

**THE COLUMBUS FOUNDATION**

**COMBINED FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

To the Governing Committee/Board of Trustees of  
The Columbus Foundation

Independent Auditor's Report

We have audited the accompanying combined statements of financial position of The Columbus Foundation (the Foundations) as defined in Note 1 of these financial statements as of December 31, 2010 and 2009, and the related combined statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Columbus Foundation as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*John Gerlach & Company LLP*

Columbus, Ohio

June 15, 2011

(1)

THE COLUMBUS FOUNDATION

COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Cash and cash equivalents	\$ 95,387,444	\$ 94,661,008
Dividends and interest receivable	1,737,141	1,646,722
Investments	952,393,802	847,082,477
Property and equipment, net	11,456,471	11,712,150
Other	64,628	97,862
 TOTAL ASSETS	 <u>\$ 1,061,039,486</u>	 <u>\$ 955,200,219</u>
 LIABILITIES AND NET ASSETS:		
Grants payable	\$ 20,507,624	\$ 30,780,550
Charitable gift annuities liability	1,957,860	1,972,782
Organization endowment funds held for others	103,924,522	96,951,500
Other accrued liabilities	2,027,711	550,422
 Total liabilities	 <u>128,417,717</u>	 <u>130,255,254</u>
 Net Assets:		
Unrestricted	932,621,769	824,944,965
 Total net assets	 <u>932,621,769</u>	 <u>824,944,965</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,061,039,486</u>	 <u>\$ 955,200,219</u>

See Notes to Financial Statements

THE COLUMBUS FOUNDATION  
COMBINED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>All Funds</u>	<u>Organization Endowment Funds Held For Others</u>	<u>Net Of Organization Endowment Funds</u>
UNRESTRICTED REVENUES AND GAINS:			
Operating Revenues:			
Public support - new donations and bequests	\$ 109,087,479	\$ 7,296,994	\$ 101,790,485
Interest, dividends and other income (net of trustee banks' fees)	22,264,437	2,093,733	20,170,704
Refunded and adjusted grants for prior years	114,475	666	113,809
Net unrealized and realized gain on investments	78,042,703	7,112,694	70,930,009
 Total unrestricted revenues and gains	 <u>209,509,094</u>	 <u>16,504,087</u>	 <u>193,005,007</u>
EXPENSES:			
Grants approved, net of rescinds	85,846,290	9,591,463	76,254,827
Transfer to/from endowment funds	-	(76,556)	76,556
Gift annuities expense	184,132	-	184,132
Unrelated business income tax expense	1,506,978	-	1,506,978
Administrative expenses:			
Operating expenses	6,295,444	-	6,295,444
Fund expenses	1,026,424	16,158	1,010,266
 Total expenses	 <u>94,859,268</u>	 <u>9,531,065</u>	 <u>85,328,203</u>
 CHANGE IN UNRESTRICTED NET ASSETS	 <u>114,649,826</u>	 <u>6,973,022</u>	 <u>107,676,804</u>
 NET ASSETS AT BEGINNING OF YEAR	 921,896,465	 96,951,500	 824,944,965
 NET ASSETS AT END OF YEAR	 <u>\$ 1,036,546,291</u>	 <u>\$ 103,924,522</u>	 <u>\$ 932,621,769</u>

THE COLUMBUS FOUNDATION  
COMBINED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

