Renaissance Charitable Foundation Inc.

Auditor’s Report and Consolidated Financial Statements

December 31, 2013 and 2012

Renaissance Charitable Foundation Inc.

December 31, 2013 and 2012

Contents

BKD LLP
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Renaissance Charitable Foundation Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Renaissance Charitable Foundation Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the 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 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 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 financial position of Renaissance Charitable Foundation Inc. and its subsidiaries as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
July 11, 2014

Renaissance Charitable Foundation Inc.

Consolidated Statements of Financial Position
December 31, 2013 and 2012

	2013	2012
Assets		
Cash	$ 414,352	$ 412,720
Investments	638,950,413	489,378,171
Commercial annuity receivable	1,142,472	1,172,263
Other assets	117,914	457,910
Interest in charitable trusts	1,965,561	1,892,319
Total assets	$ 642,590,712	$ 493,313,383
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 328,465	$ 348,969
Grants payable	3,297,112	1,159,911
Annuities payable	1,104,991	1,154,764
Total liabilities	4,730,568	2,663,644
Net Assets		
Unrestricted	635,894,583	488,757,420
Temporarily restricted	1,965,561	1,892,319
Total net assets	637,860,144	490,649,739
Total liabilities and net assets	$ 642,590,712	$ 493,313,383

Renaissance Charitable Foundation Inc.

Consolidated Statements of Activities

Years Ended December 31, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support						
Contributions	$ 140,087,804	$ -	$ 140,087,804	$ 174,133,414	$ -	$ 174,133,414
Investment income (net of broker fees of $658,324 and $645,206)	9,426,086	-	9,426,086	8,406,277	-	8,406,277
Net realized gains on investments	14,344,885	-	14,344,885	980,771	-	980,771
Net unrealized gains on investments	55,435,854	-	55,435,854	24,570,262	-	24,570,262
Change in value of split-interest agreements	(4,681)	73,242	68,561	1,393	(97,449)	(96,056)
Total revenues, gains and other support, net	219,289,948	73,242	219,363,190	208,092,117	(97,449)	207,994,668
Expenses						
Grants to charitable organizations	69,052,980	-	69,052,980	51,354,222	-	51,354,222
Management and general	3,060,994	-	3,060,994	2,303,559	-	2,303,559
Fundraising	38,811	-	38,811	42,018	-	42,018
Total expenses	72,152,785	-	72,152,785	53,699,799	-	53,699,799
Change in Net Assets	147,137,163	73,242	147,210,405	154,392,318	(97,449)	154,294,869
Net Assets, Beginning of Year	488,757,420	1,892,319	490,649,739	334,365,102	1,989,768	336,354,870
Net Assets, End of Year	$ 635,894,583	$ 1,965,561	$ 637,860,144	$ 488,757,420	$ 1,892,319	$ 490,649,739

See Notes to Consolidated Financial Statements

Renaissance Charitable Foundation Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	$ 147,210,405	$ 154,294,869
Items not providing cash		
Realized gains on investments	(14,344,885)	(980,771)
Unrealized gains on investments	(55,435,854)	(24,570,262)
Gifts of securities	(18,097,996)	(38,215,635)
Changes in		
Interest in charitable trusts	(73,242)	97,449
Other assets	369,787	38,733
Accounts payable	(20,504)	66,588
Grants payable	2,137,201	(277,873)
Annuities payable	(49,773)	(25,949)
Net cash provided by operating activities	61,695,139	90,427,149
Investing Activities		
Purchase of investments	(213,762,680)	(162,581,818)
Proceeds from disposition of investments	124,990,189	91,384,733
Net change in money market funds	27,078,984	(19,310,078)
Net cash used in investing activities	(61,693,507)	(90,507,163)
Increase (Decrease) in Cash	1,632	(80,014)
Cash, Beginning of Year	412,720	492,734
Cash, End of Year	$ 414,352	$ 412,720

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Renaissance Charitable Foundation Inc. (Foundation) was formed in December 2000 pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 and is exempt from federal taxes under Section 509(a)(1) of the Internal Revenue Code (Code) as an organization described in Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Code and a similar provision of state law. The Foundation is a public benefit corporation that operates exclusively to conduct, support, encourage and assist religious, charitable, educational and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2) and 2522(a)(2) of the Code. The Foundation's revenues and other support are derived principally from contributions and investment return.

The Foundation offers a number of charitable giving programs, including donor-advised funds, charitable gift annuities and endowment funds. The Foundation markets its charitable programs to donors through the internet, financial advisors, attorneys, CPAs and other financial services professionals. In general, the Foundation offers donors the opportunity to make lifetime or testamentary gifts to the Foundation. In addition, the Foundation offers a private-labeled donor-advised fund program to financial services firms. The program is an integrated turnkey solution that assists financial services companies in offering a donor-advised fund product to their clients. The Foundation has a service agreement with Renaissance Administration LLC (Renaissance) to provide the Foundation with outsourced administrative support services for this program, including transaction processing and accounting, administration and reporting contributions to and distributions from individual donor accounts, customer service support, preparation and filing regulatory reports and tax returns, charitable planning support and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and the Foundation's wholly owned subsidiaries, Renaissance Special Gifts Foundation LLC (RSGF) and Renaissance Special Gifts Foundation 2 LLC (RSGF2). RSGF and RSGF2 were formed as single member limited liability companies by the Foundation on September 4, 2012 and December 11, 2013, respectively.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Financial instruments measured at fair value are classified into one of the following levels based on the lowest level of input that is significant to the fair value measurement:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date. There were no such transfers during the years ended December 31, 2013 and 2012.

The Foundation’s financial instruments measured at fair value in the consolidated statements of financial position consist of investments and interest in charitable trusts as described in Note 2 and Note 3.

The Foundation's other financial instruments not reflected at fair value in the consolidated statements of financial position include cash, commercial annuity receivable, grants payable and annuities payable. For cash and grants payable, the carrying amounts approximate fair value because of the short maturity of these items. The carrying amounts of the commercial annuity receivable and annuities payable are reasonable estimates of the corresponding fair value.

Cash

At December 31, 2013, the Foundation’s cash accounts exceeded federally insured limits by approximately $147,000. In addition, cash and cash equivalents included in the managed portfolio of investments are included in investments.

Investments

Investments are measured and reported at fair value on a recurring basis in the consolidated statements of financial position. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in net assets.

The following is a description of the valuation methodologies and inputs used in the fair value measurement of investments and the classification into the applicable level within the fair value hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2013:

Money markets and cash equivalents: Where quoted market prices are available in an active market, money markets and cash equivalents are classified within Level 1 of the fair value hierarchy. Otherwise, money markets and cash equivalents are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Equity securities: Where quoted market prices are available in an active market, equity securities are classified within Level 1 of the fair value hierarchy. Otherwise equity securities are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Fixed income securities: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the fair value hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the fair value hierarchy.

Mutual and common trust funds: Where quoted market prices are available in an active market, mutual funds are classified within Level 1 of the fair value hierarchy. As a practical expedient, the fair values of common trust funds and unit investment trusts (which are not publicly traded) are determined using the net asset values or its equivalent provided by the trust fund managers. Net asset value typically represents the value at which the Foundation can redeem its investment at December 31 or within a reasonable period of time and are, therefore, classified as Level 2.

Other Investments: For other investments that are not publicly traded, the Foundation may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. These investments are classified within Level 2 of the fair value hierarchy. Other investments that do not have sufficient activity or liquidity are classified within Level 3 of the fair value hierarchy and include primarily interests in limited partnerships. In most instances, the values of the limited partnerships are estimated using the fair value of the investments held by the limited partnerships discounted at 13% for the lack of an active market on these limited partnerships.

The Foundation invests in numerous investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The activities of RSGF and RSGF2 are combined with the activities of the Foundation for tax purposes.

The Foundation is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2010.

Note 2: Investments

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Investments				
Money markets and cash equivalents	$ 65,070,378	$ 64,793,079	$ 277,299	$ -
Equity securities	34,082,007	31,082,940	2,999,067	-
Fixed income securities	1,448,001	-	1,448,001	-
Mutual and common trust funds				
Short-term cash	5,763,156	-	5,763,156	-
Equity funds	331,884,940	266,338,950	65,545,990	-
Fixed income funds	163,827,866	153,991,363	9,836,503	-
Other mutual funds	13,137,276	11,253,189	1,884,087	-
Other	23,736,789	350,952	8,317,048	15,068,789
Total investments	$ 638,950,413	$ 527,810,473	$ 96,071,151	$ 15,068,789
December 31, 2012				
Investments				
Money markets and cash equivalents	$ 59,690,803	$ 57,931,928	$ 1,758,875	$ -
Equity securities	36,967,421	34,060,818	2,906,603	-
Fixed income securities	1,785,136	-	1,785,136	-
Mutual and common trust funds				
Short-term cash	2,369,850	-	2,369,850	-
Equity funds	253,795,049	206,543,758	47,251,291	-
Fixed income funds	110,522,922	101,985,446	8,537,476	-
Other mutual funds	3,752,464	1,577,410	2,175,054	-
Other	20,494,526	336,215	8,020,285	12,138,026
Total investments	$ 489,378,171	$ 402,435,575	$ 74,804,570	$ 12,138,026

At December 31, 2013 and 2012, approximately 46% and 39%, respectively, of the Foundation's investments were invested in various funds of an individual fund manager. In addition, approximately 13% and 12%, respectively, of the Foundation's investments were invested in various funds of another fund manager at December 31, 2013 and 2012.

The following is a reconciliation of other investments classified as Level 3 for the years ended December 31, 2013 and 2012:

	2013	2012
Balance, January 1,	$ 12,138,026	$ 9,275,710
Total unrealized gains included in the change in net assets	2,726,774	576,208
Disbursements	(135,992)	(291,828)
Contributions received	339,981	2,577,936
Balance, December 31,	$ 15,068,789	$ 12,138,026
Total gains for the period included in the change in net assets attributable to the change in unrealized gains related to assets still held at December 31,	$ 2,726,774	$ 576,208

The Treasurer of the Foundation values the investments in good faith based on the available information, including independent pricing services, brokerage statements, investment manager reports, audited financial statements and subscription documents. Considerable judgment is required to evaluate the inputs used in the fair value measurement and classification into the fair value hierarchy. Accordingly it is possible that different valuation models or alternative inputs could result in materially different fair value measurements and different levels within the fair value hierarchy.

