employee benefits | 31,442 | -0- | -0- | 31,442 |
| Administrative fees | 388,127 | -0- | -0- | 388,127 |
| Printing and postage | 8,780 | -0- | -0- | 8,780 |
| Professional fees | 69,801 | -0- | -0- | 69,801 |
| Payroll taxes | 40,660 | -0- | -0- | 40,660 |
| Donor development | 17,615 | -0- | -0- | 17,615 |
| Software | 15,111 | -0- | -0- | 15,111 |
| Depreciation | 11,525 | -0- | -0- | 11,525 |
| Conferences | 11,427 | -0- | -0- | 11,427 |
| Rent | 8,591 | -0- | -0- | 8,591 |
| Telephone | 2,721 | -0- | -0- | 2,721 |
| Insurance | 6,662 | -0- | -0- | 6,662 |
| Repairs and maintenance | 11,840 | -0- | -0- | 11,840 |
| Moving expense | 4,267 | -0- | -0- | 4,267 |
| Office supplies | 6,286 | -0- | -0- | 6,286 |
| Travel and entertainment | 6,902 | -0- | -0- | 6,902 |
| Professional development | 12,990 | -0- | -0- | 12,990 |
| Meetings | 28,974 | -0- | -0- | 28,974 |
| Dues and subscriptions | 4,677 | -0- | -0- | 4,677 |
| Miscellaneous | <u>20,278</u> | <u>-0-</u> | <u>-0-</u> | <u>20,278</u> |
| Total expenses | <u>1,720,388</u> | <u>-0-</u> | <u>-0-</u> | <u>1,720,388</u> |
| Change in net assets | 1,100,903 | 11,963,648 | 31,626 | 13,096,177 |
| Transfer of net assets | -0- | 5,222,308 | (5,222,308) | -0- |
| Net assets, beginning of year | <u>2,080,538</u> | <u>14,227,380</u> | <u>7,685,039</u> | <u>23,992,957</u> |
| Net assets, end of year | <u>\$ 3,181,441</u> | <u>\$ 31,413,336</u> | <u>\$ 2,494,357</u> | <u>\$ 37,089,134</u> |

See accompanying notes to consolidated financial statements.

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|---|---------------|---------------|
| Operating activities | | |
| Change in net assets | \$ 13,530,190 | \$ 13,096,177 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities: | | |
| Depreciation | 22,068 | 11,525 |
| Reinvested interest and dividends received on investments | (967,676) | (795,110) |
| Realized and unrealized (gains) losses on investments | (2,317,344) | 875,996 |
| Contributions restricted to endowment funds | (20,382) | (31,626) |
| Change in value of split interest agreement | (18,159) | (1,928) |
| Changes in assets and liabilities: | | |
| Pledges receivable | 120,500 | 433,058 |
| Other current assets | (32,710) | (4,763) |
| Accounts payable and accrued expenses | 63,113 | 22,611 |
| Grants payable | (34,498) | (399,363) |
| Deferred revenue | -0- | (495,313) |
| Custodial funds | 227,659 | (128,939) |
| Net cash flows from operating activities | 10,572,761 | 12,582,325 |
| Investing activities | | |
| Proceeds on sales of investments | 1,058,430 | 546,890 |
| Purchases of investments | (18,795,374) | (1,678,857) |
| Purchases of property and equipment | (73,906) | (14,491) |
| Net cash flows from investing activities | (17,810,850) | (1,146,458) |
| Financing activities | | |
| Contributions restricted to endowment funds | 20,382 | 31,626 |
| Contribution of charitable gift annuity | 10,544 | 161,941 |
| Gift annuity payments | (22,252) | (28,449) |
| Net cash flows from financing activities | 8,674 | 165,118 |
| Net change in cash and cash equivalents | (7,229,415) | 11,600,985 |
| Cash and cash equivalents, beginning of year | 13,187,645 | 1,586,660 |
| Cash and cash equivalents, end of year | \$ 5,958,230 | \$ 13,187,645 |

See accompanying notes to consolidated financial statements.

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Community Foundation of Bloomington and Monroe County, Inc. ("CFBMC") is a not-for-profit organization. It operates as a public charity, soliciting contributions from businesses and individuals in Bloomington, Monroe County, and surrounding areas. CFBMC's purpose is to improve, enhance, and nurture the quality of life in Bloomington and the surrounding communities of Monroe County. CFBMC accepts gifts for distributions or to create charitable funds, distributes funds, and facilitates the community's philanthropic activities. Income from the various funds is used to fund community activities.