	All Funds	Organization Endowment Funds Held For Others	Net Of Organization Endowment Funds
UNRESTRICTED REVENUES AND GAINS:			
Operating Revenues:			
Public support - new donations and bequests	\$ 80,110,077	\$ 6,249,610	\$ 73,860,467
Interest, dividends and other income (net of trustee banks' fees)	22,834,654	2,291,074	20,543,580
Refunded and adjusted grants for prior years	90,487	-	90,487
Net unrealized and realized gain on investments	122,249,332	12,432,120	109,817,212
 Total unrestricted revenues and gains	 225,284,550	 20,972,804	 204,311,746
EXPENSES:			
Grants approved, net of rescinds	74,346,701	8,772,334	65,574,367
Transfer to/from endowment funds	-	(195,479)	195,479
Gift annuities expense	295,397	-	295,397
Unrelated business income tax expense	-	-	-
Administrative expenses:			
Operating expenses	6,150,660	-	6,150,660
Fund expenses	1,000,783	20,909	979,874
 Total expenses	 81,793,541	 8,597,764	 73,195,777
 CHANGE IN UNRESTRICTED NET ASSETS	 143,491,009	 12,375,040	 131,115,969
 NET ASSETS AT BEGINNING OF YEAR	 778,405,456	 84,576,460	 693,828,996
 NET ASSETS AT END OF YEAR	 \$ 921,896,465	 \$ 96,951,500	 \$ 824,944,965

THE COLUMBUS FOUNDATION

COMBINED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in unrestricted net assets	\$ 107,676,804	\$ 131,115,969
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Net unrealized and realized gain on investments	(70,930,009)	(109,817,212)
Gifts received in the form of investments	(50,597,785)	(16,469,654)
Depreciation expense	559,030	483,730
Changes in operating assets and liabilities:		
(Increase) decrease in dividends and interest receivable	(90,419)	581,645
Decrease in other assets	33,234	111,676
Decrease in grants payable	(10,272,926)	(5,427,901)
Increase (decrease) in charitable gift annuities liability	(14,922)	83,360
Increase in organization endowment funds held for others	6,973,022	12,375,040
Increase (decrease) in accrued operating expenses	1,477,289	(78,070)
Net cash provided (used) by operating activities	<u>(15,186,682)</u>	<u>12,958,583</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(307,600,602)	(195,556,831)
Proceeds from sale or maturities of investments	323,817,071	175,100,381
Property additions	(303,351)	(105,146)
Net cash provided (used) by investing activities	<u>15,913,118</u>	<u>(20,561,596)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>726,436</u>	<u>(7,603,013)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	94,661,008	102,264,021
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 95,387,444</u>	<u>\$ 94,661,008</u>

See Notes to Financial Statements

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:  
*Description of the Foundations* - The Columbus Foundation exercises significant control over the supporting entities under Section 509(a)(3) of the Internal Revenue Code. Accordingly, the Governing Committee/Boards of Trustees have elected to present combined financial statements which include the following supporting foundations (collectively referred to as The Foundations):

The Columbus Foundation  
Battelle Charities  
Central Benefits Health Care Foundation  
Columbus Youth Foundation  
Community Foundations, Inc.  
Community Gifts Foundation  
Crane Family Foundation  
The William H. Davis, Dorothy M. Davis and William C. Davis Foundation  
Dominion Homes - Borrer Family Foundation  
The Paul G. Duke Foundation, Inc.  
The Walter and Marian English Foundation  
The FG Foundation  
The John B. and Dareth Gerlach Foundation  
The John J. and Pauline Gerlach Foundation  
Greer Foundation  
Hinson Family Trust  
Ingram-White Castle Foundation  
Kidd Family Foundation  
The Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation  
Limited Brands Foundation  
The Marsh Family Foundation  
The Raymond E. Mason Foundation  
The John H. McConnell Foundation  
Meuse Family Foundation  
The Moritz Family Foundation  
Roush Family Foundation  
James A. and Kathleen C. Rutherford Foundation  
The Shackelford Family Foundation  
The Siemer Family Foundation  
Trinity Foundation  
Walter Family Foundation  
The Robert F. Wolfe and Edgar T. Wolfe Foundation

The Foundations are vehicles for the receipt and distribution of charitable funds primarily in Ohio.

The Columbus Foundation's investments are comprised of approximately 1,800 component funds organized in seven fund types: unrestricted, field of interest, designated, scholarship, organization endowment, donor advised, and administrative. Each fund type is used for charitable purposes in the community pursuant to the authority of the Governing Committee/Boards of Trustees of The Columbus Foundation.