Other Funds and Redemption Information

Equity and fixed income funds include common trust funds, unit investment trusts, and real estate investment trusts that are not actively traded on public exchanges. While these funds are similar in many respects to traditional mutual funds, they impose limitations or restrictions on the ability to redeem shares. The corresponding fair values of the investments in these funds are estimated using the net asset value per share (or its equivalent) provided by the fund.

The following table presents redemption information regarding these funds which are classified as Level 2 in the fair value hierarchy:

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2013			
Short-term cash	$ 5,763,156	Daily	Same day
Equity funds	65,545,990	Daily or monthly	1 to 11 days
Fixed income funds	9,836,503	Monthly	8 to 9 days
Other mutual funds	1,884,087	Monthly or quarterly	1 to 30 days
December 31, 2012			
Short-term cash	$ 2,369,850	Daily	Same day
Equity funds	47,251,291	Daily or monthly	1 to 11 days
Fixed income funds	8,537,476	Monthly	8 to 9 days
Other mutual funds	2,175,054	Monthly or quarterly	1 to 30 days

There were no unfunded commitments to the funds listed above at December 31, 2013 and 2012.

Note 3: Interest in Charitable Trusts

The Foundation is the beneficiary under charitable remainder trusts and charitable lead trusts administered by Renaissance. Under the terms of the charitable remainder trusts, the Foundation has the irrevocable right to receive a specified percentage of the remaining trust assets upon the death of the income beneficiaries or the end of a specified term of years. Under the terms of the charitable lead trusts, the Foundation receives an irrevocable annuity or unitrust amount at least annually for a qualified measuring life or a term of years. The interest in charitable remainder trusts and charitable lead trusts of $1,965,561 and $1,892,319 at December 31, 2013 and 2012, respectively, represents the present value of the expected net cash proceeds ultimately payable to the Foundation and is considered to be a reasonable estimate of fair value. The discount rate range used by the Foundation to value its interest was 0.24% to 3.32% in 2013 and 2012.

Due to the nature of the valuation inputs, the interest in charitable trusts is classified within Level 3 of the hierarchy. The following is a reconciliation of the beginning and ending balances of the interest in charitable trusts recognized in the accompanying statements of financial position using significant unobservable inputs on a recurring basis:

	2013	2012
Balance, January 1	$ 1,892,319	$ 1,989,768
Change in value of split-interest agreements included in the change in net assets	73,242	(97,449)
Balance, December 31,	$ 1,965,561	$ 1,892,319
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ 73,242	$ (97,449)

Note 4: Annuities Payable

The Foundation has received several contributions in exchange for gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2013 and 2012 of $1,104,991 and $1,154,764, respectively, which represents the present value of the future annuity obligations. The liability at December 31, 2013 and 2012 has been determined using a discount rate range of 0.95% to 3.32% in 2013 and 2012. The Foundation purchased Single Premium Immediate Annuities (SPIAs) to cover future annuity obligations and recorded an asset at December 31, 2013 and 2012 of $1,142,472 and $1,172,263, respectively.

Note 5: Note Payable to Related Party

As of December 31, 2013, the Foundation has a $100,000 unsecured line of credit with Renaissance, a related party, which expired on June 30, 2014. At December 31, 2013 and 2012, there was no balance borrowed against this line. Interest is payable monthly. The interest rate varies based on an index, which is equal to the prime rate, but will never be less than three percent (3%). The interest rate was 3.25% at December 31, 2013. The Foundation anticipates renewing this line of credit with similar terms.

Note 6: Grants Payable

At December 31, 2013 and 2012, the Foundation had awarded, but not disbursed, $3,297,112 and $1,159,911, respectively, of grants to various recipients. The grants were paid subsequent to the end of the year.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets of $1,965,561 and $1,892,319 at December 31, 2013 and 2012 are subject to charitable remainder trust agreements and charitable lead trust agreements and will be available to the Foundation in future periods.

Note 8: Related Party Transactions

The Foundation and Renaissance are related parties that are not financially interrelated organizations. The board of the Foundation includes one employee of Renaissance, and Renaissance provides certain administration services for the Foundation, which are outlined in an Administrative Services Agreement. In exchange for these services, the Foundation pays an administrative fee to Renaissance, which is based on the value of the individual account balances held by the Foundation. Administrative fees paid to Renaissance for the years ended December 31, 2013 and 2012 were $2,824,501 and $2,122,604, respectively.

The Foundation also maintains a line of credit with Renaissance, which is described in Note 5.

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Approximately 11% and 12% of all contributions were received from one donor in 2013 and 2012, respectively.

Litigation

The Foundation was named as one of seven defendants in a civil lawsuit in which the plaintiffs allege that certain contributions to a donor-advised fund totaling $24 million were fraudulently induced by parties unrelated to the Foundation. The complaint seeks the return of the contributions along with other damages, which could total up to $30 million. The complaint does not allege any wrongdoing by the Foundation. No liability relating to this matter has been recorded in the consolidated financial statements.

The Foundation is subject to various other claims and assessments that arise primarily in the ordinary course of its activities. The Foundation accrues for potential liabilities related to such matters as they become known and can be reasonably estimated. The Foundation believes no matters existed at December 31, 2013, that would result in a claim or assessment that will have a material adverse effect on the consolidated financial position of the Foundation.

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Renaissance Charitable Foundation Inc.

Auditor’s Report and Consolidated Financial Statements

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201 N. Illinois Street, Suite 700 // P.O. Box 44998 // Indianapolis, IN 46244-0998
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Independent Auditor's Report

Board of Directors
Renaissance Charitable Foundation Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Renaissance Charitable Foundation Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the 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 financial position of Renaissance Charitable Foundation Inc. and its subsidiaries as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
August 4, 2015

Renaissance Charitable Foundation Inc.

Consolidated Statements of Financial Position
December 31, 2014 and 2013

	2014	2013
Assets		
Cash	$ 275,197	$ 414,352
Investments	755,106,957	638,950,413
Commercial annuity receivable	1,115,955	1,142,472
Other assets	31,304	117,914
Interest in charitable trusts	1,928,508	1,965,561
Total assets	$ 758,457,921	$ 642,590,712
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 372,671	$ 328,465
Grants payable	2,127,795	3,297,112
Funds to be returned	31,276,756	-
Annuities payable	1,091,761	1,104,991
Total liabilities	34,868,983	4,730,568
Net Assets		
Unrestricted	721,660,430	635,894,583
Temporarily restricted	1,928,508	1,965,561
Total net assets	723,588,938	637,860,144
Total liabilities and net assets	$ 758,457,921	$ 642,590,712

Renaissance Charitable Foundation Inc.

Consolidated Statements of Activities
Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support						
Contributions	$ 198,471,041	$ -	$ 198,471,041	$ 140,087,804	$ -	$ 140,087,804
Investment income (net of broker fees of $879,988 and $658,324)	17,702,826	-	17,702,826	9,426,086	-	9,426,086
Net realized gains on investments	14,453,723	-	14,453,723	14,344,885	-	14,344,885
Net unrealized gains (losses) on investments	(5,475,248)	-	(5,475,248)	55,435,854	-	55,435,854
Change in value of split-interest agreements	(11,421)	(37,053)	(48,474)	(4,681)	73,242	68,561
Total revenues, gains and other support, net	225,140,921	(37,053)	225,103,868	219,289,948	73,242	219,363,190
Expenses						
Grants to charitable organizations	104,282,814	-	104,282,814	69,052,980	-	69,052,980
Management and general	3,772,242	-	3,772,242	3,060,994	-	3,060,994
Fundraising	43,262	-	43,262	38,811	-	38,811
Return of funds	31,276,756	-	31,276,756	-	-	-
Total expenses	139,375,074	-	139,375,074	72,152,785	-	72,152,785
Change in Net Assets	85,765,847	(37,053)	85,728,794	147,137,163	73,242	147,210,405
Net Assets, Beginning of Year	635,894,583	1,965,561	637,860,144	488,757,420	1,892,319	490,649,739
Net Assets, End of Year	$ 721,660,430	$ 1,928,508	$ 723,588,938	$ 635,894,583	$ 1,965,561	$ 637,860,144

See Notes to Consolidated Financial Statements

Renaissance Charitable Foundation Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ 85,728,794	$ 147,210,405
Items not requiring (providing) cash		
Realized gains on investments	(14,453,723)	(14,344,885)
Unrealized (gains) losses on investments	5,475,248	(55,435,854)
Gifts of securities	(36,628,903)	(18,097,996)
Changes in		
Interest in charitable trusts	37,053	(73,242)
Other assets	113,127	369,787
Accounts payable	44,206	(20,504)
Grants payable	(1,169,317)	2,137,201
Funds to be returned	31,276,756	-
Annuities payable	(13,230)	(49,773)
Net cash provided by operating activities	70,410,011	61,695,139
Investing Activities		
Purchase of investments	(243,585,050)	(213,762,680)
Proceeds from disposition of investments	181,542,414	124,990,189
Net change in money market funds	(8,506,530)	27,078,984
Net cash used in investing activities	(70,549,166)	(61,693,507)
Increase (Decrease) in Cash	(139,155)	1,632
Cash, Beginning of Year	414,352	412,720
Cash, End of Year	$ 275,197	$ 414,352

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Renaissance Charitable Foundation Inc. (Foundation) was formed in December 2000 pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 and is exempt from federal taxes under Section 509(a)(1) of the Internal Revenue Code (Code) as an organization described in Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Code and a similar provision of state law. The Foundation is a public benefit corporation that operates exclusively to conduct, support, encourage and assist religious, charitable, educational and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2) and 2522(a)(2) of the Code. The Foundation's revenues and other support are derived principally from contributions and investment return.

The Foundation offers a number of charitable giving programs, including donor-advised funds, charitable gift annuities and endowment funds. The Foundation markets its charitable programs to donors through the internet, financial advisors, attorneys, CPAs and other financial services professionals. In general, the Foundation offers donors the opportunity to make lifetime or testamentary gifts to the Foundation. In addition, the Foundation offers a private-labeled donor-advised fund program to financial services firms. The program is an integrated turnkey solution that assists financial services companies in offering a donor-advised fund product to their clients. The Foundation has a service agreement with Renaissance Administration LLC (Renaissance) to provide the Foundation with outsourced administrative support services for this program, including transaction processing and accounting, administration and reporting contributions to and distributions from individual donor accounts, customer service support, preparation and filing regulatory reports and tax returns, charitable planning support and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and the Foundation's wholly owned subsidiaries, Renaissance Special Gifts Foundation LLC (RSGF), Renaissance Special Gifts Foundation 2 LLC (RSGF2) and Renaissance Special Gifts Foundation 3 LLC (RSGF3). RSGF, RSGF2 and RSGF3 were formed as single member limited liability companies by the Foundation on September 4, 2012, December 11, 2013 and October 14, 2014, respectively. RSGF, RSGF2 and RSGF3 were formed to accept gifts of real estate and other nonconforming assets.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Financial instruments measured at fair value are classified into one of the following levels based on the lowest level of input that is significant to the fair value measurement:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date. There were no such transfers during the years ended December 31, 2014 and 2013.