Regional Opportunity Initiatives, Inc. ("ROI") is a not-for-profit organization and a supporting organization of CFBMC. ROI was established in August 2015 to advance economic and community prosperity in Southwest Central Indiana and is initially being funded by a \$26 million grant from Lilly Endowment. ROI is in the process of implementing an education and workforce plan and a regional opportunity fund for quality-of-place investments in an 11-county area.

Consolidation policy

The accounts of ROI are consolidated with the accounts of CFBMC as a result of common control. All inter-entity transactions have been eliminated in the consolidation. The consolidated operations of the organizations are hereinafter collectively referred to as the "Foundation."

Management's Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

Basis of Presentation

Net assets, support, investment return, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give the Foundation's Board of Directors the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of the Foundation are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. The Foundation maintains unrestricted funds as follows:

Operating – used to fund current operations of the Foundation

Board designated – used to fund specific programs of the Foundation as designated by the Board

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Temporarily restricted net assets – Net assets not yet appropriated for expenditure by the Foundation’s Board of Directors in accordance with their spending policy or that have donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished or amounts have been allocated for expenditure by the Board of Directors, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. Land received in which the Foundation is forbidden to sell and the historic gift value of funds that specifically request that the principal shall not be invaded are classified as permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of bank accounts and money market investments and exclude amounts held by the Foundation’s fund managers that are included in investments.

Investments and Investment Return

The Foundation carries its investments at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the Consolidated Statements of Activities in the period in which such changes occur.

Interest and dividend income and net unrealized and realized gains and losses on investments are recognized as unrestricted or temporarily restricted based upon the existence or absence of donor-imposed restrictions or the related fund classification in accordance with the Foundation’s spending policy.

Pledges Receivable

Unconditional promises to give cash and other assets to the Foundation are reported at fair value at the date the promise is received. Management estimates an allowance for doubtful pledges receivable based on an evaluation of historical losses, current economic conditions, and other factors unique to the Foundation’s donors. No allowance for doubtful pledges receivable was determined necessary as of June 30, 2017 and 2016.

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Property and Equipment

Property and equipment, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred.

The Foundation provides for depreciation of property and equipment utilizing the straight-line method at rates designed to depreciate the cost of such assets over their estimated useful lives which range from 3 to 7 years.

Support, Revenues and Expense Recognition

Contributions, which include unconditional promises to give (pledges receivable), are recognized as revenues in the period the contribution is received or the promise is made.

Support and revenues are reported as increases in either unrestricted, temporarily restricted, or permanently restricted net assets in accordance with the donor's intent and the classification of the fund as it relates to the Foundation's spending policy. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in either unrestricted or temporarily restricted net assets in accordance with the classification of the fund as it relates to the Foundation's spending policy. All other revenue is recorded when earned.

Grants and Grants Payable

Unconditional grants are recorded when a commitment is made and approved by the Board of Directors. For grants which are conditional on the recipient fulfilling certain obligations, grants are recorded at the time those conditions are satisfied.

The Foundation also had conditional grants payable of \$444,010 and \$392,464 at June 30, 2017 and 2016, respectfully. These amounts will not be paid until the related conditions have been met; therefore, a liability related to these grants has not been recognized.

Administrative Fees

Administrative fees are expensed from the funds to support the operations of CFBMC. Administrative fees from all funds are reflected as revenue on the Consolidated Statements of Activities. The administrative fees from custodial funds are not included as expenses on the Consolidated Statements of Activities because they are included in the change in custodial funds.

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the notes to consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. While the methods of allocation are considered appropriate, other methods could produce different results.

Transfer of Net Assets

During the years ended June 30, 2017 and 2016, the Foundation amended a majority of their fund agreements (after the written approvals obtained from the creators of the fund or through proper legislative procedures), by removing the provision that prohibited the Foundation to invade historical gift values relative to the funds' balances. These funds were originally created under the guidelines of the Uniform Management of Institutional Funds Act, which prohibited the invasion of historical gift values. The Foundation decided it was prudent to update all fund agreements to the more recent act, the Uniform Prudent Management of Institutional Funds, which allows the invasion of historical gift values if the need ever arose. These amendments to the funds reclassified them from permanently restricted net assets to temporarily restricted net assets, thereby increasing temporarily restricted net assets and decreasing permanently restricted net assets by \$557,618 and \$5,222,308 for the years ended June 30, 2017 and 2016, respectively.

