

THE COLUMBUS FOUNDATION

COMBINED FINANCIAL STATEMENTS

December 31, 2019 and 2018

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying combined financial statements of The Columbus Foundation (the Foundations) as defined in Note 1 of these financial statements which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities and cash flows for the years then ended and the related combined notes to the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial position of The Columbus Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John Geilach & Company LLP

Columbus, Ohio
August 21, 2020

THE COLUMBUS FOUNDATION

COMBINED STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS:		
Cash and cash equivalents	\$ 166,967,426	\$ 124,264,065
Dividends and interest receivable	1,171,294	856,459
Investments	2,496,938,167	2,014,805,380
Property and equipment, net	9,462,987	9,839,782
Other	2,406,944	262,621
 TOTAL ASSETS	 <u>\$ 2,676,946,818</u>	 <u>\$ 2,150,028,307</u>
LIABILITIES AND NET ASSETS:		
Grants payable	\$ 22,800,030	\$ 26,607,310
Charitable gift annuities liability	1,791,575	1,906,968
Organization endowment funds held for others	223,181,913	177,485,259
Other accrued liabilities	755,938	743,945
 Total liabilities	 <u>248,529,456</u>	 <u>206,743,482</u>
Net Assets:		
Without donor restrictions	2,428,417,362	1,943,284,825
 Total net assets	 <u>2,428,417,362</u>	 <u>1,943,284,825</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,676,946,818</u>	 <u>\$ 2,150,028,307</u>

See Notes to Financial Statements

THE COLUMBUS FOUNDATION
COMBINED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	All Funds	Organization Endowment Funds Held For Others	Net Of Organization Endowment Funds
REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS:			
Operating Revenues:			
Public support - new donations and bequests	\$ 238,167,951	\$ 22,826,922	\$ 215,341,029
Interest, dividends and other income, net of investment fees	81,863,823	7,136,765	74,727,058
Refunded and adjusted grants for prior years	586,320	-	586,320
Net unrealized and realized gain on investments	400,029,696	26,362,888	373,666,808
	720,647,790	56,326,575	664,321,215
EXPENSES:			
Grants approved, net of rescinds	178,706,456	15,413,071	163,293,385
Net unrealized and realized loss on investments	-	-	-
Transfer to/from endowment funds	-	(4,817,727)	4,817,727
Gift annuities expense	(193,387)	-	(193,387)
Administrative expenses:			
Operating expenses	10,248,705	-	10,248,705
Fund expenses	1,056,825	34,577	1,022,248
	189,818,599	10,629,921	179,188,678
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	530,829,191	45,696,654	485,132,537
NET ASSETS AT BEGINNING OF YEAR	2,120,770,084	177,485,259	1,943,284,825
NET ASSETS AT END OF YEAR	\$ 2,651,599,275	\$ 223,181,913	\$ 2,428,417,362

THE COLUMBUS FOUNDATION

COMBINED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

	<u>All Funds</u>	<u>Organization Endowment Funds Held For Others</u>	<u>Net Of Organization Endowment Funds</u>
REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS:			
Operating Revenues:			
Public support - new donations and bequests	\$ 170,538,438	\$ 18,836,674	\$ 151,701,764
Interest, dividends and other income, net of investment fees	84,086,219	9,374,791	74,711,428
Refunded and adjusted grants for prior years	299,233	-	299,233
Net unrealized and realized gain on investments	-	-	-
Total revenues and gains without donor restrictions	<u>254,923,890</u>	<u>28,211,465</u>	<u>226,712,425</u>
EXPENSES:			
Grants approved, net of rescinds	223,323,835	13,972,839	209,350,996
Net unrealized and realized loss on investments	137,290,371	17,452,353	119,838,018
Transfer to/from endowment funds	-	(1,077,781)	1,077,781
Gift annuities expense	157,911	-	157,911
Administrative expenses:			
Operating expenses	9,741,048	-	9,741,048
Fund expenses	915,821	31,222	884,599
Total expenses	<u>371,428,986</u>	<u>30,378,633</u>	<u>341,050,353</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(116,505,096)</u>	<u>(2,167,168)</u>	<u>(114,337,928)</u>
NET ASSETS AT BEGINNING OF YEAR	2,237,275,180	179,652,427	2,057,622,753
NET ASSETS AT END OF YEAR	<u>\$ 2,120,770,084</u>	<u>\$ 177,485,259</u>	<u>\$ 1,943,284,825</u>