The Foundation’s financial instruments measured at fair value in the consolidated statements of financial position consist of investments and interest in charitable trusts as described in Note 2 and Note 3.

The Foundation's other financial instruments not reflected at fair value in the consolidated statements of financial position include cash, commercial annuity receivable, grants payable and annuities payable. For cash and grants payable, the carrying amounts approximate fair value because of the short maturity of these items. The carrying amounts of the commercial annuity receivable and annuities payable are reasonable estimates of the corresponding fair value.

Cash

At December 31, 2014, the Foundation’s cash accounts exceeded federally insured limits by approximately $7,000. In addition, cash and cash equivalents included in the managed portfolio of investments are included in investments.

Investments

Investments are measured and reported at fair value on a recurring basis in the consolidated statements of financial position. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in net assets.

The following is a description of the valuation methodologies and inputs used in the fair value measurement of investments and the classification into the applicable level within the fair value hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2014:

Money markets and cash equivalents: Where quoted market prices are available in an active market, money markets and cash equivalents are classified within Level 1 of the fair value hierarchy. Otherwise, money markets and cash equivalents are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Equity securities: Where quoted market prices are available in an active market, equity securities are classified within Level 1 of the fair value hierarchy. Otherwise equity securities are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Fixed income securities: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the fair value hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the fair value hierarchy.

Mutual and common trust funds: Where quoted market prices are available in an active market, mutual funds are classified within Level 1 of the fair value hierarchy. As a practical expedient, the fair values of common trust funds and unit investment trusts (which are not publicly traded) are determined using the net asset values or its equivalent provided by the trust fund managers. Net asset value typically represents the value at which the Foundation can redeem its investment at December 31 or within a reasonable period of time and are, therefore, classified as Level 2.

Other Investments: For other investments that are not publicly traded, the Foundation may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. These investments are classified within Level 2 of the fair value hierarchy. Other investments that do not have sufficient activity or liquidity are classified within Level 3 of the fair value hierarchy and include primarily interests in limited partnerships. In most instances, the values of the limited partnerships are estimated using the fair value of the investments held by the limited partnerships discounted at 13% for the lack of an active market on these limited partnerships.

The Foundation invests in numerous investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The activities of RSGF, RSGF2 and RSGF3 are combined with the activities of the Foundation for tax purposes.

The Foundation is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2011.

Note 2: Investments

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2014 and 2013:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2014				
Investments				
Money markets and cash equivalents	$ 98,985,763	$ 98,985,763	$ -	$ -
Equity securities	42,953,265	39,322,119	3,631,146	-
Fixed income securities	1,486,287	31,514	1,454,773	-
Mutual and common trust funds				
Short-term cash	6,486,920	-	6,486,920	-
Equity funds	411,358,470	335,871,683	75,486,787	-
Fixed income funds	150,540,711	140,520,698	10,020,013	-
Other mutual funds	16,530,841	14,885,128	1,645,713	-
Other	26,764,700	469,045	11,144,613	15,151,042
Total investments	$ 755,106,957	$ 630,085,950	$ 109,869,965	$ 15,151,042
December 31, 2013				
Investments				
Money markets and cash equivalents	$ 65,070,378	$ 64,793,079	$ 277,299	$ -
Equity securities	34,082,007	31,082,940	2,999,067	-
Fixed income securities	1,448,001	-	1,448,001	-
Mutual and common trust funds				
Short-term cash	5,763,156	-	5,763,156	-
Equity funds	331,884,940	266,338,950	65,545,990	-
Fixed income funds	163,827,866	153,991,363	9,836,503	-
Other mutual funds	13,137,276	11,253,189	1,884,087	-
Other	23,736,789	350,952	8,317,048	15,068,789
Total investments	$ 638,950,413	$ 527,810,473	$ 96,071,151	$ 15,068,789

At December 31, 2014 and 2013, approximately 44% and 46%, respectively, of the Foundation’s investments were invested in various funds of an individual fund manager. In addition, approximately 12% and 13% of the Foundation’s investments were invested in various funds of another fund manager at December 31, 2014 and 2013, respectively.

The following is a reconciliation of other investments classified as Level 3 for the years ended December 31, 2014 and 2013:

	2014	2013
Balance, January 1	$ 15,068,789	$ 12,138,026
Total unrealized gain (loss) included in the change in net assets	(640,822)	2,726,774
Disbursements	(808,558)	(135,992)
Contributions received	1,531,633	339,981
Balance, December 31	$ 15,151,042	$ 15,068,789
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ (640,822)	$ 2,726,774

The Treasurer of the Foundation values the investments in good faith based on the available information, including independent pricing services, brokerage statements, investment manager reports, audited financial statements and subscription documents. Considerable judgment is required to evaluate the inputs used in the fair value measurement and classification into the fair value hierarchy. Accordingly it is possible that different valuation models or alternative inputs could result in materially different fair value measurements and different levels within the fair value hierarchy.

Other Funds and Redemption Information

Equity and fixed income funds include common trust funds, unit investment trusts, and real estate investment trusts that are not actively traded on public exchanges. While these funds are similar in many respects to traditional mutual funds, they impose limitations or restrictions on the ability to redeem shares. The corresponding fair values of the investments in these funds are estimated using the net asset value per share (or its equivalent) provided by the fund.

The following table presents redemption information regarding these funds which are classified as Level 2 in the fair value hierarchy:

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2014			
Short-term cash	$ 6,486,920	Daily	Same day
Equity funds	75,486,787	Daily or monthly	1 to 11 days
Fixed income funds	10,020,013	Monthly	8 to 9 days
Other mutual funds	1,645,713	Monthly or quarterly	1 to 30 days
December 31, 2013			
Short-term cash	$ 5,763,156	Daily	Same day
Equity funds	65,545,990	Daily or monthly	1 to 11 days
Fixed income funds	9,836,503	Monthly	8 to 9 days
Other mutual funds	1,884,087	Monthly or quarterly	1 to 30 days

There were no unfunded commitments to the funds listed above at December 31, 2014 and 2013.

Note 3: Interest in Charitable Trusts

The Foundation is the beneficiary under charitable remainder trusts and charitable lead trusts administered by Renaissance. Under the terms of the charitable remainder trusts, the Foundation has the irrevocable right to receive a specified percentage of the remaining trust assets upon the death of the income beneficiaries or the end of a specified term of years. Under the terms of the charitable lead trusts, the Foundation receives an irrevocable annuity or unitrust amount at least annually for a qualified measuring life or a term of years. The interest in charitable remainder trusts and charitable lead trusts of $1,928,508 and $1,965,561 at December 31, 2014 and 2013, respectively, represents the present value of the expected net cash proceeds ultimately payable to the Foundation and is considered to be a reasonable estimate of fair value. The discount rate range used by the Foundation to value its interest was 0.25% to 3.32% in 2014 and 2013.

Due to the nature of the valuation inputs, the interest in charitable trusts is classified within Level 3 of the hierarchy. The following is a reconciliation of the beginning and ending balances of the interest in charitable trusts recognized in the accompanying statements of financial position using significant unobservable inputs on a recurring basis:

	2014	2013
Balance, January 1	$ 1,965,561	$ 1,892,319
Change in value of split-interest agreements included in the change in net assets	(37,053)	73,242
Balance, December 31	$ 1,928,508	$ 1,965,561
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ (37,053)	$ 73,242

Note 4: Annuities Payable

The Foundation has received several contributions in exchange for gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2014 and 2013 of $1,091,761 and $1,104,991, respectively, which represents the present value of the future annuity obligations. The liability at December 31, 2014 and 2013 has been determined using a discount rate range of 0.25% to 3.32% in 2014 and 2013. The Foundation purchased Single Premium Immediate Annuities (SPIAs) to cover future annuity obligations and recorded an asset at December 31, 2014 and 2013 of $1,115,955 and $1,142,472, respectively.

Note 5: Note Payable to Related Party

As of December 31, 2014, the Foundation has a $90,000 unsecured line of credit with Renaissance, a related party, which expired on June 30, 2015. At December 31, 2014 and 2013, there was no balance borrowed against this line. Interest is payable monthly. The interest rate varies based on an index, which is equal to the prime rate plus two percent (2%), but will never be less than five percent (5%). The interest rate was 5.25% at December 31, 2014. The line of credit was renewed on July 1, 2015. The principal amount was increased to $500,000 and the term was extended to December 31, 2018. The interest rate was set at the prime rate.

Note 6: Grants Payable

At December 31, 2014 and 2013, the Foundation had awarded, but not disbursed, $2,127,795 and $3,297,112, respectively, of grants to various recipients. The grants were paid subsequent to the end of the year.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets of $1,928,508 and $1,965,561 at December 31, 2014 and 2013 are subject to charitable remainder trust agreements and charitable lead trust agreements and will be available to the Foundation in future periods.

Note 8: Related Party Transactions

The Foundation and Renaissance are related parties that are not financially interrelated organizations. The board of the Foundation includes one employee of Renaissance, and Renaissance provides certain administration services for the Foundation, which are outlined in an Administrative Services Agreement. In exchange for these services, the Foundation pays an administrative fee to Renaissance, which is based on the value of the individual account balances held by the Foundation. Administrative fees paid to Renaissance for the years ended December 31, 2014 and 2013 were $3,381,748 and $2,824,501, respectively.

The Foundation also maintains a line of credit with Renaissance, which is described in Note 5.

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

In 2014, no individual donor contributed more than 10% of total contributions. Approximately 11% of all contributions were received from one donor in 2013.