Income Taxes

CFBMC and ROI are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, the Foundation is generally exempt from income taxes. However, the Foundation is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only.

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Foundation's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued.

Subsequent Events

The Foundation has evaluated events or transactions occurring subsequent to the Consolidated Statement of Financial Position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are available to be issued, which is October 2, 2017

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. INVESTMENTS

Investments at June 30, 2017 and 2016, consist of the following:

| | 2017 | 2016 |
|------------------------------|---------------|---------------|
| Cash and cash equivalents | \$ 528,706 | \$ 191,512 |
| Certificates of deposit | 8,279,612 | -0- |
| U.S. government securities | 6,476,204 | -0- |
| Corporate bonds | | |
| Financial | 1,031,853 | -0- |
| Other | 1,284,947 | -0- |
| Municipal bonds | 586,420 | -0- |
| Equity mutual funds | | |
| Small/mid | 4,840,365 | 4,686,109 |
| Large | 14,289,711 | 12,719,076 |
| Real estate | 1,904,981 | 1,270,321 |
| Fixed income mutual funds | | |
| Short-term bond | 988,507 | 966,746 |
| Intermediate-term bond | 1,064,178 | 698,453 |
| World bond | 1,506,285 | 1,216,069 |
| Commodities broad basket | 951,064 | 1,013,405 |
| Inflation protected | 975,044 | 982,863 |
| Equity exchange traded funds | | |
| Small/mid | 414,640 | 357,000 |
| Short | 185,333 | 184,332 |
| | \$ 45,307,850 | \$ 24,285,886 |

The following schedule summarizes the investment return, excluding the investment return on investments related to custodial funds, and its classification in the Consolidated Statements of Activities for the years ended June 30, 2017 and 2016:

| | 2017 | 2016 |
|--|--------------|--------------|
| Interest and dividend income | \$ 901,835 | \$ 725,789 |
| Realized and unrealized gains (losses) | 2,135,996 | (793,294) |
| Investment fees | (92,333) | (59,277) |
| | \$ 2,945,498 | \$ (126,782) |

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

3. RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments (Note 2). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying consolidated financial statements.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The Foundation's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances. The three levels of the fair value hierarchy are described as follows:

- 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; inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

- *Certificates of deposit*: Valued at amortized cost, which approximates fair value.
 - *U.S. government securities*: Valued using pricing models maximizing the use of observable inputs for similar securities.
-

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

- *Corporate and municipal bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- *Mutual funds and exchange traded funds:* Valued at the daily closing price as reported by the fund. Mutual funds and exchange traded funds ("funds") are held by the Foundation and are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Foundation are deemed to be actively traded.
- *Gift annuities payable:* Fair value is determined by calculating the present value of the annuities using published life expectancy tables with discount rates ranging between 1.8% and 2.2%.

The following table sets forth financial assets measured at fair value in the Consolidated Statements of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of June 30, 2017 and 2016:

| | 2017 | | |
|----------------------------|---------------|---------------|--------------|
| | Fair Value | Level 1 | Level 2 |
| Assets: | | | |
| Certificates of deposits | \$ 8,279,612 | \$ -0- | \$ 8,279,612 |
| U.S. government securities | 6,476,204 | -0- | 6,476,204 |
| Corporate bonds | 2,316,800 | -0- | 2,316,800 |
| Municipal bonds | 586,420 | -0- | 586,420 |
| Mutual funds | 26,520,135 | 26,520,135 | -0- |
| Exchange traded funds | 599,973 | 599,973 | -0- |
| Liabilities: | | | |
| Gift annuities payable | 128,831 | -0- | 128,831 |
| 2016 | | | |
| | Fair Value | Level 1 | Level 2 |
| Assets: | | | |
| Mutual funds | \$ 23,553,042 | \$ 23,553,042 | \$ -0- |
| Exchange traded funds | 541,332 | 541,332 | -0- |
| Liabilities: | | | |
| Gift annuities payable | 158,698 | -0- | 158,698 |

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

5. PLEDGES RECEIVABLE

Unconditional pledges receivable total \$119,146 and \$234,750 at June 30, 2017 and 2016, respectively. Pledges receivable have not been discounted to present value due to the immaterial effect. Amounts due subsequent to year end are as follows:

| | 2017 | 2016 |
|--------------------|------------|------------|
| Amounts due in: | | |
| Less than one year | \$ 114,250 | \$ 147,750 |
| One to five years | -0- | 87,000 |
| | \$ 114,250 | \$ 234,750 |

6. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 and 2016 is as follows:

| | 2017 | 2016 |
|-------------------------------|------------|-----------|
| Furniture and equipment | \$ 182,188 | 114,436 |
| Less accumulated depreciation | (103,470) | (87,556) |
| | \$ 78,718 | \$ 26,880 |

Undeveloped real estate held for preservation relates to land donated to the Foundation in the amount of \$1,446,044. The purpose of the real estate is to be used as a park and preserve nature.