See Notes to Financial Statements

THE COLUMBUS FOUNDATION

COMBINED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets without donor restrictions	\$ 485,132,537	\$ (114,337,928)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided (used) by operating activities:		
Net unrealized and realized (gain) loss on investments	(373,666,808)	119,838,018
Gifts received in the form of investments	(100,200,761)	(61,667,364)
Depreciation expense	823,912	824,548
Changes in operating assets and liabilities:		
Increase in dividends and interest receivable	(314,835)	(172,747)
(Increase) decrease in other assets	(2,144,323)	373,313
Decrease in grants payable	(3,807,280)	(835,019)
Increase (decrease) in charitable gift annuities liability	(115,393)	290,624
Increase (decrease) in organization endowment funds held for others	45,696,654	(2,167,168)
Increase in other accrued liabilities	11,993	90,186
Net cash provided (used) by operating activities	<u>51,415,696</u>	<u>(57,763,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(524,532,928)	(352,297,690)
Proceeds from sale or maturities of investments	516,267,710	413,928,055
Property additions	(447,117)	(189,576)
Net cash provided (used) by investing activities	<u>(8,712,335)</u>	<u>61,440,789</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>42,703,361</u>	<u>3,677,252</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	124,264,065	120,586,813
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 166,967,426</u>	<u>\$ 124,264,065</u>

See Notes to Financial Statements

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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
Borror Family Foundation
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
The Paul G. Duke Foundation, Inc.
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
Isabelle Ridgway Foundation
Kidd Family Foundation
The Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation
L Brands Foundation
The Marsh Family 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
Siemer Institute
Trinity Foundation
Margaret and Robert Walter 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 Foundations investments are comprised of approximately 2,800 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 Foundations.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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.

Borror Family Foundation was established in 2004. This foundation provides grants and support of services to meet the needs of the community.

The 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 Paul G. Duke Foundation, Inc. was established in 1983. This foundation's mission is to be a catalyst to enhance the quality of life in the Miami County area.

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 Isabelle Ridgway Foundation was established in 2017. This foundation's mission is to improve the quality of life and the systems that impact aging African Americans in central Ohio.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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.

L 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 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. During 2019 the board voted and approved to dissolve this foundation and to distribute all of the assets to The Columbus Foundation.

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 Siemer Institute was established in 2017. This foundation provides grants for local and national programs, and provides program coordination and program support for the reduction of student mobility for school-aged children and prevention of homelessness for families

The Trinity Foundation was established in 2007. The foundation provides grants in support of services to meet the needs of the community. During 2017 the board voted and approved to dissolve this foundation and to distribute all of the assets to The Columbus Foundation.

The Margaret and Robert Walter 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, 2019

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 for The Columbus Foundation primarily consist of marketable securities (see Note 2), mortgage and notes receivable, real estate, interests in limited partnerships, privately held common stock and leases and are administered 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, 2019 and 2018 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.

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, 2019 and 2018 consist of insurance policies and other miscellaneous investments.

Market value information is based on closing prices at December 31, 2019 and 2018 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, 2019

1. DESCRIPTION OF THE FOUNDATION AND 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.

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.

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 include various no-load mutual funds, including 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 no-load mutual funds, including a pre-approved selection of funds from the Vanguard Family of Mutual Funds, as chosen by the foundations' investment agent(s), are used to invest these assets.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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 4.00% and 5.50% 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 investment and spending policies.

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 net assets without donor restrictions. Accordingly, the financial statements classify all net assets that The Foundations have obtained variance power from the donor as net assets without donor restrictions.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

2. INVESTMENTS

Investments consist of the following:

	<u>2019</u>	<u>2018</u>
Marketable securities:		
Certificates of deposit	\$ 1,109,547	\$ 1,405,584
Federal obligations	26,064,675	20,280,852
Corporate note obligations	62,131,840	35,285,208
Preferred stocks	379,562	487,709
Common stocks	590,152,801	461,973,007
Mutual funds	1,631,278,542	1,299,218,417
Alternative investments	4,621,330	5,361,053
Total marketable securities	<u>2,315,738,297</u>	<u>1,824,011,830</u>
Privately held common stock	149,854,771	154,238,786
Mortgage and notes receivable	11,270,061	11,444,434
Real estate	2,979,101	2,933,001
Interest in limited partnerships	14,060,925	18,691,630
Other investments	3,035,012	3,485,699
Total investments	<u>\$ 2,496,938,167</u>	<u>\$ 2,014,805,380</u>