# THE COLUMBUS FOUNDATION

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

### 1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Battelle Charities was established in 2001. This foundation provides grants in support of encouraging technological and scientific innovation and economic development for the benefit of mankind.

The Central Benefits Health Care Foundation (formerly Central Benefits Health Care Foundation) was established in 1997. This foundation supports programs that provide preventative health care to indigent children and adults in the original Central Ohio service area of Central Benefits Mutual Insurance Company.

The Columbus Youth Foundation was established in 1976. This foundation awards grants to agencies serving sick, underprivileged, and disabled youth.

Community Foundations, Inc. was established in 1988 and is recognized by the Internal Revenue Service as a public charity for the receipt and distribution of charitable funds primarily in Ohio, but generally outside central Ohio.

The Community Gifts Foundation was established in 1998 with broad charitable interests.

Crane Family Foundation was established in 2009. This foundation has broad charitable interests, with grants made primarily in the central Ohio region.

The William H. Davis, Dorothy M. Davis and William C. Davis Foundation was established in 1993 with broad charitable interests.

The Dominion Homes – Borrer Family Foundation was established in 2004 to foster targeted and strategic corporate giving, by focusing on organizations whose efforts and goals are far reaching in numbers, and whose values mirror those of Dominion Homes.

The Paul G. Duke Foundation, Inc. was established in 1983. This foundation awards grants to agencies serving families, children, and in particular, Clear Creek Farm. Grants are distributed in the Miami County and central Ohio regions in the State of Ohio, with emphasis being given to Miami County.

The Walter and Marian English Foundation was established in 1997. This foundation has broad charitable interests, with grants made primarily in the central Ohio region. During 2010 the board voted and approved to dissolve this foundation and to distribute all of the assets to The Columbus Foundation.

The FG Foundation was established in 2002. This foundation awards grants for education and other broad charitable purposes.

The John B. and Dareth Gerlach Foundation was established in 1998. It has a broad philanthropic purpose and makes gifts and grants primarily in the Columbus, Ohio region.

The John J. and Pauline Gerlach Foundation was established in 1996. It has a broad philanthropic purpose and makes gifts and grants primarily in the Columbus, Ohio region.

The Greer Foundation was established in 1995. It has a broad philanthropic mission.

The Hinson Family Trust was established in 2000. This foundation provides grants to organizations that increase opportunity and the quality of life for men, women and children primarily in the central Ohio area.

The Ingram-White Castle Foundation was established in 1981 and awards grants primarily to strengthen education and human services.

# THE COLUMBUS FOUNDATION

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

### 1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Kidd Family Foundation was established in 1999. This foundation has broad charitable interests.

The Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation was established in 1993. This foundation makes grants to organizations for programs that improve the community.

Limited Brands Foundation was established in 1993. It has a broad philanthropic purpose and makes gifts and grants primarily to organizations benefiting women, children, and the communities in which they live.

The Marsh Family Foundation was established in 1993. This foundation awards grants to be used for charitable, scientific, educational, public, and cultural purposes.

The Raymond E. Mason Foundation was established in 1987. This foundation awards grants to be used for charitable, scientific, educational, public, and cultural purposes.

The John H. McConnell Foundation was established in 1989. This foundation provides grants in support of educational projects, health and research programs, and civic activities.

The Meuse Family Foundation was established in 2002. This foundation awards grants to be used for charitable, educational, scientific, religious, public and cultural purposes.

The Moritz Family Foundation was established in 2004. This foundation has broad philanthropic interests.

The Roush Family Foundation was established in 2000. This foundation provides grants in support of services to meet the needs of the community.

The James A. and Kathleen C. Rutherford Foundation was established in 1996. This foundation, among other charitable activities, grants college scholarships to deserving or needy students and provides other forms of assistance to indigent or underprivileged persons, particularly children.

The Shackelford Family Foundation was established in 1996. This foundation's focus is primarily on educational issues and the distribution of funds to eligible organizations involved in educational issues.

The Siemer Family Foundation was established in 1997. The primary focus of this foundation is on people in need and the distribution of funds to eligible organizations involved in services/programs which benefit them.