Litigation

The Foundation was named as one of seven defendants in a civil lawsuit filed in 2013 in which the plaintiffs allege that certain contributions to a donor-advised fund totaling $24 million were fraudulently induced by parties unrelated to the Foundation. The complaint seeks the return of the contributions along with other damages, which could total up to $33 million. On March 3, 2015, the plaintiffs filed a second amended complaint with the court, which added new legal theories and claims against all defendants. A proposed settlement agreement was approved by the State of Ohio Attorney General in July 2015, with the final signed settlement expected shortly thereafter. The proposed settlement agreement requires the Foundation to return the full amount of the donor advised fund less $2 million and in return will release the Foundation from any other liability related to both complaints. In relation to the proposed settlement, the Foundation recorded a liability for approximately $31.3 million in the consolidated financial statements.

The Foundation is subject to various other claims and assessments that arise primarily in the ordinary course of its activities. The Foundation accrues for potential liabilities related to such matters as they become known and can be reasonably estimated. The Foundation believes no matters existed at December 31, 2014, that would result in a claim or assessment that will have a material adverse effect on the consolidated financial position of the Foundation.

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Renaissance Charitable Foundation Inc.

Independent Auditor’s Report and Consolidated Financial Statements

December 31, 2015 and 2014

Renaissance Charitable Foundation Inc.

December 31, 2015 and 2014

Contents

BKD LLP
CPAs & Advisors
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Independent Auditor's Report

Board of Directors
Renaissance Charitable Foundation Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Renaissance Charitable Foundation Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the 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 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 financial position of Renaissance Charitable Foundation Inc. and its subsidiaries as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
September 2, 2016

Renaissance Charitable Foundation Inc.

Consolidated Statements of Financial Position

December 31, 2015 and 2014

	2015	2014
Assets		
Cash	$ 210,695	$ 275,197
Investments	892,058,191	755,106,957
Commercial annuity receivable	1,079,528	1,115,955
Other assets	69,201	31,304
Interest in charitable trusts	2,625,031	1,928,508
Total assets	$ 896,042,646	$ 758,457,921
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 753,842	$ 372,671
Grants payable	1,306,223	2,127,795
Funds to be returned	-	31,276,756
Line of credit - related party	250,000	-
Annuities payable	1,053,625	1,091,761
Total liabilities	3,363,690	34,868,983
Net Assets		
Unrestricted	890,053,925	721,660,430
Temporarily restricted	2,625,031	1,928,508
Total net assets	892,678,956	723,588,938
Total liabilities and net assets	$ 896,042,646	$ 758,457,921

Renaissance Charitable Foundation Inc.

Consolidated Statements of Activities
Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support						
Contributions	$ 349,395,244	$ 988,422	$ 350,383,666	$ 198,471,041	$ -	$ 198,471,041
Investment income (net of broker fees of $1,274,901 and $879,988)	18,991,933	-	18,991,933	17,702,826	-	17,702,826
Net realized gains on investments	22,359,000	-	22,359,000	14,453,723	-	14,453,723
Net unrealized losses on investments	(60,523,963)	-	(60,523,963)	(5,475,248)	-	(5,475,248)
Change in value of split-interest agreements	3,575	(291,899)	(288,324)	(11,421)	(37,053)	(48,474)
Total revenues, gains and other support, net	330,225,789	696,523	330,922,312	225,140,921	(37,053)	225,103,868
Expenses						
Grants to charitable organizations	152,877,781	-	152,877,781	104,282,814	-	104,282,814
Management and general	4,914,631	-	4,914,631	3,772,242	-	3,772,242
Fundraising	3,831,737	-	3,831,737	43,262	-	43,262
Return of funds	208,145	-	208,145	31,276,756	-	31,276,756
Total expenses	161,832,294	-	161,832,294	139,375,074	-	139,375,074
Change in Net Assets	168,393,495	696,523	169,090,018	85,765,847	(37,053)	85,728,794
Net Assets, Beginning of Year	721,660,430	1,928,508	723,588,938	635,894,583	1,965,561	637,860,144
Net Assets, End of Year	$ 890,053,925	$ 2,625,031	$ 892,678,956	$ 721,660,430	$ 1,928,508	$ 723,588,938

See Notes to Consolidated Financial Statements

Renaissance Charitable Foundation Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2015 and 2014

	2015	2014
Operating Activities		
Change in net assets	$ 169,090,018	$ 85,728,794
Items not requiring (providing) cash		
Realized gains on investments	(22,359,000)	(14,453,723)
Unrealized losses on investments	60,523,963	5,475,248
Gifts of securities	(91,744,988)	(36,628,903)
Changes in		
Interest in charitable trusts	(696,523)	37,053
Other assets	(1,470)	113,127
Accounts payable	381,171	44,206
Grants payable	(821,572)	(1,169,317)
Funds to be returned	(31,276,756)	31,276,756
Annuities payable	(38,136)	(13,230)
Net cash provided by operating activities	83,056,707	70,410,011
Investing Activities		
Purchase of investments	(437,146,757)	(243,585,050)
Proceeds from disposition of investments	343,381,480	181,542,414
Net change in money market funds	10,394,068	(8,506,530)
Net cash used in investing activities	(83,371,209)	(70,549,166)
Financing Activity - borrowings on line of credit - related party	250,000	-
Decrease in Cash	(64,502)	(139,155)
Cash, Beginning of Year	275,197	414,352
Cash, End of Year	$ 210,695	$ 275,197

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Renaissance Charitable Foundation Inc. (Foundation) was formed in December 2000 pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 and is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code (Code) as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code and a similar provision of state law. The Foundation is a public benefit corporation that operates exclusively to conduct, support, encourage and assist religious, charitable, educational and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2) and 2522(a)(2) of the Code. The Foundation's revenues and other support are derived principally from contributions and investment return.

The Foundation offers a number of charitable giving programs, including donor-advised funds, charitable gift annuities and endowment funds. The Foundation markets its charitable programs to donors through the internet, financial advisors, attorneys, CPAs and other financial services professionals. In general, the Foundation offers donors the opportunity to make lifetime or testamentary gifts to the Foundation. In addition, the Foundation offers a private-labeled donor-advised fund program to financial services firms and nonprofits. The program is an integrated turnkey solution that assists financial services companies in offering a donor-advised fund product to their clients. The Foundation has a service agreement with Renaissance Philanthropic Solutions Group (RenPSG) (formerly Renaissance Administration LLC) to provide the Foundation with outsourced administrative support services for this program, including transaction processing and accounting, administration and reporting contributions to and distributions from individual donor accounts, customer service support, preparation and filing regulatory reports and tax returns, charitable planning support and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and the Foundation's wholly owned subsidiaries: Renaissance Special Gifts Foundation LLC (RSGF), Renaissance Special Gifts Foundation 2 LLC (RSGF2), Renaissance Special Gifts Foundation 3 LLC (RSGF3), Renaissance Special Gifts Foundation 4 LLC (RSFG4), Renaissance Special Gifts Foundation 5 LLC (RSFG5) and Renaissance Special Gifts Foundation 6 LLC (RSGF6) (referred to collectively as the Subsidiaries). The Subsidiaries were formed as single member limited liability companies on various dates by the Foundation to accept gifts of real estate and other nonconforming assets. RSGF and RSGF2 were dissolved on March 14, 2016.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Financial instruments measured at fair value are classified into one of the following levels based on the lowest level of input that is significant to the fair value measurement:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date. There were no such transfers during the years ended December 31, 2015 and 2014.

The Foundation’s financial instruments measured at fair value in the consolidated statements of financial position consist of investments and interest in charitable trusts as described in Note 2 and Note 3.

Cash

At December 31, 2015, the Foundation’s cash accounts did not exceed federally insured limits. In addition, cash and cash equivalents included in the managed portfolio of investments are included in investments.

Investments

Investments are measured and reported at fair value on a recurring basis in the consolidated statements of financial position. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in net assets.

The following is a description of the valuation methodologies and inputs used in the fair value measurement of investments and the classification into the applicable level within the fair value hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2015:

Money markets and cash equivalents: Where quoted market prices are available in an active market, money markets and cash equivalents are classified within Level 1 of the fair value hierarchy. Otherwise, money markets and cash equivalents are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Equity securities: Where quoted market prices are available in an active market, equity securities are classified within Level 1 of the fair value hierarchy. Otherwise equity securities are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Fixed income securities: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the fair value hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the fair value hierarchy.

Mutual and common trust funds: Where quoted market prices are available in an active market, mutual funds are classified within Level 1 of the fair value hierarchy. As a practical expedient, the fair values of common trust funds and unit investment trusts (which are not publicly traded) are determined using the net asset values or its equivalent provided by the trust fund managers. Net asset value typically represents the value at which the Foundation can redeem its investment at December 31 or within a reasonable period of time and are, therefore, classified as Level 2.

Other Investments: For other investments that are not publicly traded, the Foundation may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. These investments are classified within Level 2 of the fair value hierarchy. Other investments that do not have sufficient activity or liquidity are classified within Level 3 of the fair value hierarchy and include primarily interests in limited liability partnerships. In most instances, the values of the limited liability partnerships are estimated using the fair value of the investments held by the limited liability partnerships discounted at 13% for the lack of an active market on these limited liability partnerships.

The Foundation invests in numerous investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The activities of the Subsidiaries are combined with the activities of the Foundation for tax purposes.

The Foundation is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2012.

Note 2: Investments

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2015 and 2014:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2015				
Investments				
Money markets and cash equivalents	$ 127,561,404	$ 127,561,404	$ -	$ -
Equity securities	37,203,383	33,730,176	3,473,207	-
Fixed income securities	4,674,908	36,762	4,638,146	-
Mutual and common trust funds				
Short-term cash	12,868,478	62,405	12,806,073	-
Equity funds	428,142,048	353,064,800	75,077,248	-
Fixed income funds	172,970,779	161,932,558	11,038,221	-
Other mutual funds	16,991,431	15,541,763	1,449,668	-
Hedge fund	64,229,770	-	64,229,770	-
Other	27,415,990	218,325	9,669,351	17,528,314
Total investments	$ 892,058,191	$ 692,148,193	$ 182,381,684	$ 17,528,314
December 31, 2014				
Investments				
Money markets and cash equivalents	$ 98,985,763	$ 98,985,763	$ -	$ -
Equity securities	42,953,265	39,322,119	3,631,146	-
Fixed income securities	1,486,287	31,514	1,454,773	-
Mutual and common trust funds				
Short-term cash	6,486,920	-	6,486,920	-
Equity funds	411,358,470	335,871,683	75,486,787	-
Fixed income funds	150,540,711	140,520,698	10,020,013	-
Other mutual funds	16,530,841	14,885,128	1,645,713	-
Other	26,764,700	469,045	11,144,613	15,151,042
Total investments	$ 755,106,957	$ 630,085,950	$ 109,869,965	$ 15,151,042

At December 31, 2015 and 2014, approximately 35% and 44%, respectively, of the Foundation's investments were invested in various funds of an individual fund manager. In addition, approximately 11% and 12% of the Foundation's investments were invested in various funds of another fund manager at December 31, 2015 and 2014, respectively.