3. ASSETS AND LIABILITIES – FAIR VALUE INFORMATION

In accordance with the Fair Value Measurements and Disclosures Topic of 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 unless the financial instrument is being measured using NAV per share as a practical expedient:

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.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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

Assets measured at fair value on a recurring basis or NAV per share as a practical expedient were as follows:

Description	December 31, 2019				
	Total	Level 1	Level 2	Level 3	NAV
Marketable securities:					
Certificates of deposit	\$ 1,109,547	\$ 1,109,547	\$ -	\$ -	\$ -
Federal obligations	26,064,675	26,064,675	-	-	-
Corporate note obligations	62,131,840	62,131,840	-	-	-
Preferred stocks	379,562	379,562	-	-	-
Common stocks - domestic	574,339,166	574,339,166	-	-	-
Common stocks - international	15,813,635	15,813,635	-	-	-
Mutual funds - bonds	425,941,176	425,941,176	-	-	-
Mutual funds - equity	1,205,337,366	1,205,337,366	-	-	-
Alternative investments:					
Mutual funds	920,271	920,271	-	-	-
Fund of funds	150,431	-	150,431	-	-
Hedge funds	3,015,452	-	-	80,094	2,935,358
Private equity	535,176	-	-	-	535,176
Total	\$ <u>2,315,738,297</u>	\$ <u>2,312,037,238</u>	\$ <u>150,431</u>	\$ <u>80,094</u>	\$ <u>3,470,534</u>

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

	Marketable securities
Beginning balance at January 1, 2019	\$ 100,972
Total unrealized gain (loss) included in change in net assets	(20,878)
Sales	-
Purchases	-
Transfers in and/or out of Level 3	-
Ending balance at December 31, 2019	\$ <u>80,094</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

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

Unrealized gains included in change in net assets for the year ended December 31, 2019 are reported in net unrealized and realized gain on investments.

Level 2 assets held in alternative investments were valued using the market approach and were determined using the quoted market prices of similar assets. Level 3 assets held in alternative investments were valued using unobservable inputs due to limited market activity and require significant judgment or estimation.

Description	December 31, 2018				
	Total	Level 1	Level 2	Level 3	NAV
Marketable securities:					
Certificates of deposit	\$ 1,405,584	\$ 1,405,584	\$ -	\$ -	\$ -
Federal obligations	20,280,852	20,280,852	-	-	-
Corporate note obligations	35,285,208	35,285,208	-	-	-
Preferred stocks	487,709	487,709	-	-	-
Common stocks - domestic	446,918,461	446,918,461	-	-	-
Common stocks - international	15,054,546	15,054,546	-	-	-
Mutual funds - bonds	350,554,918	350,554,918	-	-	-
Mutual funds - equity	948,663,499	948,663,499	-	-	-
Alternative investments:					
Mutual funds	788,311	788,311	-	-	-
Fund of funds	191,266	-	191,266	-	-
Hedge funds	3,272,346	-	-	100,972	3,171,374
Private equity	1,109,130	-	-	-	1,109,130
Total	<u>\$ 1,824,011,830</u>	<u>\$ 1,819,439,088</u>	<u>\$ 191,266</u>	<u>\$ 100,972</u>	<u>\$ 4,280,504</u>

4. PROPERTY AND EQUIPMENT

A summary of these assets follows:

	2019	2018
Land	\$ 3,669,294	\$ 3,669,294
Building and building improvements	9,682,509	9,636,604
Furniture and equipment	3,663,930	3,322,152
	<u>17,015,733</u>	<u>16,628,050</u>
Less accumulated depreciation	7,552,746	6,788,268
Total	<u>\$ 9,462,987</u>	<u>\$ 9,839,782</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

5. GRANTS

Grants approved and paid in 2019 and those committed for future payment consist of the following at December 31, 2019:

	Unpaid Balance Jan. 1, 2019	2019 Grants		Prior Year Grants Rescinded	Unpaid Balance Dec. 31, 2019
		Approved	Paid		
Advancing Philanthropy	\$ 25,677	\$ 12,605,220	\$ 12,380,897	\$ 33,282	\$ 216,718
Arts	1,492,972	17,539,098	17,856,979	16,711	1,158,380
Conservation	2,962,017	10,940,503	13,415,319	-	487,201
Education	7,083,999	54,079,370	52,617,464	345,866	8,200,039
Gifts of Kindness	-	661,851	661,851	-	-
Health	8,893,722	23,385,463	25,923,081	30,000	6,326,104
Religion	777,611	9,560,373	9,681,258	5,400	651,326
Social Services	2,606,353	37,144,641	36,252,294	112,517	3,386,183
Urban Affairs	2,764,959	13,389,213	13,724,593	55,500	2,374,079
Total	<u>26,607,310</u>	<u>179,305,732</u>	<u>182,513,736</u>	<u>599,276</u>	<u>22,800,030</u>
Net Organization					
Endowment Grants	-	15,413,071	15,413,071	-	-
Net Grants	<u>\$ 26,607,310</u>	<u>\$ 163,892,661</u>	<u>\$ 167,100,665</u>	<u>\$ 599,276</u>	<u>\$ 22,800,030</u>

Grants payable at December 31, 2019 are scheduled to be disbursed as follows:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 14,221,957
2021	4,122,602
2022	2,618,405
2023	1,530,066
2024	101,000
Thereafter	206,000
Total	<u>\$ 22,800,030</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

5. GRANTS (continued)

Grants approved and paid in 2018 and those committed for future payment consist of the following at December 31, 2018:

	Unpaid Balance Jan. 1, 2018	2018 Grants		Prior Year Grants Rescinded	Unpaid Balance Dec. 31, 2018
		Approved	Paid		
Advancing Philanthropy	\$ 234,499	\$ 10,800,415	\$ 10,892,212	\$ 117,025	\$ 25,677
Arts	391,096	57,782,150	56,680,274	-	1,492,972
Conservation	1,013,567	16,972,782	15,024,332	-	2,962,017
Education	9,021,436	54,549,827	56,256,146	231,118	7,083,999
Gifts of Kindness	-	556,838	556,838	-	-
Health	12,711,476	16,549,831	20,349,158	18,427	8,893,722
Religion	15,197	10,879,551	10,117,137	-	777,611
Social Services	2,220,953	43,938,074	43,446,887	105,787	2,606,353
Urban Affairs	1,834,105	11,819,622	10,835,870	52,898	2,764,959
Total	<u>27,442,329</u>	<u>223,849,090</u>	<u>224,158,854</u>	<u>525,255</u>	<u>26,607,310</u>
Net Organization					
Endowment Grants	-	13,972,839	13,972,839	-	-
Net Grants	<u>\$ 27,442,329</u>	<u>\$ 209,876,251</u>	<u>\$ 210,186,015</u>	<u>\$ 525,255</u>	<u>\$ 26,607,310</u>

6. CHARITABLE GIFT ANNUITIES

As of December 31, 2019, The Columbus Foundation as a part of its development program, has issued a total of sixty-five 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 45% is invested in a stock index fund and the balance in a bond index fund.

7. ORGANIZATION ENDOWMENT FUNDS HELD FOR OTHERS

The Foundations receive and distribute assets under certain agency and intermediary arrangements. FASB ASC 958-605 establishes standards for transactions in which a recipient organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. This pronouncement specifically requires that if a not-for-profit organization establishes a fund at a recipient organization with its own funds and specifies itself or its affiliate as the beneficiary of that fund, the recipient organization must account for the transfer of such assets as a liability. In accordance with this pronouncement, a liability has been established, which is equivalent to the funds current fair market value. The funds are also recorded as assets of The Foundations because they maintain variance power and legal ownership of organization endowment funds.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$2,481,756,486 of financial assets available within one year of the statement of financial position date to meet cash needs for grants and other expenditures. Financial assets consist of cash and cash equivalents of \$166,967,426, dividends and interest receivable of \$1,171,294, investments of \$2,311,210,822 and other assets of \$2,406,944. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for grants and other expenditures within one year of the statement of financial position date. The Foundation structures its financial assets to be available as expenditures, liabilities, and other obligations come due.