The Trinity Foundation was established in 2007. The foundation provides grants in support of services to meet the needs of the community.

The Walter Family Foundation was established in 1997. This foundation has a broad philanthropic mission.

The Robert F. Wolfe and Edgar T. Wolfe Foundation was established in 1989. This foundation has a broad philanthropic mission.

# THE COLUMBUS FOUNDATION

## NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

### 1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

#### *Summary of Significant Accounting Policies:*

*Financial Statements* - The combined financial statements for the Foundations have been prepared on the accrual basis of accounting, which means that revenues are recognized as they are earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

*Bequests and Grants* - Bequests and gifts are recorded when all requirements for the transfer of the assets to the Foundations have been met, appropriate court orders have been issued and the assets have been received.

Grants made by the Foundations are recorded in the financial statements at the time the grants are approved by the Governing Committee of The Columbus Foundation or the appropriate Board of Trustees for the supporting foundations. Payments are made when requested by the grantee and any contingencies, such as obtaining matching funds, have been met by the grantee.

*Investments* - Investments in marketable securities are recorded at fair market value (see Note 2). Investments other than marketable securities are recorded at the lower of cost or fair market value (see Note 2).

Investments of The Columbus Foundation (trust form) consist of marketable securities, mortgages and notes receivable (see Note 2), real estate and interests in leases (see Note 2) and are administered for the Foundation by five Trustee Banks. The Trustee Banks report the historical or acquisition values and the carrying values of the investments and are responsible for custody and investment management.

Investments for The Columbus Foundation (corporate form) consist of marketable securities (see Note 2), real estate and interests in limited partnerships (see Note 2). The marketable securities are administered for The Columbus Foundation by various money managers, investment firms and mutual fund investment agents. These investment agents are responsible for custody and investment management under supervision of the Board of Trustees.

Investments of the supporting foundations are administered by investment agents chosen by the respective Boards of Trustees. The investment agents report the assigned values and market values of the investments and are responsible for custody and investment management under supervision of the Boards of Trustees. The Columbus Foundation provides administrative and reporting support as needed.

Real estate investments at December 31, 2010 and 2009 consist of land, residential properties and commercial properties, recorded at appraised values when received, which are managed by various property managers for the trustee administrators.

Carrying values of leases at December 31, 2010 and 2009 are stated at the net present value of estimated future cash flows for long-term leases of commercial property which have been assigned to the Foundations.

Limited partnerships consist of certain real estate located in central Ohio and family partnerships which are recorded at the total fair market value when received as determined by independent appraisals.

Other investments at December 31, 2010 and 2009 consist of insurance policies and other miscellaneous investments.

Market value information is based on closing prices at December 31, 2010 and 2009 for those securities traded on national stock exchanges or determined by the trustee for those securities not traded on national exchanges. Dividend and interest income from investments is accrued as the income is earned.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued):

*Summary of Significant Accounting Policies (continued):*

*Use of Estimates* - The preparation of the financial statements of the Foundations in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements, as well as their related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in determining the useful lives of property and equipment and calculating the present value of the payments expected to be made to beneficiaries relating to charitable gift annuity agreements.

*Income Taxes* - Each of the foundations are recognized as exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and, therefore, have made no provision for federal, state, or local income tax in the accompanying financial statements for income from exempt activities. However, income from certain activities not directly related to the Foundations tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2010, a provision has been recorded for unrelated business income tax.

The Foundations have adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. Management has reviewed its current and past income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if the respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded. The Foundations are no longer subject to federal, state, or local tax examinations by tax authorities for years before 2007.