The following is a reconciliation of other investments classified as Level 3 for the years ended December 31, 2015 and 2014:

	Other Investments
Balance, January 1, 2014	$ 15,068,789
Total unrealized loss included in the change in net assets	(640,822)
Disbursements	(808,558)
Contributions received	1,531,633
Balance, December 31, 2014	15,151,042
Total unrealized loss included in the change in net assets	(859,754)
Disbursements	(875,489)
Contributions received	4,112,515
Balance, December 31, 2015	$ 17,528,314
Total losses for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2014	$ (640,822)
Total losses for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2015	$ (859,754)

The Treasurer of the Foundation values the investments in good faith based on the available information, including independent pricing services, brokerage statements, investment manager reports, audited financial statements and subscription documents. Considerable judgment is required to evaluate the inputs used in the fair value measurement and classification into the fair value hierarchy. Accordingly it is possible that different valuation models or alternative inputs could result in materially different fair value measurements and different levels within the fair value hierarchy.

Other Funds and Redemption Information

Equity and fixed income funds include common trust funds, unit investment trusts, and real estate investment trusts that are not actively traded on public exchanges. While these funds are similar in many respects to traditional mutual funds, they impose limitations or restrictions on the ability to redeem shares. The corresponding fair values of the investments in these funds are estimated using the net asset value per share (or its equivalent) provided by the fund.

The following table presents redemption information regarding these funds which are classified as Level 2 in the fair value hierarchy:

		Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2015				
Short-term cash	$	12,806,073	Daily	Same day
Equity funds		75,077,248	Daily or monthly	1 to 11 days
Fixed income funds		11,038,221	Monthly	8 to 9 days
Other mutual funds		1,449,668	Monthly or quarterly	1 to 30 days
Hedge fund		64,229,770	Semi-annually	30 days
December 31, 2014				
Short-term cash	$	6,486,920	Daily	Same day
Equity funds		75,486,787	Daily or monthly	1 to 11 days
Fixed income funds		10,020,013	Monthly	8 to 9 days
Other mutual funds		1,645,713	Monthly or quarterly	1 to 30 days

There were no unfunded commitments to the funds listed above at December 31, 2015 and 2014.

Note 3: Interest in Charitable Trusts

The Foundation is the beneficiary under charitable remainder trusts and charitable lead trusts administered by Renaissance. Under the terms of the charitable remainder trusts, the Foundation has the irrevocable right to receive a specified percentage of the remaining trust assets upon the death of the income beneficiaries or the end of a specified term of years. Under the terms of the charitable lead trusts, the Foundation receives an irrevocable annuity or unitrust amount at least annually for a qualified measuring life or a term of years. The interest in charitable remainder trusts and charitable lead trusts of $2,625,031 and $1,928,508 at December 31, 2015 and 2014, respectively, represents the present value of the expected net cash proceeds ultimately payable to the Foundation and is considered to be a reasonable estimate of fair value. The discount rate range used by the Foundation to value its interest was 1.61% to 2.74% in 2015 and 2014.

Due to the nature of the valuation inputs, the interest in charitable trusts is classified within Level 3 of the hierarchy. The following is a reconciliation of the beginning and ending balances of the interest in charitable trusts recognized in the accompanying statements of financial position using significant unobservable inputs on a recurring basis:

	2015	2014
Balance, January 1	$ 1,928,508	$ 1,965,561
Change in value of split-interest agreements included in the change in net assets	696,523	(37,053)
Balance, December 31	$ 2,625,031	$ 1,928,508
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ 696,523	$ (37,053)

Note 4: Annuities Payable

The Foundation has received several contributions in exchange for gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2015 and 2014 of $1,053,625 and $1,091,761, respectively, which represents the present value of the future annuity obligations. The liability at December 31, 2015 and 2014 has been determined using a discount rate range of 1.61% to 2.74% in 2015 and 2014. The Foundation purchased Single Premium Immediate Annuities (SPIAs) to cover future annuity obligations and recorded an asset at December 31, 2015 and 2014 of $1,079,528 and $1,115,955, respectively.

Note 5: Line of Credit With Related Party

As of December 31, 2015, the Foundation has a $500,000 unsecured line of credit with Renaissance, a related party. The outstanding principal balance plus accrued unpaid interest is due on December 31, 2018. At December 31, 2015, there were outstanding borrowings of $250,000 under the line of credit. There were no outstanding borrowings under the line of credit at December 31, 2014. Interest is payable monthly and varies based on the prime rate, which was 3.50% at December 31, 2015.

Note 6: Grants Payable

At December 31, 2015 and 2014, the Foundation had awarded, but not disbursed, $1,306,223 and $2,127,795, respectively, of grants to various recipients. The grants were paid subsequent to the end of the year.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets of $2,625,031 and $1,928,508 at December 31, 2015 and 2014 are subject to charitable remainder trust agreements and charitable lead trust agreements and will be available to the Foundation in future periods.

Note 8: Related Party Transactions

The Foundation and Renaissance are related parties that are not financially interrelated organizations. The board of the Foundation includes one employee of Renaissance, and Renaissance provides certain administration services for the Foundation, which are outlined in an Administrative Services Agreement. In exchange for these services, the Foundation pays an administrative fee to Renaissance, which is based on the value of the individual account balances held by the Foundation. Administrative fees paid to Renaissance for the years ended December 31, 2015 and 2014 were $4,345,318 and $3,381,748, respectively.

The Foundation also maintains a line of credit with Renaissance, which is described in Note 5.

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Approximately 17% of all contributions were received from one donor in 2015. No individual donor contributed more than 10% of total contributions in 2014.

Litigation

The Foundation was named as one of seven defendants in a civil lawsuit filed in 2013 in which the plaintiffs alleged that certain contributions to a donor-advised fund were fraudulently induced by parties unrelated to the Foundation. A settlement was reached during 2015 and in relation to the proposed settlement, the Foundation recorded a liability for approximately $31.3 million at December 31, 2014. The settlement and related amounts were disbursed during fiscal year 2015.

The Foundation is subject to various other claims and assessments that arise primarily in the ordinary course of its activities. The Foundation accrues for potential liabilities related to such matters as they become known and can be reasonably estimated. The Foundation believes no matters existed at December 31, 2015, that would result in a claim or assessment that will have a material adverse effect on the consolidated financial position of the Foundation.

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor’s Report, which is the date the consolidated financial statements were available to be issued.

Renaissance Charitable Foundation Inc.

Independent Auditor’s Report and Consolidated Financial Statements

December 31, 2016 and 2015

Renaissance Charitable Foundation Inc.

December 31, 2016 and 2015

Contents

BKD LLP
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Renaissance Charitable Foundation Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Renaissance Charitable Foundation Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, 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 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 financial position of Renaissance Charitable Foundation Inc. and its subsidiaries as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
August 29, 2017

Renaissance Charitable Foundation Inc.

Consolidated Statements of Financial Position

December 31, 2016 and 2015

	2016	2015
Assets		
Cash	$ 110,131	$ 210,695
Investments	1,097,263,586	892,058,191
Commercial annuity receivable	950,050	1,079,528
Other assets	358,276	69,201
Interest in charitable trusts	2,475,982	2,625,031
Total assets	$ 1,101,158,025	$ 896,042,646
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,338,075	$ 753,842
Grants payable	9,431,974	1,306,223
Lines of credit - related parties	275,000	250,000
Annuities payable	927,882	1,053,625
Total liabilities	11,972,931	3,363,690
Net Assets		
Unrestricted	1,086,709,112	890,053,925
Temporarily restricted	2,475,982	2,625,031
Total net assets	1,089,185,094	892,678,956
Total liabilities and net assets	$ 1,101,158,025	$ 896,042,646

Renaissance Charitable Foundation Inc.

Consolidated Statements of Activities

Years Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support						
Contributions	$ 331,679,221	$ -	$ 331,679,221	$ 349,395,244	$ 988,422	$ 350,383,666
Investment income (net of broker fees of $2,538,996 and $1,274,901)	19,524,195	-	19,524,195	18,991,933	-	18,991,933
Net realized gains on investments	889,635	-	889,635	22,359,000	-	22,359,000
Net unrealized gains (losses) on investments	32,219,805	-	32,219,805	(60,523,963)	-	(60,523,963)
Change in value of split-interest agreements	(1,926)	(149,049)	(150,975)	3,575	(291,899)	(288,324)
Total revenues, gains and other support, net	384,310,930	(149,049)	384,161,881	330,225,789	696,523	330,922,312
Expenses						
Grants to charitable organizations	181,839,410	-	181,839,410	152,877,781	-	152,877,781
Management and general	4,874,951	-	4,874,951	4,914,631	-	4,914,631
Fundraising	941,382	-	941,382	3,831,737	-	3,831,737
Return of funds	-	-	-	208,145	-	208,145
Total expenses	187,655,743	-	187,655,743	161,832,294	-	161,832,294
Change in Net Assets	196,655,187	(149,049)	196,506,138	168,393,495	696,523	169,090,018
Net Assets, Beginning of Year	890,053,925	2,625,031	892,678,956	721,660,430	1,928,508	723,588,938
Net Assets, End of Year	$ 1,086,709,112	$ 2,475,982	$ 1,089,185,094	$ 890,053,925	$ 2,625,031	$ 892,678,956

See Notes to Consolidated Financial Statements

Renaissance Charitable Foundation Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Operating Activities		
Change in net assets	$ 196,506,138	$ 169,090,018
Items not requiring (providing) cash		
Realized gains on investments	(889,635)	(22,359,000)
Unrealized (gains) losses on investments	(32,219,805)	60,523,963
Gifts of securities	(36,345,943)	(91,744,988)
Changes in		
Interest in charitable trusts	149,049	(696,523)
Other assets	(159,597)	(1,470)
Accounts payable	584,233	381,171
Grants payable	8,125,751	(821,572)
Funds to be returned	-	(31,276,756)
Annuities payable	(125,743)	(38,136)
Net cash provided by operating activities	135,624,448	83,056,707
Investing Activities		
Purchase of investments	(391,589,727)	(437,146,757)
Proceeds from disposition of investments	275,595,693	343,381,480
Net change in money market funds	(19,755,978)	10,394,068
Net cash used in investing activities	(135,750,012)	(83,371,209)
Financing Activities		
Borrowings on lines of credit - related parties	337,000	250,000
Payments on lines of credit - related parties	(312,000)	-
Net cash provided by financing activities	25,000	250,000
Decrease in Cash	(100,564)	(64,502)
Cash, Beginning of Year	210,695	275,197
Cash, End of Year	$ 110,131	$ 210,695

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Renaissance Charitable Foundation Inc. (Foundation) was formed in December 2000 pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 and is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code (Code) as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code and a similar provision of state law. The Foundation is a public benefit corporation that operates exclusively to conduct, support, encourage and assist religious, charitable, educational and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2) and 2522(a)(2) of the Code. The Foundation's revenues and other support are derived principally from contributions and investment return.