9. FUNCTIONAL EXPENSES AND RETIREMENT PLAN INFORMATION

The Foundations operating expenses in 2019 and 2018 were \$10,248,705 and \$9,741,048, respectively. On a functional basis, these operating expenses were classified as:

	Year Ended December 31, 2019					
	<u>Grantmaking</u>	<u>Development</u>	<u>Philanthropic Services</u>	<u>Fund Management</u>	<u>Special Projects</u>	<u>Total</u>
Salaries, benefits and related taxes	\$ 2,391,813	\$ 2,150,785	\$ 1,475,007	\$ 425,370	\$ 298,947	\$ 6,741,922
Consulting	277,363	249,412	171,047	49,327	34,667	781,816
Professional services	45,137	40,588	27,835	8,027	5,642	127,229
Supplies	24,272	21,826	14,969	4,317	3,034	68,418
Telephone	15,151	13,625	9,344	2,695	1,893	42,708
Postage and shipping	14,766	13,277	9,106	2,626	1,845	41,620
Occupancy	171,250	153,994	105,608	30,456	21,404	482,712
Equipment rental and maintenance	78,076	70,207	48,149	13,885	9,759	220,076
Printing and publications	35,889	32,273	22,132	6,383	4,486	101,163
Travel	62,442	56,149	38,507	11,105	7,804	176,007
Conference, conventions and meetings	35,165	31,622	21,686	6,254	4,395	99,122
Depreciation	292,297	262,841	180,257	51,983	36,534	823,912
Other	1,975	1,776	1,218	351	247	5,567
Insurance	16,134	14,507	9,950	2,869	2,017	45,477
Membership, dues and education	28,742	25,846	17,725	5,112	3,592	81,017
Events	31,653	28,463	19,520	5,629	3,956	89,221
Promotion and advertising	113,780	102,315	70,167	20,235	14,221	320,718
Total	<u>\$ 3,635,905</u>	<u>\$ 3,269,506</u>	<u>\$ 2,242,227</u>	<u>\$ 646,624</u>	<u>\$ 454,443</u>	<u>\$ 10,248,705</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

9. FUNCTIONAL EXPENSES AND RETIREMENT PLAN INFORMATION (continued)

	Year Ended December 31, 2018					
	<u>Grantmaking</u>	<u>Development</u>	<u>Philanthropic Services</u>	<u>Fund Management</u>	<u>Special Projects</u>	<u>Total</u>
Salaries, benefits and related taxes	\$ 2,170,069	\$ 2,354,326	\$ 1,494,324	\$ 328,556	\$ 227,972	\$ 6,575,247
Consulting	159,255	172,777	109,664	24,112	16,730	482,538
Professional services	31,384	34,049	21,612	4,752	3,297	95,094
Supplies	17,372	18,847	11,962	2,630	1,825	52,636
Telephone	13,469	14,613	9,275	2,039	1,415	40,811
Postage and shipping	15,597	16,921	10,740	2,361	1,639	47,258
Occupancy	160,441	174,064	110,481	24,291	16,855	486,132
Equipment rental and maintenance	64,894	70,404	44,686	9,825	6,817	196,626
Printing and publications	30,411	32,993	20,941	4,604	3,195	92,144
Travel	55,106	59,785	37,947	8,343	5,789	166,970
Conference, conventions and meetings	34,133	37,031	23,504	5,168	3,586	103,422
Depreciation	272,131	295,237	187,391	41,201	28,588	824,548
Other	1,054	1,144	726	160	111	3,195
Insurance	20,407	22,140	14,053	3,090	2,144	61,834
Membership, dues and education	35,694	38,725	24,579	5,404	3,750	108,152
Events	26,788	29,063	18,446	4,056	2,814	81,167
Promotion and advertising	106,692	115,751	73,469	16,154	11,208	323,274
Total	<u>\$ 3,214,897</u>	<u>\$ 3,487,870</u>	<u>\$ 2,213,800</u>	<u>\$ 486,746</u>	<u>\$ 337,735</u>	<u>\$ 9,741,048</u>

The Columbus Foundation sponsors a traditional 401(k) profit sharing plan. The plan covers 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 and are subject to the annual 401(a)(17) annual compensation limit. The plan also allows for voluntary employee contributions. Total plan expense for 2019 and 2018 amounted to \$504,351 and \$490,889, respectively.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

10. 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.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 21, 2020 which is the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundations operate. While it is unknown how long these conditions will last and what the complete financial effect will be to the Foundations, the Foundations expect the possibility of significant changes in the fair value of assets or liabilities, which may have a material adverse impact to the financial position and operations of the Foundations.