*Investment Policy* - The investment policies vary by foundation but in general fall into one of the following parameters and/or policies:

- A) Funds designated as permanent and/or endowed assets, which include component funds covered under The Columbus Foundation's "spending rule" and certain supporting foundations of The Columbus Foundation, are invested utilizing generally a 50% - 80% equity exposure. Individual securities, primarily no-load mutual funds, and certain "alternative" investments are employed. Mutual fund selections would include certain proprietary bank mutual funds, as well as a pre-approved selection of funds from the Vanguard Family of Mutual Funds.
- B) Funds designated as non-permanent foundation assets, which include donor advised and organization endowment funds of The Columbus Foundation and Community Foundations, Inc. as well as certain supporting foundations of The Columbus Foundation, are invested based upon the donor's or supporting foundation board's expected time horizon for suggesting distributions or approving grants from the fund or supporting foundation. The assets of these component funds or supporting foundations may be invested with equity exposures that can have: 0%, 30%-40%, 60%-70% and up to 100% equity exposure. Individual securities and primarily no-load mutual funds, which include certain proprietary bank mutual funds, other mutual funds families as chosen by the foundation's investment agent and a pre-approved selection of funds from the Vanguard Family of Mutual Funds, are used to invest these assets.

Each foundation included in these combined financial statements has received its own separate audit. Each of the audited financial statements includes information concerning its specific investment policy.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

1. DESCRIPTION OF THE FOUNDATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued):

*Summary of Significant Accounting Policies (continued):*

*Spending Policy* - Spending policies vary by foundation but in general fall into one of the following parameters and/or policies:

- A) No formal spending policy and spending may be made from both the income and principal of the fund.
- B) Only the income (dividends and interest) is spent.
- C) A “spending rule” utilizing a calculation, that employs a single historical market value point in time or a series of historical market value points in time, to which a spending rate varying between 4.50% and 5.55% is applied.

Each foundation included in these combined financial statements has received its own separate audit. Each of the audited financial statements includes information concerning its specific spending policy.

*Cash and Cash Equivalents* - Cash in excess of daily requirements is generally invested in savings and cash management (money market) accounts with maturities of three months or less.

*Property and equipment* - Property and equipment acquisitions are recorded at cost or, if donated, at fair market value at date of donation. Depreciation is computed on the straight-line basis over the estimated lives of the assets.

*Net Assets* - Accounting standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as unrestricted net assets. Accordingly, the financial statements classify all net assets that the Foundations have obtained variance power from the donor as unrestricted.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

2. INVESTMENTS

Investments consist of the following:

	<u>2010</u>	<u>2009</u>
Marketable securities:		
Certificates of deposit	\$ 1,729,306	\$ 2,849,346
Federal obligations	51,375,150	45,418,357
Corporate note obligations	43,662,725	46,852,927
Preferred stocks	911,133	1,302,430
Common stocks	172,770,299	168,251,151
Mutual funds	607,404,407	509,149,474
Alternative investments	15,414,937	14,054,841
Total marketable securities	<u>893,267,957</u>	<u>787,878,526</u>
Privately held common stock	33,195,596	31,408,184
Mortgage and notes receivable	3,387,133	3,285,789
Real estate	3,545,881	4,510,203
Leases	632,981	652,706
Interest in limited partnerships	14,804,990	15,660,052
Other investments	3,559,264	3,687,017
Total investments	<u>\$ 952,393,802</u>	<u>\$ 847,082,477</u>

Investments in mutual funds consist of approximately 77% and 80% equities and 23% and 20% fixed income funds at December 31, 2010 and 2009, respectively.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

3. ASSETS AND LIABILITIES – FAIR VALUE INFORMATION

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Assets measured at fair value on a recurring basis were as follows:

Description	December 31, 2010			
	Total	Level 1	Level 2	Level 3
Marketable securities:				
Certificates of deposit	\$ 1,729,306	\$ 1,729,306	\$ -	\$ -
Federal obligations	51,375,150	51,375,150	-	-
Corporate note obligations	43,662,725	43,662,725	-	-
Preferred stocks	911,133	911,133	-	-
Common stocks	172,770,299	163,789,959	1,946,611	7,033,729
Mutual funds	607,404,407	607,404,407	-	-
Alternative investments:				
Mutual funds	1,675,987	1,675,987	-	-
Fund of funds	2,975,923	-	2,975,923	-
Hedge funds	10,763,027	-	3,569,521	7,193,506
Total	<u>\$ 893,267,957</u>	<u>\$ 870,548,667</u>	<u>\$ 8,492,055</u>	<u>\$ 14,227,235</u>