7. CHARITABLE GIFT ANNUITIES

The Foundation has three charitable gift annuities, under which the Foundation received \$327,340. The Foundation is required to make annual payments to the donors ranging in amounts of \$640 to \$20,284 for the remainder of the donors' lifetimes. Upon the death of the specified persons, the remaining amount of the gifts is to be used by the Foundation as specified in the respective agreements. The Foundation has recognized a liability for the present value of the amount expected to be paid to the third-party beneficiaries at June 30, 2017 and 2016, under these agreements. The liability was calculated based on the applicable mortality tables and discount rates of 1.8% and 2.2%. The present value of amounts expected to be paid to the donors or their named beneficiaries was \$128,831 and \$158,698 at June 30, 2017 and 2016, respectively.

**COMMUNITY FOUNDATION OF BLOOMINGTON
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

8. CUSTODIAL FUNDS

Custodial funds represent funds placed on deposit with the Foundation by other organizations based on their individual board resolutions. In addition, the Foundation has entered into agreements to serve as fiscal agent of funds for certain individuals and organizations. The Foundation accounts for these transfers as a liability in accordance with applicable accounting standards. Income is added to these funds periodically in accordance with the Foundation's investment allocation policies. Contributions by, investment interest credits for, and distributions to those organizations are reflected as adjustments to the liability account and are not reflected in the Consolidated Statements of Activities.

Following is a progression of custodial funds during 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Beginning balance | \$ 1,867,869 | \$ 1,996,808 |
| Contributions | 106,564 | 21,465 |
| Interest and dividend income | 65,841 | 69,321 |
| Realized and unrealized gains (losses) | 181,348 | (82,702) |
| Investment fees | (6,827) | (5,994) |
| Administrative fees | (34,384) | (32,249) |
| Other expenses | -0- | (9,102) |
| Grant and scholarship payments | <u>(84,883)</u> | <u>(89,678)</u> |
| Ending balance | <u>\$ 2,095,528</u> | <u>\$ 1,867,869</u> |

9. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes at June 30, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Designated purpose restrictions related to: | | |
| ROI - Lilly grant | \$ 23,020,781 | \$ 12,067,638 |
| Endowment funds not yet appropriated for expenditure | <u>21,991,598</u> | <u>19,345,698</u> |
| | <u>\$ 45,012,379</u> | <u>\$ 31,413,336</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Permanently restricted net assets in the amount of \$1,957,121 and \$2,494,357 at June 30, 2017 and 2016, respectively, and are donor-restricted assets whereby the principal amount is never to be expended based on the terms of the related fund agreements or the spending policy in effect. Income earned from these principal amounts includes both temporarily restricted and unrestricted amounts.

10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended June 30, 2017 and 2016, as follows:

| | 2017 | 2016 |
|--|--------------|--------------|
| Designated purpose restrictions related to: | | |
| ROI - Lilly grant | \$ 1,916,857 | \$ 932,362 |
| Endowment funds appropriated for expenditure | 1,273,588 | 1,347,370 |
| | \$ 3,190,445 | \$ 2,279,732 |

11. ENDOWMENT

The majority of CFBMC's funds consist of endowed funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, 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-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA) as requiring endowment funds to be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CFBMC in a manner consistent with the standard of prudence prescribed by UPMIFA. CFBMC also has certain donor-restricted endowment funds recognized as permanently restricted due to specifications in those fund agreements. CFBMC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gift to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation was added to the fund. In accordance with UPMIFA, CFBMC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

**COMMUNITY FOUNDATION OF BLOOMINGTON
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

- (1) The duration and preservation of the fund
- (2) The purposes of CFBMC and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of CFBMC
- (7) The investment policies of CFBMC

CFBMC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that CFBMC must use for a donor-specified purpose as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. CFBMC expects to earn a total return that equals or exceeds the combined rate of inflation, the rate of distributions and administrative costs. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives, CFBMC relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

CFBMC has a policy of appropriating for distribution each year 4.25% of its endowment funds' average fair value over the prior 16 quarters. In establishing this policy, CFBMC considered the long-term expected return on its endowment.