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

12. TOTAL ASSETS

Total assets by foundation at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
The Columbus Foundation	\$ 1,997,426,344	\$ 1,628,783,580
Battelle Charities	385,392	382,150
Borrer Family Foundation	744,209	1,249,958
Central Benefits Health Care Foundation	8,094,796	6,706,194
Columbus Youth Foundation	3,828,273	3,256,605
Community Foundations, Inc.	71,690,117	63,064,609
Community Gifts Foundation	1,065,364	1,064,498
Crane Family Foundation	3,460,749	3,287,691
The William H. Davis, Dorothy M. Davis and William C. Davis Foundation	41,854,230	37,926,724
The Paul G. Duke Foundation, Inc.	9,223,920	7,735,575
The FG Foundation	6,975,928	7,166,923
The John B. and Dareth Gerlach Foundation	24,674,908	26,338,505
The John J. and Pauline Gerlach Foundation	71,205,500	77,970,942
Greer Foundation	6,703,876	5,820,698
Hinson Family Trust	1,055,734	1,025,234
Ingram-White Castle Foundation	55,804,578	46,694,445
Isabelle Ridgway Foundation	3,698,215	3,080,360
Kidd Family Foundation	1,930,149	1,658,960
The Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation	6,268,903	3,270,712
L Brands Foundation	4,029,637	7,167,397
The Marsh Family Foundation	1,297,839	1,087,535
The John H. McConnell Foundation	3,070,427	2,591,256
Meuse Family Foundation	4,443,185	4,361,757
The Moritz Family Foundation	2,432,097	2,051,497
Roush Family Foundation	2,742,709	2,501,527
James A. and Kathleen C. Rutherford Foundation	-	1,914,783
The Shackelford Family Foundation	10,978,717	8,874,129
Siemer Family Foundation	38,144,644	33,274,337
Siemer Institute	11,132,336	7,671,058
Trinity Foundation	-	8,443
Margaret and Robert Walter Foundation	88,538,152	72,606,343
The Robert F. Wolfe and Edgar T. Wolfe Foundation	205,694,345	81,833,882
Subtotal	<u>2,688,595,273</u>	<u>2,152,428,307</u>
Less inter-foundation balances	(11,648,455)	(2,400,000)
Total	<u>\$ 2,676,946,818</u>	<u>\$ 2,150,028,307</u>

THE COLUMBUS FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2019

13. PUBLIC SUPPORT - NEW DONATIONS AND BEQUESTS

Total public support - new donations and bequests by foundation for the years ended December 31, 2019 and 2018 were:

	<u>2019</u>	<u>2018</u>
The Columbus Foundation	\$ 225,607,355	\$ 144,609,836
Borrer Family Foundation	11,053	604,221
Central Benefits Health Care Foundation	1,501	1,547
Community Foundations, Inc.	1,749,626	3,647,767
Columbus Youth Foundation	145	1,140
Crane Family Foundation	-	24
Greer Foundation	-	2,600,000
Ingram-White Castle Foundation	-	3,608
Isabelle Ridgway Foundation	120	3,479,508
Arthur and Sara Jo Kobacker, Alfred and Ida Kobacker Foundation	2,199,962	68,192
L Brands	10,000,006	6,642,299
The Marsh Family Foundation	40,000	-
Meuse Family Foundation	20,000	20,000
Roush Family Foundation	8,500	3,127
Siemer Family Foundation	5,409,766	17,112,187
Siemer Institute	10,006,720	8,023,100
Margaret and Robert Walter Foundation	4,995,801	5,480,609
Subtotal	<u>260,050,555</u>	<u>192,297,165</u>
Less inter-foundation balances	(21,882,604)	(21,758,727)
Less new donations and bequests received for organization endowment funds	(22,826,922)	(18,836,674)
Total	<u>\$ 215,341,029</u>	<u>\$ 151,701,764</u>