Description	December 31, 2009			
	Total	Level 1	Level 2	Level 3
Marketable securities	\$ 787,878,526	\$ 765,979,917	\$ 8,973,677	\$ 12,924,932
Total	<u>\$ 787,878,526</u>	<u>\$ 765,979,917</u>	<u>\$ 8,973,677</u>	<u>\$ 12,924,932</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

3. ASSETS AND LIABILITIES – FAIR VALUE INFORMATION (continued)

The changes in Level 3 assets measured at fair value on a recurring basis are summarized as follows:

	<u>Marketable securities</u>
Beginning balance at January 1, 2010	\$ 12,924,932
Total unrealized gains included in change in net assets	1,263,803
Purchases	38,500
Transfers in and/or out of Level 3	-
Ending balance at December 31, 2010	<u>\$ 14,227,235</u>
Change in unrealized gains related to assets held at December 31, 2010	<u>\$ 1,263,803</u>

Realized gains included in change in net assets for the year ended December 31, 2010 are reported in net unrealized and realized gain on investments.

The level 2 and 3 assets held in alternative investments and the level 2 assets held in common stock were valued using the market approach and were determined using the quoted market prices of similar assets. The level 3 assets held in common stock were valued using the cost approach and were determined by taking into consideration recent relevant transactions in the security, developments concerning the issuing company subsequent to the acquisition of the securities, any financial data and projections of the issuing company provided to the General Partner, and such other factors deemed relevant.

4. PROPERTY AND EQUIPMENT

A summary of these assets follows:

	<u>2010</u>	<u>2009</u>
Land	\$ 3,669,294	\$ 3,669,294
Building and building improvements	9,207,553	9,164,804
Furniture and equipment	<u>1,374,933</u>	<u>1,185,214</u>
	14,251,780	14,019,312
Less accumulated depreciation	2,795,309	2,307,162
Total	<u>\$ 11,456,471</u>	<u>\$ 11,712,150</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

5. GRANTS

Grants approved and paid in 2010 and those committed for future payment consist of the following at December 31, 2010:

	Unpaid Balance Jan. 1, 2010	2010 Grants		Prior Year Grants Rescinded	Unpaid Balance Dec. 31, 2010
		Approved	Paid		
Advancing Philanthropy	\$ 386,200	\$ 3,149,965	\$ 3,318,715	\$ 201,000	\$ 16,450
Arts	6,475,816	10,473,060	13,147,653	30,700	3,770,523
Conservation	3,934,675	2,434,186	3,688,644	-	2,680,217
Education	9,208,255	28,516,423	31,291,846	601,166	5,831,666
Health	3,676,512	14,422,515	15,174,908	153,436	2,770,683
Religion	939,750	4,653,820	5,513,820	500	79,250
Social Services	3,798,376	17,345,538	17,804,723	73,408	3,265,783
Urban Affairs	2,360,966	6,179,817	6,178,906	268,825	2,093,052
Total	<u>30,780,550</u>	<u>87,175,324</u>	<u>96,119,215</u>	<u>1,329,035</u>	<u>20,507,624</u>
Net Organization					
Endowment Grants	-	9,591,463	9,591,463	-	-
Net Grants	<u>\$ 30,780,550</u>	<u>\$ 77,583,861</u>	<u>\$ 86,527,752</u>	<u>\$ 1,329,035</u>	<u>\$ 20,507,624</u>

Grants approved and paid in 2009 and those committed for future payment consist of the following at December 31, 2009:

	Unpaid Balance Jan. 1, 2009	2009 Grants		Prior Year Grants Rescinded	Unpaid Balance Dec. 31, 2009
		Approved	Paid		
Advancing Philanthropy	\$ 307,045	\$ 2,463,207	\$ 2,266,052	\$ 118,000	\$ 386,200
Arts	3,158,285	16,544,468	13,199,487	27,450	6,475,816
Conservation	6,357,577	2,450,588	4,872,990	500	3,934,675
Education	10,926,021	21,160,010	22,416,354	461,422	9,208,255
Health	4,901,798	9,287,904	10,456,290	56,900	3,676,512
Religion	417,500	4,704,329	4,182,079	-	939,750
Social Services	6,481,734	13,508,920	15,779,498	412,780	3,798,376
Urban Affairs	3,658,491	5,377,487	6,601,852	73,160	2,360,966
Total	<u>36,208,451</u>	<u>75,496,913</u>	<u>79,774,602</u>	<u>1,150,212</u>	<u>30,780,550</u>
Net Organization					
Endowment Grants	-	8,772,334	8,772,334	-	-
Net Grants	<u>\$ 36,208,451</u>	<u>\$ 66,724,579</u>	<u>\$ 71,002,268</u>	<u>\$ 1,150,212</u>	<u>\$ 30,780,550</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

5. GRANTS (continued)

Grants payable at December 31, 2010 are scheduled to be disbursed as follows:

<u>Year Ending</u>	<u>Amount</u>
2011	\$ 11,955,097
2012	4,423,637
2013	2,690,886
2014	744,666
2015	398,338
Thereafter	295,000
Total	<u>\$ 20,507,624</u>

6. CHARITABLE GIFT ANNUITIES

As of December 31, 2010, The Columbus Foundation as a part of its development program, has issued a total of seventy charitable gift annuity contracts. These annuity contracts are general obligations of The Columbus Foundation.

The Columbus Foundation records gift revenue in the year the contract is issued using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. Annual adjustments are made to the liability to reflect changes in expected future year payments. Gift annuity assets are separately invested. Approximately 35% is invested in a stock index fund and the balance in a bond index fund.

7. ORGANIZATION ENDOWMENT FUNDS HELD FOR OTHERS

The Foundation maintains variance power and legal ownership of organization endowment funds, and as such, continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC 958-605, a liability has been established, which is equivalent to the funds current fair market value.

At December 31, 2010 and 2009, organization endowment funds held for others are comprised of:

	<u>2010</u>	<u>2009</u>
Net assets at end of year	\$ 103,924,522	\$ 96,951,500
Grants approved but not paid	-	-
Organization endowment funds held for others	<u>\$ 103,924,522</u>	<u>\$ 96,951,500</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

8. FUNCTIONAL EXPENSES AND RETIREMENT PLAN INFORMATION

The Foundations operating expenses in 2010 and 2009 were \$6,295,444 and \$6,150,660, respectively. Included in operating expenses was \$559,030 and \$483,730 of depreciation expense at December 31, 2010 and 2009, respectively. On a functional basis, these operating expenses were classified as:

	<u>2010</u>	<u>2009</u>
Grantmaking	\$ 1,953,895	\$ 1,930,320
Development	2,288,960	2,536,710
Philanthropic Services	737,958	766,830
Fund Management	352,061	398,764
Special Projects	962,570	518,036
	<u>\$ 6,295,444</u>	<u>\$ 6,150,660</u>

The Columbus Foundation sponsors a defined contribution benefit plan for employees who are 21 years of age and have one year of eligible service. Employer contributions are made on a monthly basis equivalent to 10% of each participant's compensation to a maximum of \$40,000 per year; there are no voluntary employee contributions permitted under the plan. The Columbus Foundation does sponsor a separate tax deferred annuity plan in which employees may participate on a voluntary basis. Total plan expense for 2010 and 2009 amounted to \$383,648 and \$381,149, respectively.

9. CONCENTRATION OF ECONOMIC RISK

The Foundations invest their assets with a variety of financial institutions, brokerages, and families of mutual funds. Because fluctuations in both the stock and bond markets will from time to time impact the value of the Foundations' assets, the selected investments by these entities are conservative in nature and diversified to minimize the impact of these market value fluctuations.