The Foundation offers a number of charitable giving programs, including donor-advised funds, charitable gift annuities and endowment funds. The Foundation markets its charitable programs to donors through the internet, financial advisors, attorneys, CPAs and other financial services professionals. In general, the Foundation offers donors the opportunity to make lifetime or testamentary gifts to the Foundation. In addition, the Foundation offers a private-labeled donor-advised fund program to financial services firms and nonprofits. The program is an integrated turnkey solution that assists financial services companies in offering a donor-advised fund product to their clients. The Foundation has a service agreement with Renaissance Philanthropic Solutions Group (RenPSG) (formerly Renaissance Administration LLC) to provide the Foundation with outsourced administrative support services for this program, including transaction processing and accounting, administration and reporting contributions to and distributions from individual donor accounts, customer service support, preparation and filing regulatory reports and tax returns, charitable planning support and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and the Foundation's wholly owned subsidiaries: Renaissance Special Gifts Foundation LLC (RSGF), Renaissance Special Gifts Foundation 2 LLC (RSGF2), Renaissance Special Gifts Foundation 3 LLC (RSGF3), Renaissance Special Gifts Foundation 4 LLC (RSFG4), Renaissance Special Gifts Foundation 5 LLC (RSFG5) and Renaissance Special Gifts Foundation 6 LLC (RSGF6) (referred to collectively as the Subsidiaries). The Subsidiaries were formed as single member limited liability companies on various dates by the Foundation to accept gifts of real estate and other nonconforming assets. RSGF and RSGF2 were dissolved on March 14, 2016.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Financial instruments measured at fair value are classified into one of the following levels based on the lowest level of input that is significant to the fair value measurement:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date. There were no such transfers during the years ended December 31, 2016 and 2015.

The Foundation's financial instruments measured at fair value in the consolidated statements of financial position consist of investments and interest in charitable trusts as described in Note 2 and Note 3.

Cash

At December 31, 2016, the Foundation's cash accounts exceeded federally insured limits by approximately $7,900,000. In addition, cash and cash equivalents included in the managed portfolio of investments are included in investments.

Investments

Investments are measured and reported at fair value on a recurring basis in the consolidated statements of financial position. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in net assets.

The following is a description of the valuation methodologies and inputs used in the fair value measurement of investments and the classification into the applicable level within the fair value hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2016:

Money markets and cash equivalents: Where quoted market prices are available in an active market, money markets and cash equivalents are classified within Level 1 of the fair value hierarchy. Otherwise, money markets and cash equivalents are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Equity securities: Where quoted market prices are available in an active market, equity securities are classified within Level 1 of the fair value hierarchy. Otherwise equity securities are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Fixed income securities: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the fair value hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the fair value hierarchy.

Mutual and common trust funds: Where quoted market prices are available in an active market, mutual funds are classified within Level 1 of the fair value hierarchy. As a practical expedient, the fair values of common trust funds and unit investment trusts (which are not publicly traded) are determined using the net asset values or its equivalent provided by the trust fund managers. Net asset value typically represents the value at which the Foundation can redeem its investment at December 31 or within a reasonable period of time and are, therefore, classified as Level 2.

Other Investments: For other investments that are not publicly traded, the Foundation may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. These investments are classified within Level 2 of the fair value hierarchy. Other investments that do not have sufficient activity or liquidity are classified within Level 3 of the fair value hierarchy and include primarily interests in limited liability partnerships. In most instances, the values of the limited liability partnerships are estimated using the fair value of the investments held by the limited liability partnerships discounted at 13% for the lack of an active market on these limited liability partnerships.

The Foundation invests in numerous investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The activities of the Subsidiaries are combined with the activities of the Foundation for tax purposes.

Note 2: Investments

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2016 and 2015:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2016				
Investments				
Money markets and cash equivalents	$ 137,850,319	$ 137,850,319	$ -	$ -
Equity securities	80,301,907	76,354,916	3,946,991	-
Fixed income securities	11,698,942	4,868,622	6,830,320	-
Mutual and common trust funds				
Short-term cash	16,234,677	-	16,234,677	-
Equity funds	588,731,517	481,990,901	106,740,616	-
Fixed income funds	146,042,873	140,306,899	5,735,974	-
Other mutual funds	3,592,313	2,387,641	1,204,672	-
Hedge fund	63,721,952	-	63,721,952	-
Other	49,089,086	397,351	15,316,312	33,375,423
Total investments	$ 1,097,263,586	$ 844,156,649	$ 219,731,514	$ 33,375,423
December 31, 2015				
Investments				
Money markets and cash equivalents	$ 127,561,404	$ 127,561,404	$ -	$ -
Equity securities	37,203,383	33,730,176	3,473,207	-
Fixed income securities	4,674,908	36,762	4,638,146	-
Mutual and common trust funds				
Short-term cash	12,868,478	62,405	12,806,073	-
Equity funds	428,142,048	353,064,800	75,077,248	-
Fixed income funds	172,970,779	161,932,558	11,038,221	-
Other mutual funds	16,991,431	15,541,763	1,449,668	-
Hedge fund	64,229,770	-	64,229,770	-
Other	27,415,990	218,325	9,669,351	17,528,314
Total investments	$ 892,058,191	$ 692,148,193	$ 182,381,684	$ 17,528,314

At December 31, 2016 and 2015, approximately 32% and 35%, respectively, of the Foundation’s investments were invested in various funds of an individual fund manager. In addition, approximately 10% and 11% of the Foundation’s investments were invested in various funds of another fund manager at December 31, 2016 and 2015, respectively.

The following is a reconciliation of other investments classified as Level 3 for the years ended December 31, 2016 and 2015:

	Other Investments
Balance, January 1, 2015	$ 15,151,042
Total unrealized loss included in the change in net assets	(859,754)
Disbursements	(875,489)
Contributions received	4,112,515
Balance, December 31, 2015	17,528,314
Total unrealized loss included in the change in net assets	(2,406,819)
Disbursements	(162,927)
Contributions received	18,416,855
Balance, December 31, 2016	$ 33,375,423
Total losses for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2015	$ (859,754)
Total losses for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2016	$ (2,406,819)

The Treasurer of the Foundation values the investments in good faith based on the available information, including independent pricing services, brokerage statements, investment manager reports, audited financial statements and subscription documents. Considerable judgment is required to evaluate the inputs used in the fair value measurement and classification into the fair value hierarchy. Accordingly it is possible that different valuation models or alternative inputs could result in materially different fair value measurements and different levels within the fair value hierarchy.

Other Funds and Redemption Information

Equity and fixed income funds include common trust funds, unit investment trusts, and real estate investment trusts that are not actively traded on public exchanges. While these funds are similar in many respects to traditional mutual funds, they impose limitations or restrictions on the ability to redeem shares. The corresponding fair values of the investments in these funds are estimated using the net asset value per share (or its equivalent) provided by the fund.

The following table presents redemption information regarding these funds which are classified as Level 2 in the fair value hierarchy:

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2016			
Short-term cash	$ 16,234,677	Daily	Same day
Equity funds	106,740,616	Daily or monthly	1 to 11 days
Fixed income funds	5,735,974	Monthly	8 to 9 days
Other mutual funds	1,204,672	Monthly or quarterly	1 to 30 days
Hedge fund	63,721,952	Semi-annually	30 days
December 31, 2015			
Short-term cash	$ 12,806,073	Daily	Same day
Equity funds	75,077,248	Daily or monthly	1 to 11 days
Fixed income funds	11,038,221	Monthly	8 to 9 days
Other mutual funds	1,449,668	Monthly or quarterly	1 to 30 days
Hedge fund	64,229,770	Semi-annually	30 days

There were no unfunded commitments to the funds listed above at December 31, 2016 and 2015.

Note 3: Interest in Charitable Trusts

The Foundation is the beneficiary under charitable remainder trusts and charitable lead trusts administered by RenPSG. Under the terms of the charitable remainder trusts, the Foundation has the irrevocable right to receive a specified percentage of the remaining trust assets upon the death of the income beneficiaries or the end of a specified term of years. Under the terms of the charitable lead trusts, the Foundation receives an irrevocable annuity or unitrust amount at least annually for a qualified measuring life or a term of years. The interest in charitable remainder trusts and charitable lead trusts of $2,475,982 and $2,625,031 at December 31, 2016 and 2015, respectively, represents the present value of the expected net cash proceeds ultimately payable to the Foundation and is considered to be a reasonable estimate of fair value. The discount rate range used by the Foundation to value its interest was 1.47% to 2.26% in 2016 and 1.68% to 2.61% in 2015.

Due to the nature of the valuation inputs, the interest in charitable trusts is classified within Level 3 of the hierarchy. The following is a reconciliation of the beginning and ending balances of the interest in charitable trusts recognized in the accompanying consolidated statements of financial position using significant unobservable inputs on a recurring basis:

	2016	2015
Balance, January 1	$ 2,625,031	$ 1,928,508
Change in value of split-interest agreements included in the change in net assets	(149,049)	696,523
Balance, December 31	$ 2,475,982	$ 2,625,031
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ (149,049)	$ 696,523

Note 4: Annuities Payable

The Foundation has received several contributions in exchange for gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2016 and 2015 of $927,882 and $1,053,625, respectively, which represents the present value of the future annuity obligations. The liability at December 31, 2016 and 2015 has been determined using a discount rate range of 1.47% to 2.26% in 2016 and 1.68% to 2.61% in 2015. The Foundation purchased Single Premium Immediate Annuities (SPIAs) to cover future annuity obligations and recorded an asset at December 31, 2016 and 2015 of $950,050 and $1,079,528, respectively.