Endowed funds by net asset type at June 30, 2017 and 2016 were as follows:

| | 2017 | | |
|------------------------|--------------|---------------------------|---------------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted |
| Donor Restricted Funds | \$ -0- | \$ 21,991,598 | \$ 1,957,121 |
| Board Designated Funds | 1,113,637 | -0- | -0- |
| | 2016 | | |
| | Unrestricted | Temporarily Restricted | Permanently Restricted |
| Donor Restricted Funds | \$ -0- | \$ 19,345,698 | \$ 2,494,357 |
| Board Designated Funds | 1,049,778 | -0- | -0- |

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Changes in endowment funds for the years ended June 30, 2017 and 2016 were as follows:

| | 2017 | | |
|--|---------------------|---------------------------|---------------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted |
| Endowment net assets, beginning of year | \$ 1,049,778 | \$ 19,345,698 | \$ 2,494,357 |
| Contributions and other revenue | -0- | 851,710 | 20,382 |
| Investment return, net | 132,359 | 2,510,160 | -0- |
| Transfer of funds | -0- | 557,618 | (557,618) |
| Appropriation of endowment assets for expenditure | <u>(68,500)</u> | <u>(1,273,588)</u> | <u>-0-</u> |
| Endowment net assets, end of year | <u>\$ 1,113,637</u> | <u>\$ 21,991,598</u> | <u>\$ 1,957,121</u> |
| | 2016 | | |
| | Unrestricted | Temporarily Restricted | Permanently Restricted |
| Endowment net assets, beginning of year | \$ 1,141,507 | \$ 14,227,380 | \$ 7,685,039 |
| Contributions and other revenue | -0- | 1,442,381 | 31,626 |
| Investment return, net | (13,221) | (199,001) | -0- |
| Transfer of funds | -0- | 5,222,308 | (5,222,308) |
| Appropriation of endowment assets for expenditure | <u>(78,508)</u> | <u>(1,347,370)</u> | <u>-0-</u> |
| Endowment net assets, end of year | <u>\$ 1,049,778</u> | <u>\$ 19,345,698</u> | <u>\$ 2,494,357</u> |

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

12. FUNCTIONAL EXPENSES

The Foundation serves as a vehicle for residents of Monroe County to donate to various organizations and projects in the county. Expenses related to providing this service for the years ended June 30, 2017 and 2016 are classified as follows:

| | 2017 | 2016 |
|-------------------------------------|--------------|--------------|
| Program expenses | \$ 2,632,635 | \$ 1,175,899 |
| Fundraising expenses | 600,264 | 314,151 |
| General and administrative expenses | 410,188 | 230,338 |
| | \$ 3,643,087 | \$ 1,720,388 |

13. OPERATING LEASE

The Foundation entered a lease agreement to lease its office space beginning August 1, 2016. The lease, which requires a base rent plus common area maintenance (CAM) charges, expires July 31, 2021. The lease calls for annual base payments of \$21,284, with a 3 percent bi-annual increase beginning August 1, 2019 and monthly CAM payments of \$679 with annual increases up to 5 percent. Monthly reimbursements to the landlord are also made for a portion of insurance, real estate taxes, and utilities. The Foundation has the option to exercise two renewals for five years each. Future minimum lease payments subsequent to June 30, 2017 under this lease are as follows:

| Year | Amount |
|------|------------|
| 2018 | \$ 29,438 |
| 2019 | 29,438 |
| 2020 | 30,023 |
| 2021 | 30,076 |
| 2022 | 2,506 |
| | \$ 121,481 |

14. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

Investments are maintained by various investment firms. Such balances exceed the Securities Investor Protection Corporation insured limits of up to \$500,000.

15. RECENTLY ISSUED ACCOUNTING STANDARDS

On August 18, 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)* that amends how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. This new standard, which the Foundation is not required to adopt until its year ending June 30, 2019, requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. This ASU completes the first phase of a two-phase project to amend not-for-profit financial reporting requirements.

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This new standard, which the Foundation is not required to adopt until its year ending June 30, 2021, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their consolidated balance sheet the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's balance sheet.