The Foundations maintain cash and money market funds in various financial institutions and certain deposits exceed federally insured limits. The Foundations have not experienced any losses in such accounts.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 15, 2011 which is the date the financial statements were available to be issued.

11. RECLASSIFICATIONS

Certain amounts in the 2009 financial statements have been reclassified to conform with the 2010 presentation. Such reclassifications had no effect on the reported change in total net assets.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

12. TOTAL ASSETS

Total assets by foundation at December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
The Columbus Foundation	\$ 737,251,238	\$ 667,571,651
Battelle Charities	7,034,049	6,250,917
Central Benefits Health Care Foundation	5,917,605	5,686,066
Columbus Youth Foundation	2,694,139	2,548,000
Community Foundations, Inc.	52,230,808	32,631,139
Community Gifts Foundation	2,130,731	2,125,620
Crane Family Foundation	2,524,587	1,536,974
The William H. Davis, Dorothy M. Davis and William C. Davis Foundation	34,158,005	33,309,804
Dominion Homes - Borrer Family Foundation	999,309	1,072,085
The Paul G. Duke Foundation, Inc.	9,811,409	9,583,777
The Walter and Marian English Foundation	-	6,962,835
The FG Foundation	1,948,290	1,594,380
The John B. and Dareth Gerlach Foundation	7,893,624	6,587,294
The John J. and Pauline Gerlach Foundation	24,571,074	21,425,662
Greer Foundation	313,030	282,706
Hinson Family Trust	1,445,996	1,380,168
Ingram-White Castle Foundation	35,282,816	32,713,493
Kidd Family Foundation	1,640,617	1,606,051
The Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation	1,855,328	1,666,282
Limited Brands Foundation	5,070,639	5,828,137
The Marsh Family Foundation	1,279,326	1,200,297
The Raymond E. Mason Foundation	504,289	1,554,568
The John H. McConnell Foundation	1,705,689	1,583,320
Meuse Family Foundation	3,159,186	2,687,883
The Moritz Family Foundation	2,030,880	1,918,082
Roush Family Foundation	767,053	710,391
James A. and Kathleen C. Rutherford Foundation	1,412,995	1,318,703
The Shackelford Family Foundation	6,875,482	6,512,144
Siemer Family Foundation	13,835,172	8,460,616
Trinity Foundation	2,249,943	1,160,173
Walter Family Foundation	27,222,888	24,727,207
The Robert F. Wolfe and Edgar T. Wolfe Foundation	68,810,338	65,493,967
Subtotal	<u>1,064,626,535</u>	<u>959,690,392</u>
Less inter-foundation balances	(3,587,049)	(4,490,173)
Total	<u>\$ 1,061,039,486</u>	<u>\$ 955,200,219</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2010

13. PUBLIC SUPPORT - NEW DONATIONS AND BEQUESTS

Total public support - new donations and bequests by foundation for the years ended December 31, 2010 and 2009 were:

	<u>2010</u>	<u>2009</u>
The Columbus Foundation	\$ 94,908,139	\$ 57,218,649
Community Foundations, Inc.	19,316,204	748,488
Crane Family Foundation	467,343	1,536,974
The Walter and Marian English Foundation	164,480	164,480
The John B. and Dareth Gerlach Foundation	750,000	-
Greer Foundation	50,000	40,000
Ingram-White Castle Foundation	-	100
Kidd Family Foundation	-	400
Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation	55,479	54,696
Limited Brands Foundation	10,002,729	5,000,000
The Raymond E. Mason Foundation	6,194	35,000
Meuse Family Foundation	391,800	484,603
The Moritz Family Foundation	500	500
Siemer Family Foundation	4,329,554	1,000,050
Trinity Foundation	1,000,000	-
Walter Family Foundation	3,012,750	14,391,000
Subtotal	<u>134,455,172</u>	<u>80,674,940</u>
Less inter-foundation balances	(25,367,693)	(564,863)
Less new donations and bequests received for organization endowment funds	(7,296,994)	(6,249,610)
Total	<u>\$ 101,790,485</u>	<u>\$ 73,860,467</u>