Note 5: Lines of Credit With Related Parties

As of December 31, 2016, the Foundation has a $500,000 unsecured line of credit with RenPSG, a related party. The outstanding principal balance plus accrued unpaid interest is due on December 31, 2018. At December 31, 2016 and 2015, there were outstanding borrowings of $25,000 and $250,000, respectively, under the line of credit. Interest is payable monthly and varies based on the prime rate, which was 3.75% and 3.50% at December 31, 2016 and 2015, respectively.

In April 2016, the Foundation entered into a $300,000 revolving line of credit with a local financial institution, an executive of which is a member of the board of directors of the Foundation. The line of credit expires on April 26, 2018 and is collateralized by the Foundation's business assets. At December 31, 2016, there were outstanding borrowings of $250,000 under the line of credit. Interest is payable monthly and varies based on the prime rate, which was 3.75% at December 31, 2016.

Note 6: Grants Payable

At December 31, 2016 and 2015, the Foundation had awarded, but not disbursed, $9,431,974 and $1,306,223, respectively, of grants to various recipients. The grants were paid subsequent to the end of the year.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets of $2,475,982 and $2,625,031 at December 31, 2016 and 2015 are subject to charitable remainder trust agreements and charitable lead trust agreements and will be available to the Foundation in future periods.

Note 8: Related Party Transactions

The Foundation and RenPSG are related parties that are not financially interrelated organizations. The board of the Foundation includes one employee of RenPSG, and RenPSG provides certain administration services for the Foundation, which are outlined in an Administrative Services Agreement. In exchange for these services, the Foundation pays an administrative fee to RenPSG, which is based on the value of the individual account balances held by the Foundation. Administrative fees paid to RenPSG for the years ended December 31, 2016 and 2015 were $4,537,078 and $4,345,318, respectively.

The Foundation also maintains a line of credit with RenPSG, which is described in Note 5.

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

In 2016, no individual donor contributed more than 10% of total contributions. Approximately 17% of all contributions were received from one donor in 2015.

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Renaissance Charitable Foundation Inc.

Independent Auditor’s Report and Consolidated Financial Statements

December 31, 2017 and 2016

Renaissance Charitable Foundation Inc.

December 31, 2017 and 2016

Contents

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CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Renaissance Charitable Foundation Inc.
Indianapolis, Indiana

We have audited the accompanying consolidated financial statements of Renaissance Charitable Foundation Inc. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 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 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 financial position of Renaissance Charitable Foundation Inc. and its subsidiaries as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
February 25, 2019

Renaissance Charitable Foundation Inc.

Consolidated Statements of Financial Position

December 31, 2017 and 2016

	2017	2016
Assets		
Cash	$ 320,230	$ 110,131
Investments	1,452,035,607	1,097,263,586
Commercial annuity receivable	889,646	950,050
Other assets	-	358,276
Interest in charitable trusts	2,743,164	2,475,982
Total assets	$ 1,455,988,647	$ 1,101,158,025
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,041,432	$ 1,338,075
Grants payable	3,067,322	9,431,974
Lines of credit - related parties	370,000	275,000
Annuities payable	867,133	927,882
Total liabilities	5,345,887	11,972,931
Net Assets		
Unrestricted	1,447,899,596	1,086,709,112
Temporarily restricted	2,743,164	2,475,982
Total net assets	1,450,642,760	1,089,185,094
Total liabilities and net assets	$ 1,455,988,647	$ 1,101,158,025

Renaissance Charitable Foundation Inc.

Consolidated Statements of Activities
Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support						
Contributions	$ 446,168,584	$ -	$ 446,168,584	$ 331,679,221	$ -	$ 331,679,221
Investment income (net of broker fees of $3,264,709 and $2,538,996)	23,752,290	-	23,752,290	19,524,195	-	19,524,195
Net realized gains on investments	15,811,886	-	15,811,886	889,635	-	889,635
Net unrealized gains on investments	87,936,907	-	87,936,907	32,219,805	-	32,219,805
Change in value of split-interest agreements	1,982	267,182	269,164	(1,926)	(149,049)	(150,975)
Total revenues, gains and other support, net	573,671,649	267,182	573,938,831	384,310,930	(149,049)	384,161,881
Expenses						
Grants to charitable organizations	206,181,838	-	206,181,838	181,839,410	-	181,839,410
Management and general	6,277,456	-	6,277,456	4,874,951	-	4,874,951
Fundraising	21,871	-	21,871	941,382	-	941,382
Total expenses	212,481,165	-	212,481,165	187,655,743	-	187,655,743
Change in Net Assets	361,190,484	267,182	361,457,666	196,655,187	(149,049)	196,506,138
Net Assets, Beginning of Year	1,086,709,112	2,475,982	1,089,185,094	890,053,925	2,625,031	892,678,956
Net Assets, End of Year	$ 1,447,899,596	$ 2,743,164	$ 1,450,642,760	$ 1,086,709,112	$ 2,475,982	$ 1,089,185,094

See Notes to Consolidated Financial Statements

Renaissance Charitable Foundation Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Operating Activities		
Change in net assets	$ 361,457,666	$ 196,506,138
Items not providing cash		
Realized gains on investments	(15,811,886)	(889,635)
Unrealized gains on investments	(87,936,907)	(32,219,805)
Gifts of securities	(64,982,029)	(36,345,943)
Changes in		
Interest in charitable trusts	(267,182)	149,049
Other assets	418,680	(159,597)
Accounts payable	(296,643)	584,233
Grants payable	(6,364,652)	8,125,751
Annuities payable	(60,749)	(125,743)
Net cash provided by operating activities	186,156,298	135,624,448
Investing Activities		
Purchase of investments	(481,274,390)	(391,589,727)
Proceeds from disposition of investments	300,215,806	275,595,693
Net change in money market funds	(4,982,615)	(19,755,978)
Net cash used in investing activities	(186,041,199)	(135,750,012)
Financing Activities		
Borrowings on lines of credit - related parties	145,000	337,000
Payments on lines of credit - related parties	(50,000)	(312,000)
Net cash provided by financing activities	95,000	25,000
Increase (Decrease) in Cash	210,099	(100,564)
Cash, Beginning of Year	110,131	210,695
Cash, End of Year	$ 320,230	$ 110,131

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Renaissance Charitable Foundation Inc. (Foundation) was formed in December 2000 pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 and is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code (Code) as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code and a similar provision of state law. The Foundation is a public benefit corporation that operates exclusively to conduct, support, encourage and assist religious, charitable, educational and other programs and projects as are described in Sections 170(c)(2)(B), 501(c)(3), 2055(a)(2) and 2522(a)(2) of the Code. The Foundation's revenues and other support are derived principally from contributions and investment return.

The Foundation offers a number of charitable giving programs, including donor-advised funds, charitable gift annuities and endowment funds. The Foundation markets its charitable programs to donors through the internet, financial advisors, attorneys, CPAs and other financial services professionals. In general, the Foundation offers donors the opportunity to make lifetime or testamentary gifts to the Foundation. In addition, the Foundation offers a private-labeled donor-advised fund program to financial services firms and nonprofits. The program is an integrated turnkey solution that assists financial services companies in offering a donor-advised fund product to their clients. The Foundation has a service agreement with Renaissance Philanthropic Solutions Group (RenPSG) (formerly Renaissance Administration LLC) to provide the Foundation with outsourced administrative support services for this program, including transaction processing and accounting, administration and reporting contributions to and distributions from individual donor accounts, customer service support, preparation and filing regulatory reports and tax returns, charitable planning support and other related services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and the Foundation's wholly owned subsidiaries: Renaissance Special Gifts Foundation 3 LLC (RSGF3), Renaissance Special Gifts Foundation 4 LLC (RSFG4), Renaissance Special Gifts Foundation 5 LLC (RSFG5) and Renaissance Special Gifts Foundation 6 LLC (RSGF6) (referred to collectively as the Subsidiaries). The Subsidiaries were formed as single member limited liability companies on various dates by the Foundation to accept gifts of real estate and other nonconforming assets.

In September 2017, the Foundation created a new subsidiary, Renaissance Charitable Supporting Organization Trust (RCSOT). The 2017 consolidated financial statements include the accounts of Renaissance Charitable Supporting Organization Trust.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Financial instruments measured at fair value are classified into one of the following levels based on the lowest level of input that is significant to the fair value measurement:

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

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

As a practical expedient, fair value of hedge funds is determined using the net asset value (or its equivalent) supplied by the respective fund managers and are, therefore, classified within the investments measured at NAV of the valuation hierarchy.

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

The Foundation's financial instruments measured at fair value in the consolidated statements of financial position consist of investments and interest in charitable trusts as described in Note 2 and Note 3.

Cash

At December 31, 2017, the Foundation's cash accounts exceeded federally insured limits by approximately $18,103,280. In addition, cash and cash equivalents included in the managed portfolio of investments are included in investments.

Investments

Investments are measured and reported at fair value on a recurring basis in the consolidated statements of financial position. Net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities and changes in net assets.

The following is a description of the valuation methodologies and inputs used in the fair value measurement of investments and the classification into the applicable level within the fair value hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2017:

Money markets and cash equivalents: Where quoted market prices are available in an active market, money markets and cash equivalents are classified within Level 1 of the fair value hierarchy. Otherwise, money markets and cash equivalents are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Equity securities: Where quoted market prices are available in an active market, equity securities are classified within Level 1 of the fair value hierarchy. Otherwise equity securities are classified within Level 2 based on observable inputs that may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications.

Fixed income securities: Where quoted market prices are available in an active market, fixed income securities are classified within Level 1 of the fair value hierarchy. For fixed income securities that are not publicly traded, the pricing service may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. When such valuation inputs are utilized, fixed income securities are classified within Level 2 of the fair value hierarchy.

Mutual and common trust funds: Where quoted market prices are available in an active market, mutual funds are classified within Level 1 of the fair value hierarchy. As a practical expedient, the fair values of common trust funds and unit investment trusts (which are not publicly traded) are determined using the estimated fair values provided by the trust fund managers. Net asset value typically represents the value at which the Foundation can redeem its investment at December 31 or within a reasonable period of time and are, therefore, classified as Level 2.