The Foundation is presently evaluating the effects that these ASUs will have on its future consolidated financial statements, including related disclosures.

SUPPLEMENTARY INFORMATION

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATES**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

| | Community Foundation of Bloomington and Monroe County, Inc. | Regional Opportunity Initiatives, Inc. | Eliminations | Consolidated |
|---|---|--|---------------|----------------------|
| Cash and cash equivalents | \$ 648,201 | \$ 5,310,029 | \$ -0- | \$ 5,958,230 |
| Investments | 27,466,232 | 17,841,618 | -0- | 45,307,850 |
| Pledges receivable | 114,250 | -0- | -0- | 114,250 |
| Other current assets | 29,167 | 21,737 | -0- | 50,904 |
| Property and equipment, net | 72,754 | 5,964 | -0- | 78,718 |
| Undeveloped real estate held for preservation | 1,446,044 | -0- | -0- | 1,446,044 |
| | <u>\$ 29,776,648</u> | <u>\$ 23,179,348</u> | <u>\$ -0-</u> | <u>\$ 52,955,996</u> |
| Liabilities | | | | |
| Accounts payable and accrued expenses | \$ 43,848 | \$ 68,465 | \$ -0- | \$ 112,313 |
| Gift annuities payable | 128,831 | -0- | -0- | 128,831 |
| Custodial funds | 2,095,528 | -0- | -0- | 2,095,528 |
| Total liabilities | 2,268,207 | 68,465 | -0- | 2,336,672 |
| Net assets | | | | |
| Unrestricted: | | | | |
| Operating | 2,446,085 | 90,102 | -0- | 2,536,187 |
| Board designated | 1,113,637 | -0- | -0- | 1,113,637 |
| | 3,559,722 | 90,102 | -0- | 3,649,824 |
| Temporarily restricted | 21,991,598 | 23,020,781 | -0- | 45,012,379 |
| Permanently restricted | 1,957,121 | -0- | -0- | 1,957,121 |
| Total net assets | 27,508,441 | 23,110,883 | -0- | 50,619,324 |
| | <u>\$ 29,776,648</u> | <u>\$ 23,179,348</u> | <u>\$ -0-</u> | <u>\$ 52,955,996</u> |

See Report of Independent Auditors on pages 1 and 2.

**COMMUNITY FOUNDATION OF BLOOMINGTON
AND MONROE COUNTY, INC. AND AFFILIATES**

CONSOLIDATING STATEMENT OF ACTIVITIES
(UNRESTRICTED)
YEAR ENDED JUNE 30, 2017

| | Community Foundation of Bloomington and Monroe County, Inc. | Regional Opportunity Initiatives, Inc. | Eliminations | Consolidated |
|--|---|--|------------------|---------------------|
| Support and revenues | | | | |
| Contributions | \$ 758,619 | \$ -0- | \$ (730,850) | \$ 27,769 |
| Investment return, net | 364,581 | 70,757 | -0- | 435,338 |
| Administrative fee income | 457,918 | -0- | -0- | 457,918 |
| Change in value of split interest agreements | -0- | -0- | -0- | -0- |
| Net assets released from restrictions | <u>1,273,588</u> | <u>1,916,857</u> | <u>-0-</u> | <u>3,190,445</u> |
| Total support and revenues | 2,854,706 | 1,987,614 | (730,850) | 4,111,470 |
| Expenses | | | | |
| Grants | 1,188,727 | -0- | -0- | 1,188,727 |
| Programs | 36,221 | 463,108 | -0- | 499,329 |
| Salaries and wages | 482,748 | 524,455 | -0- | 1,007,203 |
| Employee benefits | 38,066 | 14,086 | -0- | 52,152 |
| Administrative fees | 423,534 | 730,850 | (730,850) | 423,534 |
| Printing and postage | 20,084 | -0- | -0- | 20,084 |
| Professional fees | 32,977 | 63,890 | -0- | 96,867 |
| Payroll taxes | 41,717 | 36,200 | -0- | 77,917 |
| Donor development | 23,600 | -0- | -0- | 23,600 |
| Software | 16,436 | -0- | -0- | 16,436 |
| Depreciation | 19,363 | 2,705 | -0- | 22,068 |
| Rent | 26,190 | 25,274 | -0- | 51,464 |
| Telephone | 3,640 | 190 | -0- | 3,830 |
| Insurance | 4,435 | -0- | -0- | 4,435 |
| Repairs and maintenance | 18,026 | -0- | -0- | 18,026 |
| Moving expense | 35,972 | -0- | -0- | 35,972 |
| Office supplies | 13,391 | 6,512 | -0- | 19,903 |
| Travel and entertainment | 4,477 | 16,952 | -0- | 21,429 |
| Professional development | 3,441 | 320 | -0- | 3,761 |
| Meetings | 10,730 | 23,891 | -0- | 34,621 |
| Dues and subscriptions | 9,102 | 3,746 | -0- | 12,848 |
| Miscellaneous | <u>4,203</u> | <u>4,678</u> | <u>-0-</u> | <u>8,881</u> |
| Total expenses | <u>2,457,080</u> | <u>1,916,857</u> | <u>(730,850)</u> | <u>3,643,087</u> |
| Change in net assets | 397,626 | 70,757 | -0- | 468,383 |
| Transfer of net assets | -0- | -0- | -0- | -0- |
| Net assets, beginning of year | <u>3,162,096</u> | <u>19,345</u> | <u>-0-</u> | <u>3,181,441</u> |
| Net assets, end of year | <u>\$ 3,559,722</u> | <u>\$ 90,102</u> | <u>\$ -0-</u> | <u>\$ 3,649,824</u> |

See Report of Independent Auditors on pages 1 and 2.

COMMUNITY FOUNDATION OF BLOOMINGTON AND MONROE COUNTY, INC. AND AFFILIATES

CONSOLIDATING STATEMENT OF ACTIVITIES (TEMPORARILY AND PERMANENTLY) YEAR ENDED JUNE 30, 2017

| | Temporarily Restricted | | | Permanently Restricted |
|--|---|--|----------------------|---|
| | Community Foundation of Bloomington and Monroe County, Inc. | Regional Opportunity Initiatives, Inc. | Consolidated | Community Foundation of Bloomington and Monroe County, Inc. |
| Support and revenues | | | | |
| Contributions | \$ 833,551 | \$ 12,870,000 | \$ 13,703,551 | \$ 20,382 |
| Investment return, net | 2,510,160 | -0- | 2,510,160 | -0- |
| Administrative fee income | -0- | -0- | -0- | -0- |
| Change in value of split interest agreements | 18,159 | -0- | 18,159 | -0- |
| Net assets released from restrictions | <u>(1,273,588)</u> | <u>(1,916,857)</u> | <u>(3,190,445)</u> | <u>-0-</u> |
| Total support and revenues | 2,088,282 | 10,953,143 | 13,041,425 | 20,382 |
| Expenses | | | | |
| Grants | -0- | -0- | -0- | -0- |
| Programs | -0- | -0- | -0- | -0- |
| Salaries and wages | -0- | -0- | -0- | -0- |
| Employee benefits | -0- | -0- | -0- | -0- |
| Administrative fees | -0- | -0- | -0- | -0- |
| Printing and postage | -0- | -0- | -0- | -0- |
| Professional fees | -0- | -0- | -0- | -0- |
| Payroll taxes | -0- | -0- | -0- | -0- |
| Donor development | -0- | -0- | -0- | -0- |
| Software | -0- | -0- | -0- | -0- |
| Depreciation | -0- | -0- | -0- | -0- |
| Rent | -0- | -0- | -0- | -0- |
| Telephone | -0- | -0- | -0- | -0- |
| Insurance | -0- | -0- | -0- | -0- |
| Repairs and maintenance | -0- | -0- | -0- | -0- |
| Moving expense | -0- | -0- | -0- | -0- |
| Office supplies | -0- | -0- | -0- | -0- |
| Travel and entertainment | -0- | -0- | -0- | -0- |
| Professional development | -0- | -0- | -0- | -0- |
| Meetings | -0- | -0- | -0- | -0- |
| Dues and subscriptions | -0- | -0- | -0- | -0- |
| Miscellaneous | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total expenses | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Change in net assets | 2,088,282 | 10,953,143 | 13,041,425 | 20,382 |
| Transfer of net assets | 557,618 | -0- | 557,618 | (557,618) |
| Net assets, beginning of year | <u>19,345,698</u> | <u>12,067,638</u> | <u>31,413,336</u> | <u>2,494,357</u> |
| Net assets, end of year | <u>\$ 21,991,598</u> | <u>\$ 23,020,781</u> | <u>\$ 45,012,379</u> | <u>\$ 1,957,121</u> |

See Report of Independent Auditors on pages 1 and 2.