Alternative investments: As a practical expedient, fair value of alternative investments is determined using the net asset value (or its equivalent) supplied by the respective fund managers. Alternative investments are therefore classified within the investments measured at NAV of the valuation hierarchy.

Fair value determinations for investments measured at NAV are the responsibility of the Treasurer of the Foundation. The Treasurer utilizes the valuations provided by fund managers to generate fair value estimates on a monthly or quarterly basis and challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting principles generally accepted in the United States of America.

Other Investments: For other investments that are not publicly traded, the Foundation may use various inputs to determine fair value. Such inputs may include one, or a combination of, observable inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data market research publications. These investments are classified within Level 2 of the fair value hierarchy. Other investments that do not have sufficient activity or liquidity are classified within Level 3 of the fair value hierarchy and include primarily interests in limited liability partnerships. In most instances, the values of the limited liability partnerships are estimated using the fair value of the investments held by the limited liability partnerships discounted at 13% for the lack of an active market on these limited liability partnerships.

The Foundation invests in numerous investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income. The activities of the subsidiaries are combined with the activities of the Foundation for tax purposes.

Note 2: Investments

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017 and 2016:

		Fair Value Measurements Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
December 31, 2017					
Investments					
Money markets and cash equivalents	$ 170,502,449	$ 170,502,449	$ -	$ -	$ -
Equity securities	110,767,571	107,865,636	2,901,935	-	-
Fixed income securities	14,223,170	7,527,436	6,695,734	-	-
Mutual and common trust funds					
Short-term cash	16,468,986	-	16,468,986	-	-
Equity funds	705,715,675	466,182,740	239,532,935	-	-
Fixed income funds	159,836,911	158,248,357	1,588,554	-	-
Other mutual funds	3,801,480	2,995,386	806,094	-	-
Alternative investments - hedge funds	203,821,339	-	-	-	203,821,339
Other	66,898,026	6,158,151	17,453,112	43,286,763	-
Total investments	$ 1,452,035,607	$ 919,480,155	$ 285,447,350	$ 43,286,763	$ 203,821,339
December 31, 2016					
Investments					
Money markets and cash equivalents	$ 137,850,319	$ 137,850,319	$ -	$ -	$ -
Equity securities	80,301,907	76,354,916	3,946,991	-	-
Fixed income securities	11,698,942	4,868,622	6,830,320	-	-
Mutual and common trust funds					
Short-term cash	16,234,677	-	16,234,677	-	-
Equity funds	496,804,885	481,990,901	14,813,984	-	-
Fixed income funds	142,305,328	140,306,899	1,998,429	-	-
Other mutual funds	3,592,313	2,387,641	1,204,672	-	-
Alternative investments - hedge funds	159,386,129	-	-	-	159,386,129
Other	49,089,086	397,351	15,316,312	33,375,423	-
Total investments	$ 1,097,263,586	$ 844,156,649	$ 60,345,385	$ 33,375,423	$ 159,386,129

An immaterial revision was made to present the fair value measured alternative investments - hedge funds of $159,386,129 at December 31, 2016 as using net asset value as a practical expedient to determine the fair value. Previously, these investment funds were classified as equity funds, fixed income funds and hedge funds within Level 2 of the fair value hierarchy.

At December 31, 2017 and 2016, approximately 29% and 32%, respectively, of the Foundation's investments were invested in various funds of an individual fund manager. In addition, approximately 9% and 10% of the Foundation's investments were invested in various funds of another fund manager at December 31, 2017 and 2016, respectively.

The following is a reconciliation of other investments classified as Level 3 for the years ended December 31, 2017 and 2016:

	Other Investments
Balance, January 1, 2016	$ 17,528,314
Total unrealized loss included in the change in net assets	(2,406,819)
Disbursements	(162,927)
Contributions received	18,416,855
Balance, December 31, 2016	33,375,423
Total unrealized loss included in the change in net assets	2,576,522
Disbursements	(2,710,899)
Contributions received	10,045,717
Balance, December 31, 2017	$ 43,286,763
Total losses for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2016	$ (2,406,819)
Total gains for the period included in the change in net assets attributable to the change in unrealized losses related to assets still held at December 31, 2017	$ 2,576,522

The Treasurer of the Foundation values the investments in good faith based on the available information, including independent pricing services, brokerage statements, investment manager reports, audited financial statements and subscription documents. Considerable judgment is required to evaluate the inputs used in the fair value measurement and classification into the fair value hierarchy. Accordingly it is possible that different valuation models or alternative inputs could result in materially different fair value measurements and different levels within the fair value hierarchy.

Other Funds and Redemption Information

Equity and fixed income funds include common trust funds, unit investment trusts, and real estate investment trusts that are not actively traded on public exchanges. While these funds are similar in many respects to traditional mutual funds, they impose limitations or restrictions on the ability to redeem shares. The corresponding fair values of the investments in these funds are estimated using the estimated fair values provided by the fund.

The following table presents redemption information regarding these funds which are classified as Level 2 in the fair value hierarchy:

	Fair Value	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2017			
Short-term cash	$ 16,468,986	Daily	Same day
Equity funds	239,532,935	Daily or monthly	1 to 11 days
Fixed income funds	1,588,554	Monthly	8 to 9 days
Other mutual funds	806,094	Monthly or quarterly	1 to 30 days
December 31, 2016			
Short-term cash	$ 16,234,677	Daily	Same day
Equity funds	14,813,984	Daily or monthly	1 to 11 days
Fixed income funds	1,998,429	Monthly	8 to 9 days
Other mutual funds	1,204,672	Monthly or quarterly	1 to 30 days

There were no unfunded commitments to the funds listed above at December 31, 2017 and 2016.

Investments Valued at Net Asset Value

The following table presents information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
December 31, 2017				
Hedge fund	$ 203,821,339	$ -	Semi-annually	30 days
December 31, 2016				
Hedge fund	$ 159,386,129	$ -	Semi-annually	30 days

Hedge Funds: These categories include investments that take both long and short positions across asset classes. Management of the funds has the ability to shift investments among differing investment strategies. The remaining restriction period for these investments was six months at December 31, 2017.

Note 3: Interest in Charitable Trusts

The Foundation is the beneficiary under charitable remainder trusts and charitable lead trusts administered by RenPSG. Under the terms of the charitable remainder trusts, the Foundation has the irrevocable right to receive a specified percentage of the remaining trust assets upon the death of the income beneficiaries or the end of a specified term of years. Under the terms of the charitable lead trusts, the Foundation receives an irrevocable annuity or unitrust amount at least annually for a qualified measuring life or a term of years. The interest in charitable remainder trusts and charitable lead trusts of $2,743,164 and $2,475,982 at December 31, 2017 and 2016, respectively, represents the present value of the expected net cash proceeds ultimately payable to the Foundation and is considered to be a reasonable estimate of fair value. The discount rate range used by the Foundation to value its interest was 1.47% to 2.21% in 2017 and 1.47% to 2.26% in 2016.

Due to the nature of the valuation inputs, the interest in charitable trusts is classified within Level 3 of the hierarchy. The following is a reconciliation of the beginning and ending balances of the interest in charitable trusts recognized in the accompanying consolidated statements of financial position using significant unobservable inputs on a recurring basis:

	2017	2016
Balance, January 1	$ 2,475,982	$ 2,625,031
Change in value of split-interest agreements included in the change in net assets	267,182	(149,049)
Balance, December 31	$ 2,743,164	$ 2,475,982
Total gains (losses) for the period included in the change in net assets attributable to the change in unrealized gains (losses) related to assets still held at December 31	$ 267,182	$ (149,049)

Note 4: Annuities Payable

The Foundation has received several contributions in exchange for gift annuities which require future payments to the donors or their named beneficiaries. The assets received from the donors are recorded at fair value. The Foundation has recorded a liability at December 31, 2017 and 2016 of $867,133 and $927,882, respectively, which represents the present value of the future annuity obligations. The liability at December 31, 2017 and 2016 has been determined using a discount rate range of 1.47% to 2.21% in 2017 and 1.47% to 2.26% in 2016. The Foundation purchased Single Premium Immediate Annuities (SPIAs) to cover future annuity obligations and recorded an asset at December 31, 2017 and 2016 of $889,646 and $950,050, respectively.

Note 5: Lines of Credit With Related Parties

As of December 31, 2017, the Foundation has a $500,000 unsecured line of credit with RenPSG, a related party. The outstanding principal balance plus accrued unpaid interest was due on December 31, 2018. At December 31, 2017 and 2016, there were outstanding borrowings of $170,000 and $25,000, respectively, under the line of credit. Interest is payable monthly and varies based on the prime rate, which was 4.50% at December 31, 2017 and 2016. This line of credit was extended through December 31, 2019.

As of December 31, 2017, the Foundation has a $300,000 revolving line of credit with a local financial institution, an executive of which is a member of the board of directors of the Foundation. The line of credit expired on April 26, 2018 and was subsequently renewed until June 30, 2019. The line of credit is collateralized by the Foundation's business assets. At December 31, 2017 and 2016, there were outstanding borrowings of $200,000 and $250,000, respectively, under the line of credit. Interest is payable monthly and varies based on the prime rate, which was 4.5% at December 31, 2017.

Note 6: Grants Payable

At December 31, 2017 and 2016, the Foundation had awarded, but not disbursed, $3,067,322 and $9,431,974, respectively, of grants to various recipients. The grants were paid subsequent to the end of the year.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets of $2,743,164 and $2,475,982 at December 31, 2017 and 2016 are subject to charitable remainder trust agreements and charitable lead trust agreements and will be available to the Foundation in future periods.

Note 8: Related Party Transactions

The Foundation and RenPSG are related parties that are not financially interrelated organizations. The board of the Foundation includes one employee of RenPSG, and RenPSG provides certain administration services for the Foundation, which are outlined in an Administrative Services Agreement. In exchange for these services, the Foundation pays an administrative fee to RenPSG, which is based on the value of the individual account balances held by the Foundation. Administrative fees paid to RenPSG for the years ended December 31, 2017 and 2016 were $5,909,879 and $4,537,078, respectively.

The Foundation also maintains a line of credit with RenPSG, which is described in Note 5.

Note 9: Subsequent Events

Subsequent events have been evaluated through February 25, 2019, which is the date the consolidated financial statements were available to be issued.